



AGENDA

Board of Trustees Regular Meeting
Thursday, June 16, 2022 at 4:00pm
Fife Lake Public Library
77 Lakecrest Ln., Fife Lake, MI 49633

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Public Comment***
5. **Consent Agenda**
 - a. Approval of Minutes – [Regular Meeting of April 21, 2022](#)
 - b. [Department Reports](#)
 - c. Finance and Facilities Committee Report – [June 7, 2022](#)
 - d. Policy and Personnel Committee Report – [June 7, 2022](#)
 - e. Financial Report – [Narrative](#) | [Expenses](#) | [Revenues](#)
 - f. Member Library Communications – [FLPL](#) | [IPL](#) | [PCL](#)
 - g. [Friends of TADL Report](#) – Donna Hornberger, President
 - h. Correspondence
6. **Items Removed from the Consent Calendar**
7. [Director Report](#)
8. [Audit Report](#)
9. **Old Business**
 - a. Policy Removal: [4.8.1 Public Access Laptops and Other Mobile Computer Devices](#)
 - b. Policy Removal: [4.5 Bulletin Board and Brochures Policy](#)
 - c. Library Closure October 14, 2022 for Staff In-service Day
10. **New Business**
 - a. New Policy: [7.10 Whistleblower Policy](#)
 - b. New Policy: [4.15 Social Media Policy](#)
 - c. New Policy: [2.9 Electronic Transactions Policy](#)
 - d. Resolution: Transfer of Funds to Michigan CLASS
11. **Public Comment***
12. **Trustee Comment**
13. **Closed Session**
14. **Adjournment**

* If you wish to speak during the Public Comment section of the meeting, please (1) wait until you are recognized; (2) approach the podium and use the microphone; (3) state your name and the county and township or city in which you reside; and (4) limit your comments to 3 minutes. Please sign in at the podium.

The Traverse Area District Library will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon 3 days notice to the Library. Individuals with disabilities requiring auxiliary aids should contact the Library Administration, 610 Woodmere Ave., Traverse City, MI 49686; (231) 932-8500 (voice/fax); libadmin@tadl.org (e-mail).



Board of Trustees Regular Meeting

MINUTES (approved)

Thursday, May 19, 2022 at 4:00pm

Interlochen Public Library

9411 Tenth St., Interlochen, MI 49643

1. Call to Order

The meeting was called to order by President Odgers at 4:10pm. Present were: Pakieser (Vice President); Sullivan (Treasurer); Wescott (Secretary); Deyo, and Jones (Trustees); Odgers (President) attended by Zoom. Vickery was absent. Also present were: Howard (Director); Radjenovich (Assistant Director for Finance and Human Resources); and Carpenter (Staff).

2. Pledge of Allegiance

All members in attendance recited the Pledge of Allegiance to the Flag of the United States of America.

Since President Odgers was attending remotely by phone, Vice President Pakieser asked the Trustees present if they agreed to President Odgers leading the meeting remotely. It was MOVED by Wescott, SUPPORTED by Deyo, to allow President Odgers to lead the meeting remotely. Jones recommended not asking President Odgers to lead the meeting since the Wi-Fi connection was not optimal for the President to speak, there was hearing distortion both ways, and without being present President Odgers could not recognize hands up, etc. It was MOVED by Jones, SUPPORTED by Sullivan, to proceed with Vice President Pakieser to run the meeting.

President Odgers expressed her support for what is best for the group but would like an ADA accommodation to vote and make comments. Zeits (Counsel) noted that under the Open Meetings Act President Odgers' vote would not technically count and suggested allowing the vote, but if a vote was close or caused a tie, it would be handled at that time.

Wescott and Deyo withdrew their motion and support. Motion by Jones CARRIED.

3. Approval of the Agenda

It was MOVED by Sullivan, SUPPORTED by Wescott, to approve the agenda as presented. Motion CARRIED.

4. Public Comment

Vice President Pakieser opened the floor for public comment. There was none.

5. Approval of Minutes

a. Regular Meeting of April 21, 2022

It was MOVED by Jones, SUPPORTED by Wescott, to approve the regular meeting minutes of April 21, 2022 as presented. Motion CARRIED.

6. Presentation – Ashley Halladay-Schmandt, Director of the Northwest Michigan Coalition to End Homelessness

(approved)

Page 1 of 4

Halladay-Schmandt addressed the public letter released by the TADL board regarding the need for a Day Shelter for the homeless and increasing behavioral issues impacting the Library. She stated that the Coalition does not believe that the Library should be the de facto Day Shelter and applauded the Library for its initiative and desire to become a partner in finding a solution to the community issue of homelessness. Halladay-Schmandt discussed the need for increased housing options, the addition of a community police officer focused on the 8th Street corridor, increased day shelter options, more support for addiction treatment and mental health service in the community, among other resources. Halladay-Schmandt answered several questions from the trustees and invited representatives from the Library to attend their next meeting.

7. Reports and Communications

a. *Director Report | Departmental Reports*

Howard confirmed her written report and added the following:

- Howard received two complimentary letters regarding staff members.
- Meeting rooms are being rented by patrons again after closure from the pandemic.
- Howard explained that a diversity audit is when the Library looks at every book in the collection and examines the parameters of views and people represented or not represented, as a way to round out missing items.

Trustees Pakieser and Deyo attended the TADL MakerFest noting that it was fun, educational, and run very well.

b. *Financial Reports*

Radjenovich confirmed her written report for April and noted the following:

- Revenues: A small community grant recently received from the Grand Traverse Community Foundation has been applied to the Bookmobile. Sale of the swag items is still going strong.
- Expenses: Expenditures are in good standing.

c. *Member Library Reports*

- Jennifer Thomet, Director of Interlochen Public Library, reported that the Fiends of IPL have a plant sale coming up. For the Summer months IPL will hold InterTalk, where patrons perform a story from their life in 10-15 minutes. IPL will also be starting a Robotics Club with grant money received. Thomet introduced IPL board members present at the meeting.
- Kendall Spratt, Director of Fife Lake Public Library, reported that FLPL is looking at an expansion project, with the big goal of bringing more young people into the library. The existing school libraries are outdated, and contracting with the school and providing services to the students has been very successful. FLPL is becoming a part of the AmeriCorps Vista program, at no cost to FLPL, to expand library services to the students.

A written report was included in the board packet from Vicki Shurly, Director of Peninsula Community Library.

d. *Committee Reports*

- Finance and Facilities and Services Committee – Jones noted that the committee had met and the bathroom renovation RFP is on hold until a new Facilities Manager is on board, and

the roof project is on hold waiting for results of the temperature reading. The committee recommended renewing the book leasing program and increasing the amount for the bookmobile interior build-out, both items later on the agenda.

- Policy and Personnel Committee – Wescott noted that the committee had met and discussed a forum article for submission to the Traverse City Record Eagle. They discussed and recommended approval of several policies later on the agenda.

e. *Other Reports and Communications*

- Friends’ Report – Donna Hornberger, TADL Friends Board President
Hornberger reported that the June book sale will be open to the public for three days this year. Friends of TADL members will get half price on books.

8. **Old Business**

a. *Policy Revision: 1.1 Bylaws of Traverse Area District Library Board of Trustees*

Howard noted that Zeits (Counsel) has already reviewed the bylaws. It was MOVED by Jones, SUPPORTED by Sullivan, to amend the bylaws as presented. Pakieser emphasized that intent of the Consent Calendar was to facilitate movement of the agenda while giving the trustees an option to pull a topic from it for more discussion if desired. Motion CARRIED.

b. *Policy Revision: 2.4 Disposal of Materials, Furniture, and Equipment Policy & Policy Removal: 5.2 Disposal of Withdrawn Collection Materials Policy*

With the recommendation of the Policy and Personnel Committee, it was MOVED by Jones, SUPPORTED by Wescott, to remove policy 5.2 Disposal of Withdrawn Collection Materials as the information is included in the revised policy 2.4. Motion CARRIED.

It was MOVED by Sullivan, SUPPORTED by Jones, to approve the revision to policy 2.4 Disposal of Materials, Furniture, and Equipment Policy as presented. Motion CARRIED.

c. *Policy Revision: 4.8 Digital Device and Internet Acceptable Use Policy*

It was MOVED by Jones, SUPPORTED by Wescott to approve the verbiage revisions to policy 4.8 Digital Device and Internet Acceptable Use Policy as presented. Motion CARRIED.

d. *Policy Review: 4.10 Opioid Antagonist Administration Policy and Procedures*

It was MOVED by Deyo, SUPPORTED by Wescott, to approve the review of policy 4.10 Opioid Antagonist Administration Policy and Procedures as presented. No information was changed in the review. Jones requested that the board of trustees receive Naloxone training at their next board retreat. Motion CARRIED.

e. *Renewal of the McNaughton Book Leasing Program*

The McNaughton book leasing trial phase has been working out well and Howard would like to continue with the service. It was MOVED by Jones, SUPPORTED by Sullivan to renew the McNaughton book leasing service from July 2022 through June 2023, for \$64,080. Howard noted that if the renewal payment is made before June 2, 2022, TADL would receive a 2% discount on the total price. A roll call vote was taken with the following results:

Deyo – aye	Sullivan – aye	Vickery – absent
Wescott – aye	Pakieser – aye	
Odgers – aye	Jones – aye	

Motion CARRIED with 6 ayes.

f. *Resolution: Increase in Approved Amount for the Bookmobile Interior*

With a recommendation from the Finance and Facilities Committee, it was MOVED by Jones, SUPPORTED by Deyo, to approve an increase in the amount of the expenditure for the build-out of the bookmobile interior due to increased prices since the original bid request, in an amount not to exceed \$35,000. A roll call vote was taken with the following results:

Deyo – aye	Sullivan – aye	Vickery – absent
Wescott – aye	Pakieser – aye	
Odgers – aye	Jones – aye	

Motion CARRIED with 6 ayes.

9. **New Business**

a. *Discussion Regarding Banned/Challenged Books*

The board was provided with several articles on Banned Books. As part of the TADL polices, the TADL Board of Trustees previously affirmed and approved the American Library Association's (ALA) Freedom To Read and Freedom To View polices as foundations of the Traverse Area District Library. The trustees discussed and asked questions about book challenges and how they are handled. Howard emphasized that it is the Library's job to make all materials accessible to all patrons and does not interfere with parenting roles. She feels that, with the ALA policies and TADL's Collection Development policy, the Library is equipped and prepared to respond to any materials challenge.

b. *Proposed Forum Article*

Howard gave credit to Brady, Marketing and Communications Manager, for the revised forum article presented. It was MOVED by Jones, SUPPORTED by Wescott, to accept the forum article and submit it to the Traverse City Record Eagle for publishing. Sullivan suggested sending it to the Northern Express magazine as well. Motion CARRIED.

10. **Public Comment**

Vice President Pakieser opened the floor for public comment. There was none.

11. **Trustee Comment**

With a general consensus, the trustees were glad that the board's day shelter letter was effective in garnering some movement in further addressing homelessness in the community.

Vice President Pakieser thanked the Interlochen Public Library for graciously hosting the TADL board meeting.

12. **Adjournment**

With a motion to adjourn by Jones, supported by Wescott, Vice President Pakieser adjourned the meeting at 5:44pm.

Respectfully submitted,

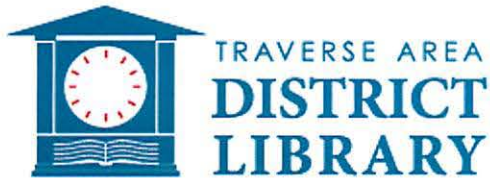


V. Carpenter, Recording Secretary

Approved by board vote on June 16, 2022



J. Wescott, Board Secretary



Departmental Reports
for the month of May
(June 16, 2022 Board Meeting)

Adult Services

- As part of our Community Conversations series, in conjunction with a group of local AAPI residents with support and funding from Northern MI E3 and The Community Foundation, there were three Asian American & Pacific Islander Heritage Month celebration events held on 3 consecutive Monday evenings. All included opportunities to view films (*Minari* on 5/9 and *Vincent Who?* on 5/16), have meaningful discussions, and share good food from local AAPI restaurants. A total of 146 people participated in the three programs!
- TADL was asked by Parallel 45 Theatre to participate in a panel discussion about the importance of diversity in books on the evening of May 19th, after their play *Gary: a Sequel to Titus Andronicus*. Director Michele Howard represented TADL on the panel and was joined by NMC Library Director Kerrey Woughter.
- In May, the Adult Services Dept. held the following programs (in addition to those mentioned above):
 - The second Community Conversation: Addiction & Recovery program was held on Tuesday, 5/24 and 56 in-person and 6 online attendees learned about services available to assist families who are supporting someone suffering from Substance Use Disorder. We had 10 local organizations participate in the table discussions before and after the presentation.
 - Our second Bird Walk, held in conjunction with the local Audubon chapter, saw 20 people out walking at 7:30 am on the Sunday morning of Memorial Day weekend!
 - Books & Brewskis met again in person at Silver Spruce Brewery with 9 people attending the discussion of *Crying in H-Mart* by Michelle Zauner. Queer Tales, continues to meet online and had 2 person attend this month to discuss *The Chosen and the Beautiful* by Nghi Vo.
 - We had three local history programs this month:
 - The Traverse Area Historical Society held two hybrid meetings. The presentation by Jim Warner on 5/1 was on the history of the talking machine and had 19 people attending in person, 10 live via Zoom, and 5 views of the [video](#) to date. They also held a program on 5/15 about researching your family history that had 15 in-person, 8 online, and 5 video views.
 - A presentation on the Bath School Massacre had 12 people attend in-person, 14 live online, and 14 views of the video so far.
 - TADL Stitchers met 5 times in-person with a total attendance of 35.

- May Adult Services Statistics:
 - Questions Answered In-Person - 1039
 - Questions answered via Phone - 488
 - Questions Answered via Email/Chat - 64
 - RA/Tech Help - 39
 - Notary Signatures - 16, Tests Proctored - 1
 - Craft Kits Distributed - 50 (Painted Clay Jewelry Holders)

Respectfully submitted,
 Melissa A. McKenna
 Adult Services Department Head

Youth Services

May has been an active month for Youth Services. We restarted several outreach activities including 1st grade visits, preschool visits, and our Summer Library Challenge promotional video.

At the tail end of April, we found out that our Friends of the Library were able to pay for busing to and from the library for 1st grade classes that had not been able to visit in March. So after connecting with Stephe Luyt, TCAPS Elementary Library Coordinator, we began scheduling 1st grade visits to the Main Library and ensuring each child had a library card. Thank you to all of the members of our Circulation staff who hustled to make accounts and attach cards while classes visited and a big thank you to our Youth Services staff who jumped at the opportunity to show off our department to these classes. It was a first for many of our staff and definitely a first (field trip) for the students. Everyone was delighted with how the visits turned out. In May alone, we had 25 classes visit Youth Services with many new library cards, as well.



In addition to the 1st grade visits, our new early literacy librarian Polly O'Shea began leading preschool and daycare visits using the new Bookmobile. These visits were well received and we were able to reach nearly 100 community members with news of Storytimes, the Summer Library Challenge, and our 1000 Books program. Andy Schuck also led two outreach efforts, one during the Space StartUp Week at The Dennon Museum and another at the Long Lake Elementary Literacy Night program. In total, Mr. Andy visited with over 220 community members at those programs.

Because we decided to host 1st grade visits at the library this month and also due to some uncertainty over visiting schools in May, the Youth Services department created a Summer Library Challenge promotional video for distribution to schools. In keeping with the *Oceans of*

Possibilities theme this summer, we went with an adaption of the book, [I'm a Shark](#) by Bob Shea. It can be viewed on [TADL's YouTube page](#). So far, over 20 classes have viewed the video.

