

Minutes

REGULAR BOARD MEETING

Approved Jan 26, 2026

Monday November 24, 2025

7:00 PM MEETING

CEDAR SPRINGS PUBLIC LIBRARY

107 