Youth Services continued to host a weekly storytime for families to attend over the month of May. These mainly occurred on the front lawn of the library, but a couple also were located in the Youth Services StoryRoom. One such program was a STEAM Storytime based on training from the Franklin's Institute's Leap Into Science program. Mr. Andy led families through stories and a series of scientific inquiry for preschool aged children about balance. Fun and learning was had by all. We also hosted two Saturday programs with Challenge Island NW MI (STEM Wars) and our final TSO Tots with TADL of the spring.

Staff have been working hard in preparation for this year's [Summer Library Challenge](#) (formerly Summer Reading Club). Phone calls to various local businesses for coupon prizes, ordering ocean and water themed books, creating reading lists, decorating the department, preparing Dial-a-Story features with the IT Department, preparing for staff-led programs, organizing volunteers, and getting familiar with the Beanstack software are just a few of the duties we've been working at. Summer is always an exciting time for our department and we are going to be ready to have fun and make great connections with our community.

Speaking of Beanstack, Andy Schuck has been busy with some behind the scenes learning and coordinating. Training modules and a Quick Start Guide were released to staff on May 9th. It's going to be a bit of a learning curve with new recording software for the first time in over a decade, but once staff and patrons get the hang of it, we'll most certainly take off. Beanstack can also be used for other reading challenges throughout the year (like 1000 Books Before Kindergarten, a Winter Reading Challenge, monthly themed Book Challenges, and more), so we're excited to see the possibilities!

Andy Schuck
Head of Youth Services

Teen Services

In May Teen Services passed out 83 craft kits and 28 blind book boxes. If you take a look in our department you will see the work of our teen leadership group. They experimented with different materials until they came up with a good method for making jellyfish. They created the jelly fish and bubbles that hang from our ceiling.

As the school year comes to a close, we are evaluating our new volunteer program. Throughout the school year 136 teens signed up to volunteer at the library. Some of these teens did their volunteer work at other locations. Of the ones who volunteered at the Main location, they contributed 411 hours. Volunteers completed 61 tasks, from dusting to assembling craft kits, in the month of May. We have learned a lot this past year and will be adjusting some of our processes, but all in all this has been a great experience. Formalizing the volunteers and our expectations of them has given us the ability to accommodate many more teens than we could previously. I believe it has also been a good experience for the teens as well. Stop by the Braille

program on July 23 and you will get to experience a program created and run by a teen volunteer.

Linda Smith
Head of Teen Services

Sight & Sound

Warmer temperatures and May flowers bring patrons out and about more. We started getting new patron experiences again. "This library is amazing!" "Do other libraries have this many cool things?" That's always a highlight.

The McGuire Community Room has returned to near pre-pandemic use. It's not quite that busy but, we are hosting multiple events per week. Sometimes two events per day. A highlight of the events have been the Community Conversations series hosted by Mellissa McKenna and the Adult Services Dept. My objective, as always, is to make the technology run smoothly. We used the TriCaster to record the AAPI Asian American Pacific Islander Heritage Month event and it is available to watch here with this [link](#).

After months of working with Scott and William, we have a fully functioning Mobile Hybrid Station. This device allows us to host a zoom meeting and also switch between several HD Web cameras on a moving cart. This isn't a simple device, but with proper time to train staff and crystal clear documentation we are able to deliver high quality virtual access for our patrons. We are feeling good about the progress and all the teamwork that went into making it work. This system is for use around the building or for short periods of time out on the lawn. It does require being plugged in to work.

Thanks to Michele, midway through the process of building the Mobile Hybrid Station we received an ARPA equipment grant. The gear mostly arrived in late April, but we didn't have it all together until more recently. This kit of mobile hybrid equipment contains some great gear. The brand new Dell laptop went into service in the McGuire Room as the primary meeting room computer to generate maximum statistics. The other gem in this group of gear, a Canon EOS 3000D to be used as an ultra high definition webcam. We are still dialing this equipment into the Mobile Hybrid system to make the most of what it offers.

Notable:

- Working with TACM on the LWVGTA fall / winter public meetings.
- Planning for SLC finally party activity.
- Lots of new Library of Things arriving on the shelf soon!
- AAPI Heritage Month Display by Shannon
- Highlights from [instagram.com/tadl_sight_sound/](https://www.instagram.com/tadl_sight_sound/)



TADL Meeting Room Stats May 2022

Total: 111

TADL meetings: 41

Personal/Outside Group Meetings: 70

Paid Meetings: 3

Unpaid Meetings: 108

Walk-ins: 35

Advance Reservation: 76

Number of Meetings by Rm May 2022

McGuire Room: 32

Thirlby Room: 45

Study Room D: 34

Aaron: Hybrid Meeting Technology, S&S Staff meetings and AV training, As always helping patrons.

Thanks for reading.

Aaron

Circulation

May was a busy month for Circulation! 25 first grade classes visited the library, and we were able to create cards for many excited children. Our curbside pickup numbers are holding steady, but the nice weather has encouraged more patrons to visit us inside.

The new welcome packets which debuted last month have been a big hit. We have seen an increase in new patrons visiting the library, and they love to see all the amazing services and privileges we offer here.

Also in May, we lost a circulation staff member...but gained a new Facilities Manager! Bret Boulter's dedication and professionalism will be missed in Circulation, but we're so happy that he will be taking on this new role. Pam Mingus has accepted the full-time position which Bret vacated.

- New patron accounts created: 245
- Curbside pickups for May 2022: 44
- Notary Public Service requests filled: 9
- Circulation Statistics for MeLCat, May 2022:
 - TADL items sent to borrowing institutions: 1204
 - TADL items received from lending institutions: 1742

Respectfully Submitted,
 Josh Denby
 Department Head, Circulation

Marketing and Communications

Summer reading is akin to the Super Bowl in the marketing department, with a new point system plus a new reading tracker this year is very much the same! Summer reading has its own suite of web pages and materials for all ages - developed in conjunction with the departments. There is also a concerted media effort with our partner Midwestern Broadcasting plus additional ad placement.

The golden ticket program, which started in April as a way to provide an extra positive serendipitous experience at the library, is fun to watch. As of this writing 18 of 40 tickets have been discovered. Each department hid 10 in places of their choosing - secret even to me! Each ticket can be redeemed for a small tote bag or water bottle.

Other notable items - Michele and I volunteered at the TC New Tech May Pitch Night at the Opera House, and I watched a webinar on Donor Advised Funds (as a potential method of library donations). Also, the new library cards are in (pictured at right) and the welcome brochures have been flying out the door with all the new library cardholders.



In a followup to a previous board meeting question, the James Webb Space Telescope First Images are scheduled for July 12. We do not yet know how many we will receive or what they will be. A preliminary page went up this week: tadl.org/webb

Website: 10,700 page views

Press: Ticker May 4 (Safe Harbor); Record-Eagle May 5, 7, 14 (AAPI); 9&10 May 19 (AAPI), May 17 (Addition & Recovery); Ticker May 15 (Gamechangers); IPR May 25 (Jerry Dennis)

Heather Brady
Marketing & Communications Manager

Human Resources

Human Resources – We continued to do the employee shuffle over the last month. With Bret moving into the position of Facility Manager we've had to do the hiring domino game. Pam Mingus was selected to go from a part time position in Circulation to a full time position to replace Bret. To replace Pam, Amber Schroeder was selected to move up from a Circulation page position. We will now be looking at how to shuffle schedules to fill her position. We also hired Kris Milock to work as a page in the Circulation Department and Nerissa Godfrey as a Substitute and Intern.

I have been working with Michele and Vicki to update all of our Job Descriptions, Employee Handbook and Policies. There never seems to be an end to them! Vicki has been diligently working on ideas for the employee In-Service day and also on new ideas for training and discussion at our monthly Leadership meetings.

Finance – With the completion of the audit and the library finance class, I had high hopes of getting caught up on numerous projects but somehow that never seems to happen. Things are moving very slowly with the transfer to our new accounting software but I am sure that will probably change in the next month as things start ramping up. In the meantime, Danielle and I are working on cleaning up our vendor lists and accounting codes. Danielle has also been busy with managing and submitting all of the required grant receipts. Grants bring needed funding but they also come with extra work. Danielle is a whiz at wrangling all of the receipts for submitting to the state for which she received a compliment from the Library of Michigan on her organization!

For a more in-depth look at our finances, please see the analysis portion of my report attached to the financial statements.

Deb Radjenovich
Asst. Director for Finance and HR

TADL Talking Book Library

- I attended Libraries without Walls: Freedom to Technology conference in Lansing. I learned about different adaptive technologies that are available for visually impaired people.
- The National Library Service (NLS) had its annual conference. It was virtual. I attended both the conference and the training sessions they had the day before. I learned about some changes that will be happening in the next year.

- It's baseball season. There was a featured post on the TBL page of the website highlighting some of the books that are available about baseball on BARD.
- Cedar Creek Senior Apartments is a new monthly outreach. I went there for the first time in May in the bookmobile.
- This month Tuesdays @ Two book group discussed "The devil in the white city" by Erik Larson.
- Melissa McKenna and I attended the Parkinson's Forum at the Hagerty Center. We talked to over 80 people. Most were library patrons and loved TADL.

Anita Chouinard
Talking Book Library Manager

East Bay Branch Library

- In April, Matt met with every elementary classroom at Grand Traverse Academy to talk about the library and its services, and even drove the Bookmobile to the school to deliver their new library cards. Then Matt and Jeanie visited every junior high classroom in May. There has been a nice increase in student visits to the library since the beginning of the library card program.
- Special guest Miriam Picó joined Matt for a special *Día de los Niños* edition of Sing & Stomp at the end of April. It was crowded, but fun!
- Book Club met to watch Joy Harjo, and stayed afterward to discuss the interview and her poetry.
- East Bay staff created three book displays in May for AAPI Heritage Month.
- Chantel (with help and advice from Colleen in Teen Services) has been developing a game collection which will start circulating soon.
- We are busy preparing for Summer Library Challenge. In particular, we are excited to be a part of the Scholastic Literacy Partnerships, where we can get books at a very low price to give away to children.
- Sing & Stomp attendance has continued to grow, with our current record now at 31 attendees on the last Wednesday in May.
- We've ordered some new shelving for the children's room, and installed some temporary shelving to ease the crowding in the youth and teen collections.



Respectfully submitted,

Matt Archibald

Branch Manager

Kingsley Branch Library

Classroom visits from Kingsley School students are going strong; we have 9 classes that come weekly. During May, we also invited each class in all three buildings to be part of a community art project based on the book "You Be You," by Linda Kranz. The book's message encourages readers to be themselves, as diversity and acceptance of each other creates a beautiful world. The art installation and accompanying book walk are part of our Summer Library Challenge. Over 730 Kingsley School students, homeschool children, and library patrons painted "fish" to add to the display, which will be in the Children's Garden through the summer.



Special thanks are extended to our supporters and community partners, especially Blue Star Landscaping, Diane & N.C. Schrader, Delta Kappa Gamma Society, and

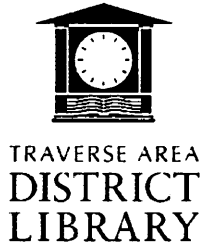
Susan Theil; we couldn't have done this empowering youth engagement program without them! This project also could not have happened without early literacy librarian Beth Anderson's dedication. The project was even featured on 9&10 News!

<https://tinyurl.com/5h8wtxmw>

Respectfully submitted,

Amy Barritt
Branch Manager





TADL Board of Trustees Finance & Facilities Committee

June 7, 2022
4:00 pm ~ McGuire Room

610 Woodmere Ave. / Traverse City, MI / 49686

Attendance: C. Sullivan, P. Deyo, and J. Jones, Trustees, D. Radjenovich, B. Boulter, and M. Howard, staff.

Agenda Approval: The agenda was approved.

Minutes Approval: Minutes from the May 3, 2022 Finance and Facilities and Services Committee were approved.

Public Comment: No public comment.

Finance:

Audit Report:

H. Wendell from Dennis, Gartland & Neirgarth, CPA gave a summary of the findings from the audit and answered questions. TADL received a clean audit as with past years. It was motioned by Deyo and seconded by Jones to forward this for acceptance at the June Board meeting. Motioned passed.

MI Class Representative, K. Angel:

K. Angel presented some information about MI Class as an investment tool. TADL does have an account but no money has been transferred. There was much discussion with Radjenovich suggesting to transfer \$400,000 from the Fifth Third Money Market account to MI Class. Sullivan made the motion to forward this suggestion to the full Board at the June meeting for approval. Jones supported the motion. Motion passed. Howard and Radjenovich will clarify internal controls with MI Class, and have some earnings data about the Money Market account for the June meeting.

MERS Pension Liability:

During the Audit presentation, TADL is listed at 97% funded with a remaining balance of \$236,280. Howard passed out our current MERS standing as provided by MERS which only contains data up to 2020 and listed as 83% funded.

Balance of Library Funds:

Howard and Radjenovich will have this data for the August meeting.

Lighting Project Savings

Howard passed out some information that shows a comparison of kilowatts used between 2019 to 2022. Since 2020 and 2021 years had reduced hours and closures, they are not good for comparison. So far this year for December to April, TADL has save about 56,520 kilowatts in lighting energy by make the conversion to LED lights. This equates to approximately \$3,255 which is on par for what we expected to save each year in electricity pricing alone.

Roll Call Votes for Financial Matters

Howard, Radjenovich, Carpenter and Zeits all reviewed TADL policies and there is not a policy requiring roll call votes for financial issues. It is only a current practice by the board. Howard inquired whether the Trustees would like to make this a policy. All declined the offer.

Facilities:

Local History Collection Location:

Howard discussed working with partners to explore the idea of the Local History Collection being housed in the old Carnegie Library. Howard will continue to explore this idea.

Introduction Bret Boulter, Facility Manager

Howard introduced Boulter to the Trustees. Boulter's past jobs in construction, maintenance and project management combine nicely for his new position as Facility Manager. He's looking forward to the opportunity.

Next Meeting Date / Time: August 2, 2022 at 4:00pm.

Next Meeting Topic Suggestions: Roof updates, bathroom updates, updated MERS debt amounts, and balance of all the library funds.

Public Comment: No public comment.

Adjournment: The meeting adjourned at 5:47 pm



TADL Board of Trustees Policy and Personnel Committee

June 7, 2022
10:00 am Thirlby Room

610 Woodmere Ave. / Traverse City, MI / 49686

Attendance: M. Pakieser, M. Vickery, J. Wescott, Trustees; M. Howard, D. Radjenovich, and M. Myers, staff.

Agenda Approval: The agenda was approved.

Minutes Approval: The minutes of the May 3, 2022 meeting were approved.

Public Comment: There was none.

Policy:

Overview of Policies that have been Update

7.10 Whistleblower Policy

Howard and Radjenovich recently became aware of some required policies per the Library of Michigan. This is one of those policies and Howard worked on this as a part of her Government Accounting class project. There was much discussion about the importance of this and the employee manual. It was motioned by Vickery and seconded by Wescott to forward this for approval at the June Board meeting after legal review from K. Zeits. Motioned passed.

4.13 Social Media Policy

This policy was drafted by Brady in response to the potential need to remove inappropriate comments from the library social media in line with other TADL policies including the Behavior Policy. It was motioned by Pakieser and seconded by Wescott to forward this for approval at the June Board meeting after legal review from K. Zeits. Motioned passed.

2.9 Electronic Transactions Policy

Radjenovich explained that is another one of the mandatory policies required by the Library of Michigan. We have been already doing Electronic Transactions (ACH) and this policy clarifies and formalizes the process. It was motioned by Vickery and seconded by Wescott to forward this to the Finance Committee for review and then to the June Board meeting. Motioned passed.

Removal: 4.8.1 Public Access Laptops and Other Mobile Computer Devices

Due to the updated 4.8 Digital Devices and Internet Acceptable Use Policy, this policy is no

longer needed. It was motioned by Pakieser and seconded by Wescott to place the removal of this policy on the June Board Meeting. Motioned passed

Removal: 4.5 Bulletin Board and Brochures Policy

Howard explained that most flyers TADL now receives are not eligible to be displayed because of content or charging for services. This process of contacting the flyer distributor is onerous and timely. Staff would rather use these important spaces to promote all library events including members and branches. It was motioned by Wescott and seconded by Vickery to place the removal of this policy on the June Board Meeting. Motioned passed

Next Meeting Date / Time: August 2, 2022 at 10:00 am.

Next Meeting Topic Suggestions: Continued Policy Review; Naming Policy

Public Comment: None

Adjournment: The meeting adjourned at 11:05 am.

Financial Report Analysis for May 2022

Revenue – We haven't yet received the remaining taxes from the TIF oversight but we have received the first half of our State Aid in the amount of \$52,080.

We received a grant from the Northland Co-op in the amount of \$17,125. \$16,625 of this grant paid for our digital magazines. An additional \$500 was for educational purposes and was applied to conference fees for an employee.

We received a bump in our Sales this month with the receipt of a check for \$3100 from the sale of more of the Charles Saunders jazz collection. This was a tremendous collection that was gifted to the library in 2017. Part of the donation was incorporated into the library collection with the remainder being slowly sold through various means. Revenue from the sales of the collection are reserved for jazz related programming.

Our investments improved slightly this month. It was not a huge recovery but it is a step in the right direction.

Finally, each donation we receive, no matter the amount, always brings a feeling of job satisfaction that we are doing the things that our patrons are wanting and appreciating. That feeling was multiplied this month when we received a wonderful and unexpected donation of \$10,000. This is an incredible amount and the request was that some of it be spent on the employees.

Expenditures – Our expenditures are on track but there are a couple of things that I would like to highlight. If you are looking at our supply line in comparison to last year, please keep in mind that when we changed the dollar amount of what is considered a capital expense item many of the items that used to be down in the capital expense category is now showing up under general supplies. However, our supplies did take a jump from last month. This is mainly due to the departments preparing for the Summer Reading Challenge to include the purchase of the Summer Reading Challenge t-shirts! The Tech department also had a purchase of computers this month.

Also of note is an increase in the Books, Media and Online Resources line item. Along with regular purchasing there was the \$61,000 contract with Broadart for leased books. This will be decreased some as I will apply some of this cost to next year.

We have several employees taking college courses this year and you will see some of those costs showing up under Education & Travel.

Looking at utilities, you will see that we are almost \$5000 more than last year. Breaking this down, our electric usage, after the lighting project, decreased about 50,800 KW hours from the same months in 2019 which was the last closest year to our current hours. When comparing our actual savings over the 2019 time period that amount is \$3450. Our savings over a year

ago, is only \$685. Countering this savings, we had an increase of \$4100 in our natural gas costs and increases in our water, sewer and trash to make up that \$5000 increase.

The last item I'd like to point out is the increase from last month in our capital outlay. This is due to the purchase and installation of a new work counter for the Circulation department at a cost of \$5875.

In summary, our percent of year complete is 41.7% and our expenditures stand at 50.8%.

Deb Radjenovich

Assistant Director for Finance and Human Resources

TRAVERSE AREA DISTRICT LIBRARY
EXPENDITURES
MONTH ENDING
MAY 31, 2022

CATEGORY	BUDGET	2022 YTD	2021 YTD	VARIANCE	% OF BUDGET
Salaries & Wages	2,534,599	1,078,559	923,650	1,456,040	42.6%
Social Security/Medicare	71,900	26,921	23,602	44,980	37.4%
Health/Hospitalization	378,330	203,543	154,404	174,787	53.8%
Vision Insurance	4,150	2,106	1,572	2,044	50.8%
Dental Insurance	30,150	14,158	14,073	15,992	47.0%
Life Insurance	8,850	4,037	3,161	4,813	45.6%
MERS Defined Contribution Retirement	160,000	70,837	58,786	89,163	44.3%
MERS Unfunded Liability	120,000	50,000	50,000	70,000	41.7%
401K Retirement Contribution	120,400	41,211	42,688	79,189	34.2%
Unemployment Comp.	0	0	0	0	0.0%
Workers' Compensation	8,000	0	0	8,000	0.0%
Disability Insurance	15,500	7,138	2,285	8,362	46.1%
Office/Cat./General Supplies/Postage	166,450	93,557	41,463	72,893	56.2%
Covid-19 Supplies	1,000	126	2,587	874	12.6%
Books/Media/Online Resources	606,300	353,664	278,339	252,636	58.3%
Repair & Maintenance Supplies	6,750	2,124	1,339	4,626	31.5%
Professional & Contractual Services	242,674	75,714	74,295	166,960	31.2%
Communications	36,480	11,073	10,029	25,407	30.4%
Education & Travel	55,657	14,192	6,934	41,465	25.5%
Printing & Microfilming	2,900	0	0	2,900	0.0%
Advertising & Outreach	19,250	2,299	3,242	16,951	11.9%
Insurance & Bonds	38,490	31,686	33,113	6,804	82.3%
Utilities	103,200	36,275	31,480	66,925	35.1%
General Building & Grounds Maintenance	320,991	135,750	100,233	185,241	42.3%
Member Allocations	629,000	639,000	569,720	(10,000)	101.6%
Miscellaneous	3,800	0	55	3,800	0.0%
Property Tax Reimbursement	6,500	279	3,813	6,221	4.3%
Furniture/Equipment/Software	53,550	25,521	31,822	28,029	47.7%
Contingency	6,000	0	0	6,000	0.0%
TOTAL EXPENDITURES	5,750,871	2,919,770	2,462,683	2,831,101	50.8%
2022 APPROVED BUDGET					
EXPENDITURES BY CATEGORY					
Personnel	3,451,879	1,498,510	1,274,220	1,953,369	43.4%
Supplies	780,500	449,472	323,728	331,028	57.6%
Other Services and Charges	1,458,942	946,268	832,914	512,674	64.9%
Capital Outlay	59,550	25,521	31,822	34,029	42.9%
TOTAL EXPENDITURES	5,750,871	2,919,770	2,462,683	2,831,101	50.8%
This statement reflects activity through the fifth month of the 2022 fiscal year.					
Percentage of the year completed 41.7%.					
Certain items with higher percentages may have been paid annually for the fiscal year.					

TRAVERSE AREA DISTRICT LIBRARY
REVENUE
MONTH ENDING
MAY 31, 2022

CATEGORY DESCRIPTION	BUDGET	2022 YTD	2021 YTD	VARIANCE	% OF BUDGET
Property Tax (Current, Delinquent, Other)	5,323,447	5,317,116	5,161,912	6,331	99.9%
State Aid - Library	106,389	52,080	41,879	54,309	49.0%
State Aid - TBL	41,075	20,536	20,536	20,539	50.0%
Local Support - TBL & Other Grants	10,630	38,813	76,534	(28,183)	365.1%
Fees/Services	41,650	29,086	29,071	12,564	69.8%
Sales	19,080	16,401	6,548	2,679	86.0%
Penal Fines - \$154,900 for this Category		0			
Penal Fines - Grand Traverse Co.	130,000	0	0	130,000	0.0%
Penal Fines - Leelanau Co.	5,900	0	0	5,900	0.0%
Penal Fines - Benzie Co.	19,000	0	0	19,000	0.0%
Overdue Fines/Replacement Fees	15,000	9,237	5,903	5,763	61.6%
Interest & Dividends/Gains/Losses on Inv.	5,650	(46,681)	2,470	52,331	-826.2%
Rents & Royalties	2,200	800	0	1,400	36.4%
Contributions	30,850	17,018	12,956	13,832	55.2%
Misc Revenue & Reimbursements	0	660	16,152	(660)	
TOTAL REVENUE	5,750,871	5,455,066	5,373,961	295,805	94.9%
Transfer In				0	
Use of Fund Balance				0	
TOTAL	5,750,871	5,455,066	5,373,961	295,805	94.9%
TOTAL REVENUE, TRANSFERS & USE OF FB	5,750,871	5,455,066	5,373,961	295,805	94.9%
TOTAL EXPENDITURES	5,750,871	2,919,770	2,462,683	2,831,101	50.8%
REVENUE OVER (UNDER) EXPENSE		2,535,296	2,911,278		
This statement reflects activity through the fifth month of the 2022 fiscal year.					
Percentage of the year completed is 41.7%.					



Director's Report
Kendall Spratt
June 8, 2022
Fife Lake Public Library
Lakecrest Ln., Fife Lake, MI 49633

Summer Library Challenge: The summer reading program is now called Summer Library Challenge. The reason behind this change is that we are trying to encourage more than reading, although encouraging patrons to read, we also want to encourage them to attend events, check out a STEM kit, do a craft and many other activities. During the summer library challenge we hope to partner with The Early Learning Center and SEEDs. We have crafts lined up every week on Wednesdays and will have grab n' go bags with the craft for patrons who can not come in on Wednesday's to participate in the craft in person. We have small prizes every week, which include stickers and bookmarks. We are also hoping to partner with Twisted Sister again to provide ice cream coupons as a prize for patrons. We have 104 patrons signed up for the Summer Library Challenge! And of those 104 patrons over half of those signed up are teen patrons from the school!

Forest Area Schools Partnership: These last 2 weeks we have been focusing on getting student feedback, getting all of our books checked in and signing students up for summer reading. We have more teens interested in the summer reading program than we have in the last 2 years, which is usually our toughest demographic to interest. We have been encouraging students to visit the public library during the summer while the school library is closed. We have several students who want to volunteer this summer at the public library and at the middle and high school library. They are excited to be able to help organize and decorate the school library. I am pleased the students are taking ownership and feeling pride in their school library.

Upcoming Events:

June 10–Blood Drive 11:30am–4pm
June 16–TADL Board meeting at Fife Lake 4pm
July 12–Mermaid Program at the beach 12pm–1:30pm
July 20–Music program for kids 1–2pm
July 27–End of Summer Library Challenge party

Employee Spotlight: Justine Groesser was hired last September. She is a pleasure to work with and is wonderful with patrons. In the last 2 months she has really stepped up and become a leader among the staff. She is willing to work on any project, she is a fast learner and really has a thirst to learn more and more about the library. She is never idle and when she finishes one task she moves on to another task. She can see what needs to be done and does it. I have really come to rely on Justine. She has been instrumental in planning and executing the Summer Library Challenge, from decorating to assembling many, many boxes for teens and swag bags for the other age groups, to simply being a sounding board for me as I talk out my ideas. I am grateful to have an employee like Justine and the library is lucky to have her also.

Donation and Grants: We received the speaker system and canopy from the MI-83 grant this month. We are excited to put them to use this summer. We received a \$200 donation for patron programs.

Circulation May 2022: 1,934
Circulation May 2021: 1,195

New Patron May 2022: 3

Here is what staff and students are saying about the school library:

Mrs. Butts (Middle school English Teacher):

I am very grateful to the FL Library for creating accounts for all the FAMS students and for providing them with library cards and cool lanyards. I can tell how much Ms. Kendall's efforts are benefiting many students in my English classes and are leading to the creation of lifelong readers. We appreciate all of you.

Brooklyn M. Rogers (Middle school student):

Mckenzie is my favorite highschooler. She is so kind and sweet. Believe it or not, the library is my favorite place to be because it's so quiet and peaceful and because I love reading. Reading is my favorite thing to do. Ms. Kendall is also very sweet and kind. She's awesome.

Levi N. Knapp (Middle school student):

The library is fun, the service is excellent and I look forward to going there in the future. When I want a book or movie, they put it on hold and when it comes, I am so thankful. The library to me is a 5 star place. You should go there. I hope the library is there next year.

Hunter Culler (Middle School student):

The people in the library are very great.

Brooke Magee (High school student):

It is important to have a school library because there are a lot of books I like to read and I can tell my friends and then they will read them too. My favorite thing about the school library is the variety of genres of books they have. Every book that I have read this year has been really good.

Kasey Hulwick (High school student):

My favorite book is Concrete Rose. I'm looking forward to being able to check out the rest of the series next year. The school library is important because there are books and it is very educational. My favorite thing about the school library is that we can check out books we want to read, like if I'm reading a book and I'm really getting into it then I can read the rest of the series.



Peninsula
COMMUNITY LIBRARY

JUNE 2022 DIRECTOR'S REPORT - VICTORIA SHURLY

We have received a grant from The Cherry Capital Cycling Club for a bicycle repair station. It is on order and will be installed as soon as it arrives. We have many cyclists during the warmer weather months and anticipate it being well used.

We have had numerous – as in dozens – of requests to put yard type signs for various events on the library property on Center Road. While the events are all great, it is our policy not to allow this – if we do it for one, we have to do it for all. We also have to be cognizant of township ordinances.

Several petitioners had to be asked to move from inside the building, the garden and the porch last month. Our policy states that they must be 25 feet away from the building. All were understanding and polite – willingly moving. No issues.

The weathered memorial signs on the building have been replaced by Image360 free of charge. The original wood signs had to be replaced last summer, but the replacements held up poorly to our wind and wet. The new ones are made of a realistic wood-look plastic.

Our quarterly snail mail newsletter has been mailed to all township residents. We still have it printed by TCAPS because it is cost effective and they are great to work with. They are now formatting it for us as well. The summer newsletter covers programming June through August.

Upcoming June programming includes a resume writing workshop through Michigan Works, participation in the Old Mission Historical Society's Log Cabin Days, and our regular programming. The Friends of PCL are sponsoring a community Summer Solstice concert featuring the Happy Time Banjos and complimentary ice cream. That happens June 21 at 5 pm. Patrons are invited to bring along a picnic and blanket.

PCL's Oceans of Possibility Summer Reading Club runs in July for patrons of all ages. Multi-age offerings include storyteller Jenifer Straus, Miriam Pico and the Peninsula Township Fire Department with hose fun. We are also planning photo ops with a pirate and mermaid!

A play tunnel has been ordered through a gift by an anonymous donor. It will become the Hobbit Hole in our Children's Garden with plants surrounding it for our little patrons to read in and enjoy.

Fun fact about PCL: PCL has three Little Free Libraries. The one at the front of the building has adult items. The one in the Children's Garden is for kids. A little-known fact is that PCL also has one on Power Island. Fred Tank, the island manager in the summer months, keeps it filled with books that PCL supplies for the taking! A plaque on that little library has our name.

*Circulation May 2022: 2162 + 37 manual checkouts, May 2021: 1948
May Volunteers: 11 people, 21 hours of time to PCL. Curbside pickups: 2. New library cards: 0
Hold Transit Counts May: 547 to other libraries from PCL, 343 from other libraries to PCL
Programs May: 19 Program Participation May: 213 Reference Questions: 377
Website Hits: 1315, Twilight Baby Bags: 0, 1000 Books Before Kindergarten: 0*



Report to TADL Board

June 2022

The spring FTADL Book sale was held from Friday, June 3, through Sunday, June 5. Friday was our most successful day, with a gross income of over \$4,000 from book, media, and membership sales. In all, we grossed approximately \$7,775 over the three-day period. Not having tallied our expenses, we are not sure of the net profit. But we achieved both of our goals of raising money and decreasing our stock of books. This was the last sale at which the Charles Saunders jazz donations were for sale.

We held our election of officers at our June meeting. President is Donna Hornberger, for her second one-year term. Jud Barclay was elected Vice President. Treasurer is Megan Holtrey for her second one-year term. Recording Secretary is Marika BeVier and Reba Leiding is the Financial Secretary.

At the June meeting, Margaret Monsour announced that she is stepping down as Chair of the Book Sale. I believe she has been Chair for four years. She is updating the Book Sale manual and we will be having a meeting in July of interested board members and people involved in our book sales to see how we will organize going forward. Margaret is certainly leaving on a high note with the resounding success of the spring sale. She has our deep gratitude for doing such a good job over the time that she has been chair.

People who are members of Friends were given a half price discount throughout the Book Sale. This was a great incentive for people to join Friends. Our Membership Chair, Amelia Siders, has asked for help from other board members entering new members into our database. Donna Hornberger has volunteered to help her.

We continue to have glitches in access to our accounts at Fifth Third and are thinking of moving one or both of the accounts.

As is traditional, there will be no Friends board meeting in July. In August we will have our meeting in the Thirby Room. One of the items on the August agenda will be looking at our standing committees and finding out if members wish to change or stay on the committees that they are on right now.

Donna Hornberger, President



TRAVERSE AREA
DISTRICT
LIBRARY

Board of Library Trustees Regular Meeting
Library Director Report
Meeting Date: June 16, 2022

Library Activity

For a graphical presentation of the statistical information included below, please visit the link: [online TADL dashboard](#).

Circulation Transactions			
<u>Year-to-Date Activity</u>			
<u>As of month end</u>	<u>Print/audio/video Circulation</u>	<u>Electronic Books/audio/video</u>	<u>Total Circulation/Electronic Usage</u>
May 2021	264,650	122,122	386,772
May 2022	397,711	132,453	423,427

Lending

Physical item circulation has increased 50.2% over last year and is almost at pre-pandemic levels of approximately 454,000 in 2018 and 2019.

E-Book, magazine, downloadable audiobook and database utilization

Digital usage continues to build as a combination of patron preference and added databases.

Visitors – Woodmere, East Bay and Kingsley Facilities

The busiest day for May was Tuesday the 24th with 1,014 patrons. In May 2022, TADL had 28,817 visitors which is about 200 more than April. In May 2022, we added 372 new patrons at Main, Kingsley and East Bay!

Public Computing

With the nice weather, we saw a dip in computer lab use. This equates to 1,724 computer sessions in May 2022.

Additions to the Collection

In May 2022, 1,901 items were added to the collection.

Behavior Issues

There were 6 incidents in May, three of which were the same person. Two patrons were suspended for 1 year.

May Outreach, Partnership & Community Activities

Inclusive Spaces

- Met with a representative from GT Band and Heather Brady to explore resources that would better reflect the Indigenous People's story from our region and library cards in Ojibway.

Purposeful Partnerships

- Attend the DDA meeting with all regional taxing authorities (GT County, City of TC, Joint Rec Authority, BATA, and NMC)
- Volunteered with Heather at the TC NewTech Event
- Did a Walk-n-Talk with a representative from TART
- Met with Stephe Lyut from TCAPS Libraries
- Participated in the GT County Executive Luncheon Group
- Coffee with TC Mayor regarding the progress of a day shelter

Innovative Engagement

- Presented to the TC Human Rights Commission regarding the Board Statement regarding a Day Shelter
- Presented to the Central Neighborhood Association regarding the Board Statement regarding a Day Shelter
- Chosen as one of three library directors statewide to represent libraries in a TV interview explaining the "MI Library is Now" campaign to increase awareness of libraries throughout Michigan
- Was part of a Panel Discussion with former US Diplomat Jack Segal, NMC Library Director Karrie Woughter and myself after the Parallel 45 Reading of *Gary: A Sequel to Titus Andronicus*

Other

- Selected as the student commencement speaker for the graduation for the Government Account Class from the University of Georgia

Happy Summer and see you August!

Michele P. Howard, MILS

University of Georgia

CARL VINSON INSTITUTE OF GOVERNMENT

in cooperation with

The State of Georgia

hereby recognize that

Michele P. Howard

has successfully completed all the requirements of the

Libraries Financial Management Certification
Program

on May 12, 2022.





Program Manager, Carl Vinson Institute of Government



Director, Carl Vinson Institute of Government

University of Georgia

CARL VINSON INSTITUTE OF GOVERNMENT

in cooperation with

The State of Georgia

hereby recognize that

Deb Radjenovich

has successfully completed all the requirements of the

Libraries Financial Management Certification
Program

on May 12, 2022.



Program Manager, Carl Vinson Institute of Government



Director, Carl Vinson Institute of Government





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James M. Taylor, CPA
Trina B. Ochs, CPA
John A. Blair, CPA
Aaron J. Mansfield, CPA
Elizabeth A. Hedden, CPA
Jonathan P. Benjamin, CPA

AUDIT-RELATED COMMUNICATIONS

Board of Trustees
Traverse Area District Library

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the *Traverse Area District Library* (the "Library") for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 25, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Compliance and Internal Controls

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

In planning and performing our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

We have issued our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* thereon dated June 7, 2022.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in Note A of the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Net pension liability based on information provided by MERS.
- Management's estimate of depreciation expense was based on useful lives of capital assets per Internal Revenue Service guidelines.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Pension Plan
- Commitments and Contingencies

No Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Below is a summary of corrected adjustments of the financial statements. There were no uncorrected misstatements.

Corrected Adjustments

- Adjust General Fund taxes receivable and deferred taxes to actual (increase of approximately \$112,000).
- Record transfer of General Fund balance to Public Improvement and Internal Service Funds (approximately \$208,000).

No Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 7, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Library's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Library's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Leases

Governmental Accounting Standards Board Statement No. 87, *Leases*, will be effective for reporting periods beginning after June 15, 2021. This standard establishes revised standards on lease accounting and financial reporting requiring all capital and operating leases be recorded on the government-wide and proprietary fund statements as a right-to-use asset and offsetting lease liability. The standard does not apply to short-term leases under a year in length. The standard may have an effect on any future debt covenants compliance.

Subscription Based Technology Arrangements

Governmental Accounting Standards Board Statement No. 96, *Subscription Based Technology Arrangements*, was issued March 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Traverse Area District Library, and is not intended to be, and should not be, used by anyone other than these specified parties.

Dennis, Gartland & Niergarth

June 7, 2022

Traverse Area District Library
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

December 31, 2021

C O N T E N T S

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	2
INDEPENDENT AUDITORS' REPORT.....	11
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION.....	14
STATEMENT OF ACTIVITIES.....	15
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS - BALANCE SHEETS.....	16
GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE.....	17
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE WITH THE STATEMENT OF ACTIVITIES.....	18
STATEMENT OF NET POSITION - INTERNAL SERVICE FUND.....	19
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUND	20
STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUND.....	21
NOTES TO FINANCIAL STATEMENTS.....	22
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE MERS NET PENSION ASSET AND RELATED RATIOS.....	39
SCHEDULE OF MERS EMPLOYER'S CONTRIBUTIONS.....	40
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND.....	41
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	42

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

As management of the Traverse Area District Library (the “Library” or “TADL”), we offer readers of the Traverse Area District Library financial statements this narrative review and analysis of the financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

1. TADL approached 2021 with a hope to return to business as usual. With the pandemic reaching new levels of infection rates, the library again closed its doors in November 2020 until March 2021 but the library did provide curbside services to patrons during this time.
2. During this time, we began our strategic planning process which involved input from direct interviews and survey results from over 480 citizens. This Plan was adopted by the Board of Trustees in June 2021. While always keeping our patrons and community our top priority, we met the challenges of 2021, with renewed vigor from the input we received during the strategic planning process which will guide our collection, programs and budgets for the next three years.
3. The main source of operating revenue for the library is generated by a millage. Taxes collected in 2021 were based on 2020 property tax values. The amount collected for 2021 increased 3.97% over the previous year. The 2021 taxable values, which determine what the Library receives in 2022, increased 7.38%.
4. On August 2, 2016, voters approved the renewal of our millage at .9544 mills by a greater than 75% margin. Subsequent Headlee Millage Rollbacks have resulted in the levy being reduced to .9467 in 2017, .9431 in 2018, .9382 in 2019, .9292 in 2020 and .9202 in 2021. We expect another rollback this year but we are unsure what to expect in the years following due to the pandemic.
5. The overall operating revenue in 2021 increased from the prior year by 5.03% due mainly to the return to more normal activity. While Penal fines were down due to the pandemic shut down of the prior year, overdue fines were mostly eliminated by the Board, meeting room rentals were not allowed, and investments were off, property taxes increased along with a significant increase in grants. Sales and contributions also rebounded from the prior year. Our expenses also remained down as the library hours did not return to the full pre-pandemic schedule, employees did not travel to conferences, and there was just an overall hesitancy on some spending. The revenue total does not take into account the \$200,000 transfer in for an additional payment to MERS although the expense total does include the disbursement.
6. In addition to the \$120,000 in monthly payments to the Municipal Employees’ Retirement System (MERS), we also remitted an additional amount of \$200,000 in 2021. The \$200,000 payment was funded by a transfer from the Internal Service Fund. With the extra payments and the freezing of our Defined Benefit plan, the plan is now funded at 97% versus 91% last year based on an adjustment to life expectancy and rates of return on investments

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

7. Overall personnel expenses went up 8.11% in 2021 with wages increasing 5.68%. This was due to the library returning to more normal hours, staffing levels, and the Union and most salaried staff receiving a 3% increase. There were also two employee retirements last year that required significant payouts of PTO and reserve sick leave bank hours. Employee insurance premiums, which include employer contributions toward employee HSA accounts, were up over 2020 by 8%. This difference can be attributed to many insurance carriers giving discounts in 2020 along with changes in employee demographics. The actual increase in our medical plan premiums was 4.9%.
8. Of the six TADL locations, three are Member libraries with service contracts. Funding is based on the percentage of increase or decrease in the collection of Property Taxes, Penal Fines and State Aid from the prior year. The total of these revenue sources increased in 2020, resulting in an increase in member library funding of 3.55% in 2021. In December of 2021 the Fife Lake Public Library, Interlochen Public Library and Peninsula Community Library contracts were re-negotiated and a 10 year contract was signed with each library.
9. Our Teamsters Union labor contract was also re-negotiated in 2021 and a 3 year contract was signed. The new contract will expire at the end of 2024. This contract continued a 3% annual wage increase each year of the three-year contract.
10. The Unassigned General Fund Balance increased by \$18,250 from last year's audit, bringing the total to \$958,480. This increase preserves a balance equal to two months of operating expenses.
11. By adapting to the ever changing pandemic and financial landscapes in 2021, the Library continues to operate well within current revenue collections.

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 two kinds of statements that present different views of the Library.

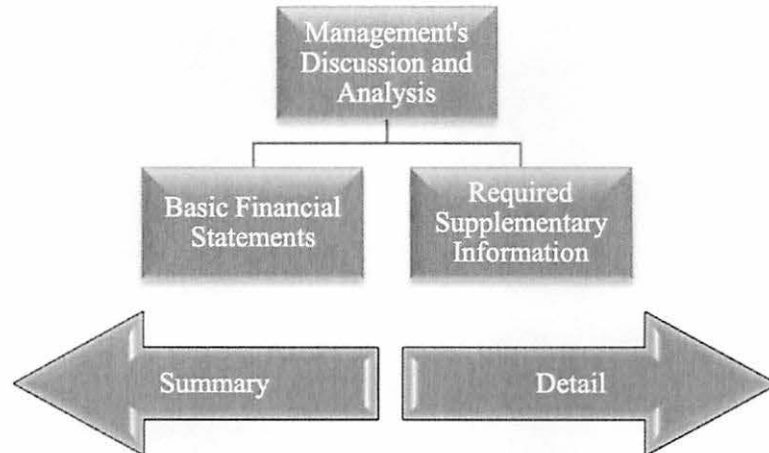
- The first two statements are *Library-wide financial statements* that provide both *short-term* and *long-term* information about the Library's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Library, reporting the Library's operations in more detail than the Library-wide statements.
- The *governmental funds statements* tell how basic 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 statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Library's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

Figure A-1

Organization of Traverse Area District Library Annual Financial Report



Library-wide Statements

The Library-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 assets includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Library-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 assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Library's overall health, you need to consider additional non-financial factors such as changes in the Library's property tax base and the condition of buildings and other facilities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Library's funds, focusing on its most significant or "major" funds: not the Library as a whole. Funds are accounting devices the Library uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law.
- The Library establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

The Library has one kind of fund:

- **Governmental funds** : Most of the Library’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library’s programs. Because this information does not encompass the additional long-term focus of the Library-wide statements, this report includes reconciliation schedules that explain the relationship (or differences) between the Library-wide Statements and the Fund Financial Statements.

Financial Analysis of the Library as a Whole

Net position . The Library’s combined total net position was \$9,316,581 on December 31, 2021, an increase of 3.9% from the prior year. Figure A-2 illustrates the net position for years ended December 31.

Figure A-2

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets		
Current assets	\$ 8,718,473	\$ 8,601,262
Non-current assets	<u>6,928,761</u>	<u>6,818,692</u>
Deferred outflows of resources	<u>249,167</u>	<u>169,532</u>
Total assets and deferred outflows of resources	<u><u>15,896,401</u></u>	<u><u>15,589,486</u></u>
Liabilities		
Current liabilities	205,122	173,066
Non-current liabilities	<u>573,139</u>	<u>995,536</u>
Total liabilities	<u>778,261</u>	<u>1,168,602</u>
Deferred inflows of resources	<u>5,801,559</u>	<u>5,455,421</u>
Net position		
Invested in capital assets	6,928,761	6,818,692
Restricted	1,512,461	1,624,931
Unrestricted	<u>875,359</u>	<u>521,840</u>
Total net position	<u>9,316,581</u>	<u>8,965,463</u>
Total liabilities, deferred inflows of resources	<u><u>\$ 15,896,401</u></u>	<u><u>\$ 15,589,486</u></u>

Changes in net assets . The Library’s total revenue of \$5,358,333 was more than expenditures; increasing net assets by \$351,118. This increase was primarily due to increases in property tax revenues, grants, and contributions.

Of the Library’s \$5,412,591 in expenditures, approximately 57% is related to personnel costs.

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

Figure A-3

Changes in Net Position from Operating Results

	<u>2021</u>	<u>2020</u>
Revenue		
Program revenue		
Charges for services	\$ 70,943	\$ 57,881
Operating grants and contributions	<u>334,433</u>	<u>200,705</u>
Total program revenue	<u>405,376</u>	<u>258,586</u>
General revenue		
Property taxes	5,171,504	4,988,837
Fines and forfeitures	192,102	224,147
Unrestricted investment earnings	<u>(5,273)</u>	<u>70,613</u>
Total general revenue	<u>5,358,333</u>	<u>5,283,597</u>
Total revenue	<u>5,763,709</u>	<u>5,542,183</u>
Expenditures		
Library services	4,792,739	4,527,861
Depreciation - unallocated	<u>619,852</u>	<u>599,601</u>
Total expenditures	<u>5,412,591</u>	<u>5,127,462</u>
Increase (decrease) in net position	351,118	414,721
Net position - beginning of year	<u>8,965,463</u>	<u>8,550,742</u>
Net position - end of year	<u><u>\$ 9,316,581</u></u>	<u><u>\$ 8,965,463</u></u>

Financial Analysis of the Library's Funds

The strong financial performance of the Library as a whole is reflected in its governmental funds. As the Library completed the year, its governmental funds reported a fund balance of \$3,142,885.

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

General Fund Budgetary Highlights

Over the course of the year, the Library revised the annual operating budget. Budget items that were significantly different from original budgeted amounts and items causing budget adjustments are enumerated below.

- While there was a 12% drop in Penal Fines again this year, a loss in Overdue fines due to going fine free, and low returns on our investments, there were also significant increases in grants and donations to offset those losses and increase our overall revenue by \$125,000.
- Along with an increase in Revenues due to grants, we also had adjustments to our expenditures as we put those grants and donations to work. Expenditures were adjusted as follows:
 - Personnel was initially adjusted upward to account for an extra \$200,000 payment to the MERS Unfunded Pension Liability. However, at year end it was adjusted back down \$100,000 as the library had not yet returned completely to pre-Covid hours or full staffing.
 - Supplies was increased \$100,000 due to additional spending created by various grants and donations and also due to a switch from in person programs to more craft kits to go.
 - Other Services and Charges was adjusted down a total of \$52,000 due to a number of programs, services and training still not being used due to Covid.
 - Capital Improvements budgets were adjusted upward for some year-end purchases also made possible by grants and donations.
 - Remaining donations were moved into the Public Improvement Fund at the end of the year in the following amounts: Bookmobile - \$62,000, Accounting Program - \$80,000, and Unrestricted Donations - \$15,000.

Figure A-4

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>General Fund Revenues</i>			
Property taxes	\$ 5,164,735	\$ 5,171,504	\$ 6,769
State grants	124,825	125,544	719
Other grants	56,300	112,284	55,984
Charges for services	64,350	70,943	6,593
Fines and forfeitures	228,000	192,102	(35,898)
Investment income	15,000	2,050	(12,950)
Contributions and other income	113,170	96,580	(16,590)
Total revenues	<u>5,766,380</u>	<u>5,771,007</u>	<u>4,627</u>
<i>General Fund Expenditures</i>			
Personnel	3,426,968	3,409,206	17,762
Supplies	859,645	789,576	70,069
Other services and charges	1,409,842	1,254,015	155,827
Capital outlay	112,925	112,781	144
Total expenditures	<u>5,809,380</u>	<u>5,565,578</u>	<u>243,802</u>
<i>Other Financing Sources (uses)</i>			
Operating transfers in	200,000	200,000	-
Operating transfers out	(365,172)	(365,172)	-
Total other financing sources (uses)	<u>(165,172)</u>	<u>(165,172)</u>	<u>-</u>
Net change in fund balance	<u>(208,172)</u>	<u>40,257</u>	<u>248,429</u>

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

Capital Asset and Debt Administration

Capital Assets

By the end of 2021, the Library had invested approximately \$14.6 million in a broad range of capital assets, including building improvements, books, computer and audio-visual equipment. Total depreciation expense for the year was \$619,852. Figure A-5 details the historical costs, accumulated depreciation, and book value of the Library's capital assets.

Figure A-5

	<u>2021</u>	<u>2020</u>
Land	\$ 345,545	\$ 345,545
Building	8,565,421	8,411,388
Collections	3,920,050	3,749,783
Furniture & equipment	<u>1,793,509</u>	<u>2,110,503</u>
Total capital assets	14,624,525	14,617,219
Accumulated depreciation	<u>7,695,764</u>	<u>7,798,527</u>
Net capital assets	<u><u>\$ 6,928,761</u></u>	<u><u>\$ 6,818,692</u></u>

Debt Administration

The following (Figure A-6) is a summary of the outstanding debt at December 31:

Figure A-6

	<u>2021</u>	<u>2020</u>
Governmental activities:		
Compensated absences	<u><u>\$ 374,287</u></u>	<u><u>\$ 357,238</u></u>

Factors Bearing on the Library's Future

At the time these financial statements were prepared and audited, the Library was aware of circumstances that could significantly affect its financial health in the future.

- Local property taxes represent the largest portion of the Library's revenue providing 86% of the total library funding this year. Taxable values have increased each year of the last decade with the increases as follows according to annual county equalization reports:
 - 2013 2.578%
 - 2014 1.762%
 - 2015 3.273%
 - 2016 1.683%
 - 2017 3.622%
 - 2018 4.896%
 - 2019 5.128%
 - 2020 5.24%
 - 2021 4.66%
 - 2022 7.38%

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

Due to the increasing value of taxable properties, TADL has had Headlee Millage reductions for the past five years and will have another reduction in 2022. Our tax receipts will, of course, increase overall, but the lower millage rate will prevent us from collecting the full voter approved amount.

2. We are continuing to monitor discussions of extending the duration of TIF97 and expansion of borders without a tax capture component. If this should occur, in accordance with Board policy, we will opt out to preserve library funding.
3. In 2021, TADL received a Local Community Stabilization payment of \$34,172 from the state as a result of Personal Property tax legislation. This was down again from the previous year by 11.6% and we foresee this trend continuing.
4. In 2021, the Library was required to reimburse the county and/or townships due to Board of Review and Tax Tribunal judgments for a total of \$8679. The possibility of adverse Board of Review and Tax Tribunal rulings remains a threat that can vary tremendously from year to year and is not within the control of the library.
5. State Aid receipts increased 7.69% in 2021. With the 2020 Census now complete, we are looking at a population increase of 8874 in Grand Traverse County upon which State Aid is based. With this population increase we are looking at a 18.9% increase in State Aid for 2022. We continue to appreciate the efforts by the Michigan Library Association to advocate for increased library funding to the legislature, and we hope that funding will be continue to be prioritized for libraries.
6. Penal fine receipts have continued to decline since 2015. This is of great concern to us as this is our second largest funding source. It remains a target of legislative activity at the state level as well as potential local ordinances that are passed to capture fines for the municipalities in which the offenses take place. Fines decreased 12.26% in Grand Traverse County and 5.98% in Benzie County, but increased 10.84% in Leelanau County in 2021. In all the receipts totaled \$174,765 and had an overall decrease of 10.83% from 2020. We do not foresee this trend reversing in the near future.
7. A new labor contract was negotiated in 2021 with an effective date of January 1, 2022 and ending on December 31, 2024. While this provides stabilization of wage and retirement costs for the next three years, rising inflation rates make health insurance expenditures unpredictable.
8. A committee of the Board of Trustees also negotiated a new ten year contract with each of our three Member libraries in 2021 to continue a stable funding source for our Members to be able to provide library services in their communities.
9. We continued the practice of contributing extra funds toward our unfunded pension liability for our frozen MERS Defined Benefit plan in 2021. An additional \$200,000 was paid on top of the required annual contribution of \$120,000. While we expect to continue this practice of additional payments, our future required contributions are based in part on investment earnings and we do not know the effect of the current fluctuating markets on those investments.
10. While we continued to monitor our roof and the effects of the work that had been completed, it was decided that the completion of the project would once again be delayed until late 2022 or 2023 due to supply chain issues, material price increases and a lack of contractors as a result of the pandemic. We will continue to monitor and make additional improvements where it is possible and position ourselves to be ready to move when the time is right.

**Traverse Area District Library
Management Discussion and Analysis
For the year ended December 31, 2021**

11. While the roof project is on hold, the Main library still requires regular maintenance and upgrades. In 2021, the Board approved funding to upgrade to energy efficient lighting. This was a large project that we hope will bring future savings in our electric costs. We also installed a new book sorter and made some more upgrades to the McGuire room in 2021. Topping the list for 2022 is more painting, a renovation of the restrooms and the installation of a new sign for the Main Library with funding provided by the Friends of TADL.

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Traverse Area District Library, 610 Woodmere, Traverse City, Michigan 49686.



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Business Advisors Since 1973

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
 Traverse Area District Library
 Traverse City, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Traverse Area District Library (the "Library"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Traverse Area District Library's basic financial statements as listed in the table on contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 2 through 10, and pension schedules and budgetary comparison information, on pages 39 - 41, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Traverse Area District Library's internal control over financial reporting and compliance.

Dennis, Gartland & Niergarth

Certified Public Accountants
Traverse City, Michigan

June 7, 2022

Traverse Area District Library

STATEMENT OF NET POSITION

December 31, 2021

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Current assets	
Cash and equivalents	\$ 1,270,083
Investments	2,656,884
Accounts receivable	4,619,979
Prepaid expenses	<u>171,527</u>
Total current assets	8,718,473
Capital assets, net of accumulated depreciation	6,928,761
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources for net pension obligation	<u>249,167</u>
Total assets and deferred outflows of resources	<u><u>\$ 15,896,401</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Current liabilities	
Accounts payable	\$ 70,951
Accrued liabilities	96,743
Current portion of long-term debt	<u>37,429</u>
Total current liabilities	205,123
Long-term debt	336,858
Net pension liability	<u>236,280</u>
Total liabilities	<u>778,261</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied but intended for subsequent period	5,292,947
Deferred inflows of resources for net pension obligation	<u>508,612</u>
Total deferred inflows of resources	<u>5,801,559</u>
NET POSITION	
Invested in capital assets	6,928,761
Restricted for	
Sight and sound	3,355
Youth services	6,615
Local history collections	14,121
Teen services	5,037
Talking Book Library	10,261
Bookmobile	62,000
Public improvement	1,385,466
Permanent fund	
Expendable	5,803
Nonspendable	19,803
Unrestricted	<u>875,359</u>
Total net position	<u>9,316,581</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 15,896,401</u></u>

The accompanying notes are an integral part of these financial statements.

Traverse Area District Library

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

Functions	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities					
Library services	\$ 4,792,739	\$ 70,943	\$ 334,433	\$ -	\$ (4,387,363)
Depreciation - unallocated	<u>619,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(619,852)</u>
Total governmental activities	<u>\$ 5,412,591</u>	<u>\$ 70,943</u>	<u>\$ 334,433</u>	<u>\$ -</u>	<u>(5,007,215)</u>
General revenues					
Property taxes					
Levied for general purposes					5,171,504
Fines and forfeitures					192,102
Investment earnings					<u>(5,273)</u>
Total general revenues					<u>5,358,333</u>
Change in net position					351,118
Net position, beginning of year					<u>8,965,463</u>
Net position, end of year					<u>\$ 9,316,581</u>

The accompanying notes are an integral part of these financial statements.

Traverse Area District Library
GOVERNMENTAL FUNDS - BALANCE SHEETS

December 31, 2021

	General Fund	Public Improvement	Non-Major Permanent Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,270,083	\$ -	\$ -	\$ 1,270,083
Investments	1,164,430	1,456,091	25,533	2,646,054
Receivables				
Property taxes	4,594,440	-	-	4,594,440
Interest	3,167	3,718	-	6,885
Accounts	1,173	17,377	73	18,623
Due from other funds	-	104,086	-	104,086
Prepaid expenditures	171,527	-	-	171,527
	<u>\$ 7,204,820</u>	<u>\$ 1,581,272</u>	<u>\$ 25,606</u>	<u>\$ 8,811,698</u>
LIABILITIES				
Accounts payable	\$ 70,951	\$ -	\$ -	\$ 70,951
Accrued liabilities	96,743	-	-	96,743
Due to other funds	208,172	-	-	208,172
	<u>375,866</u>	<u>-</u>	<u>-</u>	<u>375,866</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes levied intended for subsequent period	5,292,947	-	-	5,292,947
FUND BALANCE				
Nonspendable	171,527	-	19,803	191,330
Restricted				
Sight and sound	-	3,355	-	3,355
Youth services	-	6,615	-	6,615
Local history collection	-	14,121	-	14,121
Teen services	-	5,037	-	5,037
Talking Book Library	-	10,261	-	10,261
Bookmobile	-	62,000	-	62,000
Fund use	-	1,385,466	5,803	1,391,269
Committed				
Children's programming endowment	81,000	-	-	81,000
Employee benefit obligations	325,000	-	-	325,000
Assigned				
Public improvements	-	14,417	-	14,417
Accounting software	-	80,000	-	80,000
Unassigned	958,480	-	-	958,480
	<u>1,536,007</u>	<u>1,581,272</u>	<u>25,606</u>	<u>3,142,885</u>
Total fund balance	<u>1,536,007</u>	<u>1,581,272</u>	<u>25,606</u>	<u>3,142,885</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,204,820</u>	<u>\$ 1,581,272</u>	<u>\$ 25,606</u>	
Reconciliation of Governmental Fund Balance to District-Wide Governmental Activities Net Position				
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, therefore, are not reported as assets in governmental funds. The cost of the assets is \$14,624,525 and the accumulated depreciation is \$7,695,764.				6,928,761
Internal service funds are used by management to accumulate funds for the purpose of paying retirement obligations. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.				114,947
Deferred inflows of resources net of deferred outflows of resources for pension obligations is not a financial resource and, therefore, is not reported in governmental funds.				(259,445)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:				
			Net pension liability	(236,280)
			Compensated absences	(374,287)
				<u>\$ 9,316,581</u>
Total net position - governmental activities				<u>\$ 9,316,581</u>

The accompanying notes are an integral part of these financial statements.

Traverse Area District Library

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2021

	General Fund	Public Improvement	Non-Major Permanent Fund	Total Governmental Funds
REVENUES				
Property taxes	\$ 5,171,504	\$ -	\$ -	\$ 5,171,504
State grants	125,544	-	-	125,544
Other grants	112,284	-	-	112,284
Charges for services	70,943	-	-	70,943
Fines and forfeitures	192,102	-	-	192,102
Investment income (loss)	2,050	(7,745)	(134)	(5,829)
Contributions and other income	96,580	26	-	96,606
	<u>5,771,007</u>	<u>(7,719)</u>	<u>(134)</u>	<u>5,763,154</u>
Total revenues				
EXPENDITURES				
Current				
Personnel	3,209,206	-	-	3,209,206
Additional retirement contribution	200,000	-	-	200,000
Supplies and collection additions	789,576	-	-	789,576
Other services and charges	1,254,015	3,543	63	1,257,621
Capital outlay	112,781	282,097	-	394,878
	<u>5,565,578</u>	<u>285,640</u>	<u>63</u>	<u>5,851,281</u>
Total expenditures				
REVENUES OVER EXPENDITURES	<u>205,429</u>	<u>(293,359)</u>	<u>(197)</u>	<u>(88,127)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	200,000	261,086	-	461,086
Operating transfers out	(365,172)	-	-	(365,172)
	<u>(165,172)</u>	<u>261,086</u>	<u>-</u>	<u>95,914</u>
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCE	40,257	(32,273)	(197)	7,787
Fund balance, beginning of year	<u>1,495,750</u>	<u>1,613,545</u>	<u>25,803</u>	<u>3,135,098</u>
Fund balance, end of year	<u>\$ 1,536,007</u>	<u>\$ 1,581,272</u>	<u>\$ 25,606</u>	<u>\$ 3,142,885</u>

The accompanying notes are an integral part of these financial statements.

Traverse Area District Library

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE WITH THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

Total net change in fund balance - governmental funds \$ 7,787

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

Capital outlays to purchase or build capital assets are reported in the governmental funds expenditures. However, those costs are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense is less than capital outlays during the period.

Capital outlays	\$ 729,921	
Depreciation expense	<u>(619,852)</u>	110,069

Change in deferred outflows of resources, net of the change in deferred inflows of resources for pension obligations. (100,291)

In the statement of activities, certain operating expenses - accrued leave - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This year, the amount earned was more than the accrued leave paid. (17,049)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues of the internal service funds are reported with governmental activities. (96,018)

Decrease in net pension liability 446,620

Change in net position of governmental activities \$ 351,118

Traverse Area District Library
STATEMENT OF NET POSITION - INTERNAL SERVICE FUND
December 31, 2021

ASSETS	
CURRENT ASSETS	
Investments	\$ 10,830
Due from other funds	104,086
Interest receivable	<u>31</u>
 Total current assets	 <u><u>\$ 114,947</u></u>
 NET POSITION	
Committed for pension liability	<u><u>\$ 114,947</u></u>

The accompanying notes are an integral part of these financial statements.

Traverse Area District Library

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL
SERVICE FUND**

Year Ended December 31, 2021

NONOPERATING REVENUES	
Gain (loss) on investments	\$ (659)
Interest income	<u>555</u>
INCOME BEFORE TRANSFERS	<u>(104)</u>
OTHER FINANCING SOURCES (USES)	
Transfers from other funds	104,086
Transfers to other funds	<u>(200,000)</u>
Total other financing sources (uses)	<u>(95,914)</u>
CHANGE IN NET POSITION	(96,018)
NET POSITION, beginning of year	<u>210,965</u>
NET POSITION, end of year	<u><u>\$ 114,947</u></u>

Traverse Area District Library
STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUND
Year Ended December 31, 2021

Change in net position	\$ (96,018)
Adjustments to reconcile change in net position	
Change in amounts due from other funds	90,116
Change in interest receivable	<u>25</u>
Net cash from operating activities	<u>(5,877)</u>
Investing activities	
Sale of investments	<u>5,877</u>
NET CHANGE IN CASH	-
Cash, beginning of year	<u>-</u>
Cash, end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

Traverse Area District Library
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The accounting policies of the Traverse Area District Library (the "Library") conform to generally accepted accounting principles as applied to governmental units. The following is a summary of the significant policies.

The Traverse Area District Library was established on January 1, 1983 pursuant to the Library Act of Michigan by participating municipalities of the City of Traverse City and Grand Traverse County. The Library provides library services to the public.

The Financial Reporting Entity

As a district Library, the Library is governed by a Board of Trustees, appointed in accordance with the Library bylaws. The Board has governance responsibilities over all activities related to the Traverse Area District Library. The Board receives funding from local and State government sources and must comply with concomitant requirements of these funding entities. However, the Board is not included in any other governmental "reporting entity" as defined by the Government Accounting Standards Board since the Board members, who are appointed, have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. In accordance with generally accepted accounting principles, there are no component units to be included in the financial statements.

The Traverse Area District Library maintains associate library relationships with the Peninsula Community, Fife Lake Public, and Interlochen Public Libraries. These contractual relationships provide for an exchange of library services. The agreements also provide for payments to the associate members of the amounts based on varying factors. Supplemental payments may also be made to the associate members at the discretion of the Board of Trustees. The Library operates branches in the Village of Kingsley and East Bay Township.

The Traverse Area District Library also provides services for eligible blind and physically handicapped residents to an eight-county region by means of the TADL Talking Book Library. Part of the Michigan Braille and Talking Book Library Network of Regional and Subregional Libraries, expenditures related to this program are partially funded through State and Federal grants and in-kind support.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by charges for services and tax revenues.

NOTES TO FINANCIAL STATEMENTS - Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

The balance sheets and statements of revenues, expenditures and changes in fund balance (i.e. fund financial statements) for the Library's governmental and internal service funds display information about the major and aggregated non-major funds for the various fund types. Major funds are generally those that represent 10% or more of the respective fund type's assets, liabilities, revenues or expenditures.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements report using the economic resource measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, property taxes and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental funds use a financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the financial resources measurement focus, only current assets and current liabilities are generally included on governmental fund balance sheets. The governmental fund operating statements present a summary of sources and uses of available spendable resources. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Current expenditures are generally recorded when the fund liability is incurred, if measurable. Exceptions to this general rule include principal and interest on long-term debt, which is recognized when due and accrued compensated absences, which is recorded when payable from current available financial resources.

State revenue, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTES TO FINANCIAL STATEMENTS - Continued

Fund Types and Major Funds

Activities in Major Funds

General Fund - This fund is used to account for all financial resources except those provided for in other funds. The fund includes the general operating expenditures of the Library.

Public Improvement Special Revenue Fund - This fund is used to accumulate money for acquiring, constructing, extending, altering, repairing, or equipping public improvements or buildings.

Activities in Non-Major Funds

Permanent Fund - This fund is used to account for the corpus and earnings of a trust of which the earnings can be spent.

Internal Service Fund - This fund is used to account for operations that provide services to the Library. Specifically, this fund is used to service the net pension liability of the Library.

Budgeting Data

The annual budgets are prepared by the Library's management and adopted by the Library Board; subsequent amendments are approved by the Library Board. During the current year, the budget was amended in a legally permissible manner.

The budgets have been prepared in accordance with generally accepted accounting principles. The budget statement (statement of revenue, expenditures and change in fund balance - budget and actual) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan Law. A comparison of actual results of operations to the budget as adopted by the Board is included in the financial statements.

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. On or about December 1st, the Library submits to the general public a proposed operating budget for the fiscal year commencing the following January 1st. The operation budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. On or about December 31st, the budget is legally enacted through passage of a resolution.
- d. The Library Director is authorized to transfer budgeted amounts within the four budgeted categories.
- e. Appropriations for the funds lapse at the end of the fiscal year.

NOTES TO FINANCIAL STATEMENTS - Continued

Cash and Investments

The Library considers all cash, demand deposits and short-term investments with an original maturity of three months or less to be cash equivalents.

Cash deposits are reported at carrying amounts that reasonably estimate fair value. Investments are reported at fair value.

Property Tax Receivable

Property taxes are levied and attach as an enforceable lien on property on December 1st on the taxable valuation of property as of the preceding December 31st. The property taxes are billed and collected by local units of government within the Library District, which then remit the Library's designated portion on a semi-monthly basis. During March of each year, uncollected real property taxes are transferred to the respective County which pays the Library for those balances and accepts responsibility for collection. Responsibility for the collection of unpaid personal property taxes remains with the local units of government.

Although the Library's 2021 ad valorem tax is levied and collectible on December 1, 2021, it is the Library's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of the Library's operations.

Capital Assets

Capital assets, which include property and equipment are reported in the government-wide statements (statement of net position) and are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. The Library generally capitalizes assets with costs of \$5,000 or more and an estimated life in excess of one year. Collection assets are recorded as group additions and deletions each year. No depreciation is recorded on land or construction-in-process. Expenditures for major renewals and maintenance and repairs are charged to current expenditures as incurred. Depreciation is computed using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

The estimated useful lives, in years, for depreciable assets are as follows:

Furniture, fixtures and equipment	3-40 years
Buildings and improvements	15-40 years
Collections-books, DVD's, videotapes, etc.	6 years

NOTES TO FINANCIAL STATEMENTS - Continued

Deferred Inflows and Outflows of Resources

Government-wide financial statements report *deferred inflows of resources* in connection with the net pension obligation. Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows for receivables and revenues:

Property taxes:	
General Fund	<u>\$ 5,292,947</u>

Government-wide financial statements report *deferred outflows of resources* in connection with consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources are related to recording the net pension obligation.

Compensated Absences

The Library's employees earn leave in varying amounts based on length of service. Unused leave may accumulate and be carried over to a subsequent year, subject to restrictions. Leave accrued at year end which is subject to payment upon termination has been included as a liability on the statement of net position and not on the fund balance sheet as the balance has not yet matured from resignations or retirements.

Fund Balance

In the fund financial statements, governmental funds classify fund balance as nonspendable for amounts that are not in a spendable form, such as inventory and prepaid expenses, or are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, such as grant providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. Committed fund balance includes amounts that can be used only for the specific purpose determined by a formal action of 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 comprises amounts intended to be used by the government for a specific purpose. Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

When both restricted and unrestricted fund balances are available for use, it is the Library's policy to use restricted fund balance first, then unrestricted fund balance. However, the Library reserves the right to use unrestricted fund balance first. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTES TO FINANCIAL STATEMENTS - Continued

It is the Board of Trustees intent to utilize the Public Improvement Fund's restricted balance as set forth in the governmental funds' balance sheet.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net pension 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 fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates.

Subsequent Events

The Library has evaluated subsequent events and transactions for potential recognition and disclosure through June 7, 2022, the date the financial statements were available to be issued.

NOTE B - CASH AND INVESTMENTS

At December 31, 2021, the Library's cash and investments include the following:

	<u>Balance Sheet Classification</u>		
	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Total	<u>\$ 1,270,083</u>	<u>\$ 2,656,884</u>	<u>\$ 3,926,967</u>

These deposits are in two (2) financial institutions located in Michigan. State policy limits the Library's investing options to financial institutions located in Michigan.

NOTES TO FINANCIAL STATEMENTS - Continued

Deposits Risk

Interest Rate Risk - State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments. The Library's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for each investment are identified below for investments held at year-end.

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 the Library's specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the following listing. The Library's investment policy does not have specific limits in excess of State law on investment credit risk. The rating for each investment (not including money market investments) is AA+.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned. The Library minimizes this risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the Library's investment policy. As of year-end, \$1,075,297 of the Library's bank balance of \$1,325,297 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library minimized this risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors to be in compliance with the requirements set forth in the Library's investment policy. The custodial risk for money market mutual funds cannot be determined because the mutual fund does not consist of specifically identifiable securities. The Library is exposed to custodial credit risk for the remaining securities because they are uninsured and unregistered with securities held by the counter party or the counter party's trust department or agent, but not in the Library's name.

NOTES TO FINANCIAL STATEMENTS - Continued

Statutory Authority

State statutes authorize the Library to invest in:

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Banker's acceptance of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Library has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investment Maturities (in years)	
				Current	1-5
Government backed bonds	\$ -	\$ 1,198,306	\$ -	\$ 70,906	\$ 1,127,400
Treasury bonds	-	1,093,734	-	65,524	1,028,210
Certificates of deposit	194,480	-	-	194,480	-
Money market funds	170,364	-	-	170,364	-
Total	\$ 364,844	\$ 2,292,040	\$ -	\$ 501,274	\$ 2,155,610

The Library's investments in money market mutual funds and cash equivalents are not required to be classified by fair value.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis.

There have been no changes in the methodologies used at December 31, 2021.

U.S. government bonds, municipal bonds and corporate bonds: Valued at fair value using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Certificates of Deposit: Valued at the fair value based on quoted prices.

NOTES TO FINANCIAL STATEMENTS - Continued

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Library believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE C - INVESTMENT IN CAPITAL ASSETS

Investment in capital assets changed as follows during the year ended December 31, 2021:

	<u>Beginning</u>	<u>Capital Acquisitions</u>	<u>Disposals</u>	<u>Ending</u>
Buildings	\$ 8,411,388	\$ 154,033	\$ -	\$ 8,565,421
Collections	3,749,782	385,942	(215,674)	3,920,050
Furniture and equipment	<u>2,110,504</u>	<u>189,946</u>	<u>(506,941)</u>	<u>1,793,509</u>
Total depreciable assets	14,271,674	729,921	(722,615)	14,278,980
Less accumulated depreciation	(7,798,527)	(619,852)	722,615	(7,695,764)
Land	<u>345,545</u>	<u>-</u>	<u>-</u>	<u>345,545</u>
Total capital assets, net	<u>\$ 6,818,692</u>	<u>\$ 110,069</u>	<u>\$ -</u>	<u>\$ 6,928,761</u>

Total depreciation expense for the year ended December 31, 2021, was \$619,852.

NOTE D - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>New Debt</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	<u>\$ 357,238</u>	<u>\$ 17,049</u>	<u>\$ -</u>	<u>\$ 374,287</u>	<u>\$ 37,429</u>

Compensated absences are liquidated in the general fund.

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE E - INTERFUND TRANSACTIONS

Interfund Receivable/Payables

Interfund receivables/payables consists of the following as of December 31, 2021:

	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General Fund	\$ -	\$ 208,172
Public Improvement Fund	104,086	-
Internal Service Fund	<u>104,086</u>	<u>-</u>
	<u>\$ 208,172</u>	<u>\$ 208,172</u>

Operating Transfers

Operating transfers in and out of individual funds are summarized as follows during the year ended December 31, 2021:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 200,000	\$ 365,172
Public Improvement Fund	261,086	-
Internal Service Fund	<u>104,086</u>	<u>200,000</u>
Total	<u>\$ 565,172</u>	<u>\$ 565,172</u>

Transfers were used to move General Fund unrestricted excess revenues to finance various projects in the Public Improvement and Internal Service funds. The Internal Service fund transferred to the General Fund for an additional contribution to the Library's MERS plan.

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE F - PENSION PLAN

The Library participates in two retirement programs as detailed below:

Defined Contribution Plan - Employee Investment Plan and Trust

The Library participates in a self-administered defined contribution pension plan established on June 1, 1985. There are two types of contributions that the Library may make: discretionary matching and discretionary profit sharing. Employees are eligible to participate in the plan after reaching 21 years of age and providing three months of service. As authorized by the plan document, each participant may contribute from 1% to 15% of compensation to this plan. The Library may contribute each year, depending on its funding. Participants in the plan are vested depending on their years of service. The employee will be credited with one year of service for each plan year in which at least 1,000 hours of service were completed. All employee contributions are 100% vested at all times.

The Library opened a MERS Defined Contribution plan as of November 1, 2016. As authorized by the plan document, each participant will contribute 3% of compensation to this plan. The Library contributes 8% of the employee's compensation. All employees are 100% vested after 5 years of service. The employee will be credited with one vesting year for each 12 months of continuous employment from the date of hire.

The employer contribution to the self-administered defined contribution plan and the MERS defined contribution plan for the year totaled \$107,783 and \$150,846, respectively. The employee contributions totaled \$178,429 and \$56,265, respectively. Plan provisions and contribution requirements are established and may be amended by the Library Board.

Defined Benefit Plan - Municipal Employees Retirement System of Michigan

The Library participates in the Municipal Employees Retirement System of Michigan ("MERS") defined benefit plan. The defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, State-wide 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 by accessing the MERS website at www.mersofmich.gov.

In October 2016, the Library and the Teamsters Union reached an agreement on the labor contract that had expired on December 31, 2015. The settlement included the transition from the MERS Defined Benefit plan to a MERS Defined Contribution plan. The MERS Defined Benefit plan was frozen as of November 1, 2016. Employees will maintain their benefits pursuant to the MERS Defined Benefit plan.

Benefits Provided

Benefits were frozen as of November 1, 2016.

The vesting period is 6 years.

NOTES TO FINANCIAL STATEMENTS - Continued

Normal retirement age is 60 with early retirement at 55 with 15 years of service, or 50 with 25 years of service.

Final average compensation is calculated based on 5 years. Members contributions are 0% because the plan is closed.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>24</u>
	<u><u>69</u></u>

Contributions

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 any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions were \$120,000 based on the annual required contribution. The Library contributed \$200,000 in excess of the annual required contribution.

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2020.

Actuarial Assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.0% in the long-term.

Investment rate of return: 7.35%, 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%.

NOTES TO FINANCIAL STATEMENTS - Continued

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 in 2018 and 2020.

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 %	3.15 %
Global fixed income	20.0 %	0.25 %
Private investments	20.0 %	1.45 %

Discount Rate

The discount rate used to measure the total pension liability is 7.60% for 2020. 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 plan's 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.

NOTES TO FINANCIAL STATEMENTS - Continued

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a)-(b)
Balances at December 31, 2020	\$ 7,279,540	\$ 6,596,640	\$ 682,900
Changes for the year			
Service cost	990	-	990
Interest on total pension liability	533,181	-	533,181
Changes in benefits	-	-	-
Difference between expected and actual experience	21,472	-	21,472
Changes in assumptions	244,014	-	244,014
Employer contributions	-	320,000	(320,000)
Net investment income	-	921,234	(921,234)
Benefit payments, including employee refunds	(528,986)	(528,986)	-
Administrative expense	-	(10,561)	10,561
Other changes	(15,604)	-	(15,604)
Net changes	<u>255,067</u>	<u>701,687</u>	<u>(446,620)</u>
Balances as of December 31, 2021	<u>\$ 7,534,607</u>	<u>\$ 7,298,327</u>	<u>\$ 236,280</u>

Sensitivity of 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 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage 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	\$ 1,000,957	\$ 236,280	\$ (411,734)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

NOTES TO FINANCIAL STATEMENTS - Continued

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

For the year ended December 31, 2021, the Library recognized pension benefit of \$0. The Library reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in experience	\$ 1,725	\$ -
Difference in assumptions	247,442	-
Excess (deficit) investment returns	<u>-</u>	<u>(508,612)</u>
Total	<u>\$ 249,167</u>	<u>\$ (508,612)</u>

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

<u>Years Ended</u>	
2022	\$ 92,091
2023	(120,023)
2024	(145,866)
2025	<u>(85,647)</u>
	<u>\$ (259,445)</u>

NOTE G - DEFERRED COMPENSATION PLAN

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all Library employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In complying with the amended Section 457 requirements, these assets are for the exclusive benefit of participants and not subject to the claims of the Library's general creditors. As such, they are not included in a custodial fund of the Library.

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE H - OPERATING LEASES

The Library leases equipment from a financial institution under a five year operating lease expiring in August 2023. The total rent expense was \$22,909 for the year ended December 31, 2021.

The minimum annual payments under this lease are as follows:

<u>Years Ended</u>	
2024	\$ 22,909
2025	<u>15,273</u>
	<u>\$ 38,182</u>

NOTE I - RISKS AND UNCERTAINTIES

Risk Management

The Library is exposed to various risks of loss related to property, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library has purchased commercial insurance for claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past four fiscal years. There were no significant reductions in insurance coverage during the past year.

COVID-19

On March 10, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic. The Library believes it understands the risks associated with COVID-19. The Library is continuously implementing risk mitigation tactics as to the risk of the impact of COVID-19 related to their operations within and outside the Library. The extent to which the pandemic impacts operations will depend on future developments, which are highly uncertain at this time and cannot be predicted.

NOTE J - COMMITMENTS AND CONTINGENCIES

Collectively Bargained Employment Agreement

The employees of the Library are organized under the Teamsters State, county and municipal workers local 214 (the "Union"). The Board of Trustees and the Union have a contract for January 1, 2022 through December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

Traverse Area District Library

SCHEDULE OF CHANGES IN THE MERS NET PENSION ASSET AND RELATED RATIOS

For the years ended December 31:

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 990	\$ 1,100	\$ 1,515	\$ 1,950	\$ 199,446	\$ 215,673	\$ 197,882
Interest	533,181	514,941	559,529	554,612	668,004	603,264	574,593
Changes in benefit terms	-	-	-	-	(1,603,158)	-	-
Difference between expected and actual experience	21,472	(37,768)	(271,179)	(30,107)	(117,979)	242,089	-
Changes in assumption	244,014	254,298	-	-	-	450,014	-
Benefit payments, including employee refunds	(528,986)	(505,221)	(448,086)	(451,825)	(431,735)	(429,433)	(389,185)
Other	(15,604)	24,596	(31,582)	(14,823)	(23,177)	(34,593)	(24,527)
Net change in total pension liability	255,067	251,946	(189,803)	59,807	(1,308,599)	1,047,014	358,763
Total pension liability, beginning	<u>7,279,540</u>	<u>7,027,594</u>	<u>7,217,397</u>	<u>7,157,590</u>	<u>8,466,189</u>	<u>7,419,175</u>	<u>7,060,412</u>
Total pension liability, ending	<u>\$ 7,534,607</u>	<u>\$ 7,279,540</u>	<u>\$ 7,027,594</u>	<u>\$ 7,217,397</u>	<u>\$ 7,157,590</u>	<u>\$ 8,466,189</u>	<u>\$ 7,419,175</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 320,000	\$ 230,000	\$ 299,528	\$ 299,372	\$ 299,900	\$ 654,923	\$ 265,502
Contributions - employee	-	-	-	-	(123)	68,879	83,538
Net investment income	921,234	755,913	749,972	(231,447)	707,090	555,932	(70,448)
Benefit payments, including employee refunds	(528,986)	(505,221)	(448,086)	(451,825)	(431,735)	(429,433)	(389,185)
Administrative expense	(10,561)	(12,147)	(12,930)	(11,492)	(11,182)	(10,910)	(10,244)
Net change in plan fiduciary net position	701,687	468,545	588,484	(395,392)	563,950	839,391	(120,837)
Plan fiduciary net position, beginning	<u>6,596,640</u>	<u>6,128,095</u>	<u>5,539,611</u>	<u>5,935,003</u>	<u>5,371,053</u>	<u>4,531,662</u>	<u>4,652,499</u>
Plan fiduciary net position, ending	<u>\$ 7,298,327</u>	<u>\$ 6,596,640</u>	<u>\$ 6,128,095</u>	<u>\$ 5,539,611</u>	<u>\$ 5,935,003</u>	<u>\$ 5,371,053</u>	<u>\$ 4,531,662</u>
Employer net pension liability	<u>\$ 236,280</u>	<u>\$ 682,900</u>	<u>\$ 899,499</u>	<u>\$ 1,677,786</u>	<u>\$ 1,222,587</u>	<u>\$ 3,095,136</u>	<u>\$ 2,887,513</u>
Plan fiduciary net position as a percentage of total pension liability	97 %	91 %	87 %	77 %	83 %	63 %	61 %
Covered employee payroll	<u>\$ 1,113,703</u>	<u>\$ 1,236,453</u>	<u>\$ 1,401,775</u>	<u>\$ 1,646,335</u>	<u>\$ 1,733,192</u>	<u>\$ 1,785,090</u>	<u>\$ 1,673,876</u>
Employer's net pension liability as a percentage of covered employee payroll	21 %	55 %	64 %	102 %	71 %	173 %	173 %

Note to schedule:

The plan was closed October 31, 2016.

Traverse Area District Library

SCHEDULE OF MERS EMPLOYER'S CONTRIBUTIONS

For the years ended December 31,

	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 120,000	\$ 120,000	\$ 99,528	\$ 99,372	\$ 99,777	\$ 304,734	\$ 265,502
Contribution in relation to the actuarially determined contributions	<u>320,000</u>	<u>230,000</u>	<u>299,528</u>	<u>299,372</u>	<u>299,777</u>	<u>679,734</u>	<u>265,502</u>
Contribution excess	<u>\$ 200,000</u>	<u>\$ 110,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 375,000</u>	<u>\$ -</u>
Covered employee payroll	<u>\$1,113,703</u>	<u>\$1,236,453</u>	<u>\$1,401,775</u>	<u>\$1,646,335</u>	<u>\$1,733,192</u>	<u>\$1,785,090</u>	<u>\$1,673,876</u>
Contributions as a percentage of covered employee payroll	29 %	19 %	21 %	18 %	17 %	38 %	16 %

Notes to Schedule

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.0%
Investment rate of return	7.35%
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 Group Annuity Mortality Table

Previous actuarial methods and assumptions:

A seven year smoothed asset valuation method was used for the time period of 2015 through 2018. Inflation and salary increases were expected to be 3.5% and 4.5%, respectively, for 2015. Salary increases were expected to be 3.75% for the time period of 2016 through 2019. Investment rate of return was expected to be 7.75% for the time period of 2016 through 2019.

Traverse Area District Library

BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND

Year Ended December 31, 2021

	Budgeted Amounts		Actual (GAAP Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual Total
	REVENUES				
Property taxes	\$ 5,164,735	\$ 5,164,735	\$ 5,171,504	\$ -	\$ 6,769
State grants	124,825	124,825	125,544	-	719
Other grants	18,400	56,300	112,284	37,900	55,984
Charges for services	64,350	64,350	70,943	-	6,593
Fines and forfeitures	228,000	228,000	192,102	-	(35,898)
Interest income	15,000	15,000	2,050	-	(12,950)
Contributions and other income	26,070	113,170	96,580	87,100	(16,590)
Total revenues	<u>5,641,380</u>	<u>5,766,380</u>	<u>5,771,007</u>	<u>125,000</u>	<u>4,627</u>
EXPENDITURES					
Current					
Personnel	3,326,968	3,426,968	3,409,206	(100,000)	17,762
Supplies	759,645	859,645	789,576	(100,000)	70,069
Other services and charges	1,461,842	1,409,842	1,254,015	52,000	155,827
Capital outlay	92,925	112,925	112,781	(20,000)	144
Total expenditures	<u>5,641,380</u>	<u>5,809,380</u>	<u>5,565,578</u>	<u>(168,000)</u>	<u>243,802</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(43,000)</u>	<u>205,429</u>	<u>(43,000)</u>	<u>248,429</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	200,000	200,000	200,000	-
Operating transfers out	-	(365,172)	(365,172)	(365,172)	-
Total other financing sources (uses)	<u>-</u>	<u>(165,172)</u>	<u>(165,172)</u>	<u>(165,172)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(208,172)</u>	<u>40,257</u>	<u>(208,172)</u>	<u>248,429</u>
Fund balance, beginning of year	<u>1,495,750</u>	<u>1,495,750</u>	<u>1,495,750</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,495,750</u>	<u>\$ 1,287,578</u>	<u>\$ 1,536,007</u>	<u>\$ (208,172)</u>	<u>\$ 248,429</u>



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
 IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
 Traverse Area District Library
 Traverse City, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Traverse Area District Library** (the "Library") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 7, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described below, we identified a deficiency in internal control that we consider to be a significant deficiency.

Finding 2021-001 Preparation of Financial Statements

Criteria: The preparation of financial statements is the responsibility of the Library management and requires internal controls over both (1) recording, processing and summarizing financial data (i.e., maintaining internal books and records) and (2) reporting this financial data in the form of financial statements, including all related note disclosures (i.e., external financial reporting).

Condition: As is the case with many small governments, the Library is relying on their independent external auditors to assist with the preparation of the financial statements and related note disclosures as part of its external financial reporting process.

Cause: This condition was caused by the Library's decision that it is more cost effective to outsource the preparation of its annual financial statements to auditors than to incur the time and expense of obtaining the necessary training and expertise required for the Library to perform this task internally.

Effect: The Library's ability to adjust its books and records and prepare financial statements is based, in part, on its reliance on its external auditors who cannot, by definition, be considered a part of the Library's internal controls.

Recommendation: The Library should perform a review of the draft financial statements and notes prior to approving them to accept responsibility for their content.

Management's Response: The Library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Library to outsource this task to its external auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Trustees
Traverse Area District Library

Library's Response to Finding

The Library's response to the finding identified in our audit is identified above. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dennis Gartland & Niergarth

June 7, 2022

4.8.1 Traverse Area District Library ~ ~ Public Access Laptops and other mobile computer devices

1. The Traverse Area District Library offers its patrons free access to the Internet via Public Access Computers and its Wireless or Wired Network.
2. Pursuant to state and federal law and to create a safe environment for library patrons and staff, Internet access for all public access computing, including wireless access by laptop and other mobile devices is filtered. Filtering of Internet access on the Wireless or Wired Network is set at levels that promote a safe environment for library patrons and staff and in compliance with state and federal laws.
3. The Traverse Area District Library (TADL) offers, in addition to use of fixed public access desktop computers, laptop and other mobile computer devices for loan within the library building.
- > 4. ^{USE OF} Laptops and ~~use of~~ other mobile devices is subject to all other TADL policies including the Computer and Internet Acceptable Use Policy, and the TADL Behavior Policy.
5. ^{USE OF} Laptops and ~~use of~~ other mobile devices may be loaned to registered TADL borrowers for use within the library building.
6. Time limits will be enforced to provide ^{*}equal access to public computers with the option for users to extend their computing session if no other users are in queue. Time limits and extension options will vary based on library location.

Review by Board: November 21, 2013

11 / 21 / 13
Date

Adopted: Y N


Jason Gillman, Board Secretary

Motion by: LVT

Support by: JERRY

4.5 Bulletin Board and Brochures Policy

The Traverse Area District Library encourages the display of informational brochures, pamphlets and posters for the purpose of announcing area civic, educational, and cultural events of interest to the community. Publications must comply with this policy and existing library policies and procedures.

Requests to place items on the Bulletin Board or in the brochure rack should be submitted to the library for review to determine if the brochure meets Library guidelines prior to display.

General Guidelines

1. Posters will be no larger than 16" x 24" and brochures will be no larger than 8 1/2" x 11".
2. Materials cannot be returned unless prior arrangements have been made.
3. Materials which are not date-sensitive will be displayed as long as space is available.
4. Materials the primary purpose of which is to advocate for or against a political candidate or ballot question or advertise for religions or commercial endeavors will not be displayed.
5. Magazines, periodical, and other publications must be current and maintained by the publisher and/or their representative delivering the items.
6. The Library reserves the right to remove brochures and publications that do not comply with this policy or other Library policies and procedures and prohibit future distribution of such materials.

Reviewed January 2003; Revised October 15, 2020

Motion by: Vickery

Supported by: Sullivan

Adopted: Y 4 N 0

Date: 10/15/20

Michael Vickery (for M.P.)
M. Pakieser, Board Secretary

7.10 Whistleblower Policy

Objective

Traverse Area District Library requires all library staff, volunteers, and Trustees to observe a high standard of business and personal ethics in the conduct of their duties and responsibilities. It is the responsibility of all directors, officers, and employees to report violations of the law, or applicable rule, or TADL regulation, or even suspected violations in accordance with this Whistleblower Policy and in accordance with Michigan Whistleblowers' Policy Act (PA 469 of 1980).

This policy outlines a procedure for employees to report actions that an employee reasonably believes violates a law, or regulation, or that constitutes fraudulent accounting or other practices. A copy of this policy shall be distributed to all Trustees, employees, and volunteers who provide substantial services to the District.

Authority:

The Library Director is designated to administer the policy and report to the Board of Trustees at least once annually on compliance activity.

Procedure:

If an employee or volunteer has a reasonable belief that an employee, volunteer or Trustee has engaged in any action that violates any applicable law, rule or regulation, including without limitation, those concerning accounting and auditing, or constitutes a fraudulent practice, or a conflict-of-interest, the employee is expected to immediately report such information to the Library Director. If the employee does not feel comfortable reporting the information to the Library Director, they are expected to report the information to the Assistant Director of Finance and Human Resources. If the conduct implicates one or both of the Library Director or the President of the Board of Trustees, or if the reporting individual is not comfortable speaking with or not satisfied with response of the foregoing individuals, the issue may be reported to any member of the Board of Trustees.

All reports will receive prompt follow-up and an investigation will be conducted. In conducting its investigations, TADL will strive to keep the identity of the complainant confidential whenever reasonably possible, while conducting an adequate review and investigation. After the investigation has been completed, the employee reporting the improper action shall be advised of a summary of the results of the investigation, except for personnel actions taken as a result of the investigation which may be kept confidential.

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable basis in fact for believing the information disclosed indicates a violation. Any allegations which prove to have been made maliciously or where the employee knew or should have known that the information reported or provided is false or frivolous will be viewed as a serious disciplinary offense.

Retaliation:

No trustee, officer, or employee who in good faith reports a violation shall suffer harassment, retaliation, or adverse employment consequence due to said report. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within TADL prior to seeking resolution outside TADL. TADL may take disciplinary action (up to and including termination) against an employee who, in management’s assessment, has engaged in retaliatory conduct in violation of this policy.

In addition, TADL will not, with the intent to retaliate, take any action harmful to any employee who has provided to law enforcement personnel or a court truthful information in good faith relating to the action by TADL or any of its employees of a violation of any applicable law, rule or regulation. Supervisors will be trained on this policy and TADL’s prohibition against retaliation in accordance with this policy.

New on June 16, 2022

Motion by: _____

Adopted: Yes No

Support by: _____

J. Wescott, Board Secretary

Date

4.15 Social Media Policy

Scope

The Traverse Area District Library (“TADL”) is committed to using current forms of social media for enhanced accessibility to Library patrons in our service district and to promote Library services, resources, programs, and events with responsiveness and professionalism to maintain a positive image. Social media is defined as a web application, presence, or account created and maintained by TADL. The role and utility of social media sites will be evaluated periodically by TADL employees, and may be terminated at any time without notice to subscribers.

General Policy

This policy shall apply to all users of TADL’s social media pages, including the general public, TADL patrons, employees and Board Members.

Content

Designated TADL employees will have access to TADL’s social media accounts to manage the following types of content and features including but not limited to:

- Notice of library events, meetings, and programs; notice of community events
- Photographs and videos from the above
- Links to articles, videos about libraries, publishing, books, reading, and other literacy related content
- Information about library-related services such as databases and electronic services
- Highlights of special collections such as local history or new additions to the collections

Terms

Comments noting the positives about TADL are always welcome, but so too are constructive criticisms. TADL monitors its social media pages and takes input seriously; TADL encourages everyone to be respectful in their comments.

Any person posting to TADL’s social media accounts is fully responsible for their comments and all comments are posted in the public domain. TADL may retain any comments and such comments may be subject to disclosure pursuant to the Freedom of Information Act.

To participate in TADL social media services by commenting or posting on the social media accounts belonging to TADL, persons agree to the following terms:

- Abide by all TADL policies, including the Behavior Policy, Digital Device and Internet Acceptable Use Policy, Social Media Policy, and the Terms and Service of each individual third-party provider.
- Not to post or link to offensive, obscene, pornographic, threatening, violent, illegal, or discriminatory content or links to such content.
- Not to post any information or links to information that may compromise the safety or security of the public or TADL’s systems.

- Not to engage in commercial activity regarding goods/services of any kind.
- Not to post spam, viruses, malware, or any other destructive program, script, or code.
- To post only their own content and not post any content found to be in violation of copyright law.
- Not to post comments that contain random or unintelligible text.
- Not to post multiple, off topic posts or repetitive posts that are copied and pasted.
- No anonymous postings, or multiple postings by the same person using a fictitious or different name.
- Not to post content that contains personal information of another, including, but not limited to Library Records as defined in the Library Privacy Act, identification numbers, phone numbers, and email addresses.

The Library shall post the list of prohibited content as set forth above in a prominent location on TADL's website and on its social media pages. Placing a link on a social media page linking to TADL's website meets the requirements of this section.

Library Rights

TADL retains the right to:

- Delete comments that violate this policy or the applicable social media site's terms of usage.
- Reproduce comments for TADL marketing. Authorship will always be credited if it is known.
- Block, remove, or otherwise ban any person from posting for behavior the Library Director or his or her designee determines is a violation of this Policy.

Employee Policy

In addition to the guidelines set forth in Terms above employees shall follow the guidelines in this Section:

- *and Board of Trustees* **Content:** TADL employees designated by the Library Director shall have the sole authority to administer and moderate the content of TADL's social media pages.
- **Authority to Post on TADL's social media pages as the Official Library Position:** For consistent communications practices, all posts as the Official Library Position on its social media pages shall be made by the Library Director or the Library Director's designee. In the event of an emergency situation, or any situation deemed appropriate by the Library Director, the Library Director or designee may post to TADL's social media pages as the Official Library Position.
- *and trustees* **Other employees posting to TADL's social media pages:**
 - *and trustees* Other employees may respond to an official post, but must include a disclaimer that reflects that the content contained therein is in no relation to their professional duties as an employee of TADL. Employees shall, in no way, attempt to convey their position as the Official Library Position.
 - *or trustee* Employees who violate this policy are subject to disciplinary action, up to and including discharge.

Liability

TADL shall not be held liable for any damages resulting from use of TADL’s social media accounts. Anyone using TADL’s social media accounts agree to release and hold TADL harmless from any and all causes of action relating to use of TADL’s social media accounts.

Endorsement

TADL does not endorse or review content outside the items created by TADL employees. To that end, TADL only includes items in our social media accounts when we are a designated partner to the event (i.e. there is an existing formal partnership agreement).

Penalties

Persons violating this policy will be asked to comply by TADL employees. In response to serious or repeated violations of this policy, TADL employees are authorized to take appropriate measures. The Library reserves the right to ban or block persons who violate this policy. In addition, all persons are expected to abide by the terms and conditions set by third party social media platforms as well as follow appropriate Federal and State Law.

Privacy

The library may occasionally refer to public comments made on social media. However, it will not collect, sell or knowingly transfer to any third party any personally identifiable information related to social media engagement with the library. Please be advised that any platform has its own privacy policies.

New on June 16, 2022

Motion by: Vickery

Adopted: Yes No

Support by: Sullivan

 Carol Sullivan

 6-16-22

J. Wescott, Board Secretary
C. Sullivan, Treasurer

Date

4.15 Social Media Policy

Scope

The Traverse Area District Library (“TADL”) is committed to using current forms of social media for enhanced accessibility to Library patrons in our service district and to promote Library services, resources, programs, and events with responsiveness and professionalism to maintain a positive image. Social media is defined as a web application, presence, or account created and maintained by TADL. The role and utility of social media sites will be evaluated periodically by TADL staff, and may be terminated at any time without notice to subscribers.

Content

Designated staff members will have access to TADL’s social media accounts to manage the following types of content and features including but not limited to:

- Notice of library events, meetings, and programs; notice of community events
- Photographs and videos from the above
- Links to articles, videos about libraries, publishing, books, reading, and other literacy related content
- Information about library-related services such as databases and electronic services
- Highlights of special collections such as local history or new additions to the collections

Terms

To participate in TADL social media services by commenting or posting on the social media accounts belonging to TADL, patrons agree to the following terms:

- Abide by all TADL policies, including the Behavior Policy, Digital Device and Internet Acceptable Use Policy, Social Media Policy, and the Terms and Service of each individual third-party provider.
- Not to post or link to offensive, obscene, pornographic, threatening, illegal, or discriminatory content.
- Not to engage in commercial activity regarding goods/services of any kind.
- Not to post spam, viruses, malware, or any other destructive program, script, or code.
- To post only their own content and not post any content found to be in violation of copyright law.
- Not to post any unlawful, discriminatory, defamatory, or misleading items.

Library Rights

TADL retains the right to the following:

- Delete comments that, at TADL’s sole discretion, it deems to be offensive or inappropriate, or that violate TADL’s or the applicable social media site’s terms of usage.
- Reproduce comments for TADL marketing. Authorship will always be credited if it is known.
- Block, remove, or otherwise prohibit any patron for behavior the Library Director or his or her designee deems to be a violation of the behavior policy.

Liability

TADL shall not be held liable for any damages resulting from use of TADL’s social media accounts. Anyone using TADL’s social media accounts agree to release and hold TADL harmless from any and all causes of action relating to use of TADL’s social media accounts.

Endorsement

TADL does not endorse or review content outside the items created by TADL staff. To that end, TADL only includes items in our social media accounts when we are a designated partner to the event (i.e. there is an existing formal partnership agreement).

Penalties

Guests violating this policy will be asked to comply by TADL staff. In response to serious or repeated violations of this policy, TADL staff are authorized to take appropriate measures against the patrons. The Library reserves the right to ban or block patrons who violate this policy. In addition, patrons are expected to abide by the terms and conditions set by third party social media platforms as well as follow appropriate Federal and State Law.

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The library may occasionally refer to public comments made on social media. However, it will not collect, sell or knowingly transfer to any third party any personally identifiable information related to social media engagement with the library. Please be advised that any platform has its own privacy policies.

New on June 16, 2022

Motion by: _____

Adopted: Yes No

Support by: _____

J. Wescott, Board Secretary

Date

2.9 Electronic Transactions Policy

Purpose

The purpose of this policy is to authorize and regulate the use of electronic transactions and Automatic Clearing House (ACH) arrangements for the Traverse Area District Library in compliance with Public Act 738 of 2002.

Authority

The authority to enter into electronic transfer agreements with previously Board approved financial institutions and responsibility for the oversight of all agreements shall be delegated to the Library Director or in his/her absence the Assistant Director for Technology by the Board of Trustees.

Use and Monitoring of Electronic Transactions

1. Electronic transfer transactions shall be used to transfer payment of salaries, benefits, or employee deductions/reimbursements; or for the purpose of transferring funds between Traverse Area District Library owned checking, savings, credit card or investment accounts. No other ACH or electronic transfer of funds is authorized without the express written approval of the Board Treasurer.
2. All electronic payments must be reported in the monthly financial reports indicating service received, payment date, payee(s), and amount. All electronic transfer of funds must also be detailed indicating amount transferred, date, purpose, and Traverse Area District Library accounts affected.
3. All electronic payments must be approved by the Library Director, Assistant Director for Finance and Human Resources, or their delegate, prior to entry of the transaction into the applicable software system.
4. Electronic transfers between the internal library bank accounts and/or investments only will be established at no more than \$500,000 per day, regardless of purpose. Current staff members with transfer authority include: Library Director and Assistant Director for Finance and Human Resources.
5. Access to electronic bank software will be restricted to Administration Office personnel on a need to know basis. Each staff member with access will have a dollar limit established and authority granted specific to their function and transaction need.

New on June 16, 2022

Motion by: Jones

Adopted: Yes No

Support by: Vickery

 Carol Sullivan
 J. Wescott, Board Secretary Treasurer
 C. Sullivan

 6-16-22
 Date

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New on June 16, 2022

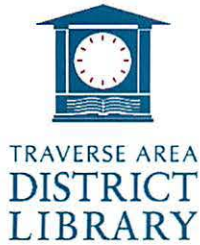
Motion by: _____

Adopted: Yes No

Support by: _____

J. Wescott, Board Secretary

Date



RESOLUTION

Transfers Between Fifth Third Bank Accounts
and the Michigan CLASS Investment Account

June 16, 2022

WHEREAS, Traverse Area District Library (TADL) approved a resolution for Michigan Cooperative Liquid Assets Securities System (Michigan CLASS) Participation on May 16, 2019, at which time a Participation Agreement and Account were established;

BE IT RESOLVED, that the TADL Board of Trustees approves the Library Director and Assistant Director of Finance and Human Resources to transfer funds between the Fifth Third Checking and/or Money Market Accounts and the Michigan CLASS investment account as deemed necessary to achieve maximum monetary returns and to maintain TADL operations.

Motion to adopt the resolution was introduced by: Jones

And supported by: Sullivan

Motion adopted Yes / No 6-16-22
(date)

Carol Sullivan

J. Wescott, Board Secretary *Treasurer*
C. Sullivan



RESOLUTION

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June 16, 2022

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BE IT RESOLVED, that the TADL Board of Trustees approves the Library Director and Assistant Director of Finance and Human Resources to transfer funds between the Fifth Third Checking and/or Money Market Accounts and the Michigan CLASS investment account as deemed necessary to achieve maximum monetary returns and to maintain TADL operations.

Motion to adopt the resolution was introduced by: _____

And supported by: _____

Motion adopted Yes / No _____
(date)

J. Wescott, Board Secretary



RESOLUTION

Transfer \$400,000 from Fifth Third Money Market Account
to Michigan CLASS Investment Account

June 16, 2022

WHEREAS, Traverse Area District Library approved a resolution for Michigan Cooperative Liquid Assets Securities System (Michigan CLASS) Participation on May 16, 2019, at which time a Participation Agreement and Account were established;

WHEREAS, on June 7, 2022, following low performance in the Fifth Third investments and a presentation and discussion with a representative of Michigan CLASS, the Finance and Facilities Committee recommends a transfer of \$400,000 from the Fifth Third Money Market account to Michigan CLASS;

BE IT RESOLVED, that the TADL Board of Trustees approves the Library Director and Assistant Director of Finance and Human Resources to transfer \$400,000 from the Fifth Third Money Market Account to the Michigan CLASS investment account.

Motion to adopt the resolution was introduced by: _____

And supported by: _____

Motion adopted Yes / No _____
(date)

J. Wescott, Board Secretary

Motion CARRIED with 5 aye and 1 nay.

b. 4.1 Behavior Policy

Vickery noted that the purpose of the behavior policy revision was to update the mission, incorporate the Smoke and Tobacco Free Campus Policy approved in the previous item of business, and to articulate consistent and equitable remedies that the staff could rely on in order to discourage behavior that is disruptive to patron use of the library. Gillman suggested removing items 14 and 15 and replacing it with 'any violation of the smoke and tobacco free campus policy'. Odgers had concern about the interpretive quality of some of the behaviors in the policy. Zeits (Counsel) noted that there is an established consistency of practice with regard to the behaviors and that violators also have the opportunity to appeal any violation as set forth in the policy.

Due to Gillman's suggested change and the resulting successive effects of the numerals, President Gersch sent the policy back to the Policy Committee to clean it up and bring back to the board next month for approval.

c. Schedule Special Board Meeting for Director Interviews

Juett suggested three dates to consider holding a special board meeting for the purposes of Director interviews. A 5-hour time allotment would be necessary to accommodate a meeting with three interviews of approximately 1-1/2 hours each. The meeting will be video-taped and open to the public. May 31, 2019 was chosen unanimously. Jones will follow through with scheduling the candidates.

d. MI CLASS Discussion

Gillman noted that the Finance Committee is monitoring TADL's current investments and, following an informational presentation from a MI CLASS representative, the committee supports establishing a MI CLASS account as a potential alternate investment vehicle. He explained that in order to invest with MI CLASS that TADL was required to approve a resolution to create an account with MI CLASS and a resolution was prepared for that purpose. He confirmed that TADL was not investing money at this time, only establishing an account to do so should the board decide to invest at a future date. It was MOVED by Gillman, SUPPORTED by Sullivan, to adopt the resolution as presented. A roll call vote was taken with the following results:

Odgers – aye	Sullivan – aye	Mathewson – absent
Gersch – aye	Jones – aye	
Gillman – aye	Vickery – aye	

Motion CARRIED with 6 aye.

May 16, 2019
minutes

8.5 Public Comment

President Gersch opened the floor for public comment. There was none.

9. Possible Closed Session for consideration of written, attorney-client communication regarding personnel matter.

It was MOVED by Gillman, SUPPORTED by Jones, to take a 5-10 minute recess before entering into closed session. Motion CARRIED and a brief recess was taken starting at 6:37pm.

The board reconvened at 6:47pm. It was then MOVED by Gillman, SUPPORTED by Jones, to enter into closed session to consider written, attorney-client communication regarding a personnel matter.

A roll call vote was taken with the following results:

Odgers – aye	Sullivan – aye	Mathewson – absent
Gersch – aye	Jones – aye	
Gillman – aye	Vickery – aye	

4.15 Social Media Policy

Scope

The Traverse Area District Library (“TADL”) is committed to using current forms of social media for enhanced accessibility to Library patrons in our service district and to promote Library services, resources, programs, and events with responsiveness and professionalism to maintain a positive image. Social media is defined as a web application, presence, or account created and maintained by TADL. The role and utility of social media sites will be evaluated periodically by TADL staff, and may be terminated at any time without notice to subscribers.

General Policy

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Content

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- Not to engage in commercial activity regarding goods/services of any kind.

- Not to post spam, viruses, malware, or any other destructive program, script, or code.
 - To post only their own content and not post any content found to be in violation of copyright law.
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- The Library shall post the list of prohibited content as set forth above in a prominent location on TADL’s website and on its social media pages. Placing a link on a social media page linking to TADL’s website meets the requirements of this section.

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Library Rights

TADL retains the right to ~~the following~~:

- Delete comments ~~that, at TADL’s sole discretion, it deems to be offensive or inappropriate, or~~ that violate this policy TADL’s or the applicable social media site’s terms of usage.
- Reproduce comments for TADL marketing. Authorship will always be credited if it is known.

Block, remove, or otherwise ~~prohibit~~ ban any ~~patron-person from posting~~ for behavior the Library Director or his or her designee ~~determines is~~ ems to be a violation of ~~the behavior policy~~ this Policy.

EMPLOYEE POLICY

In addition to the guidelines set forth in Terms above employees shall follow the guidelines in this Section:

- Content: Staff members designated by the Library Director shall have the sole authority to administer and moderate the content of TADL’s social media pages.
- Authority to Post on TADL’s social media pages as the Official Library Position: For consistent communications practices, all posts as the Library’s official position on its social media pages shall be made by the Library Director or the Library Director’s designee. In the event of an emergency situation, or any situation deemed appropriate by the Library Director, the Library Director or designee may post to TADL’s social media pages as the official Library’s official position.
- Other employees posting to TADL’s social media pages:

Commented [1]: Spell those out here or update behavior policy to extend to online?

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Commented [K22]: Should Board Members also be included? The Board’s ethics policy states “Acknowledge and support the actions and decisions of the Board and to distinguish clearly in their public actions and statements between their personal opinions and attitudes and those of TADL.” It would be consistent with that provision to also include Board Members in this section of the policy.

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Commented [3]: ALA suggestion - may be covered by another area of policy related to privacy

Commented [4]: @mhoward@tadl.org @vcarpenter@tadl.org I've updated the policy draft with the first rounds of edits - see what you think!

New on June 16, 2022

Motion by: _____

Adopted: Yes No

Support by: _____

J. Wescott, Board Secretary

Date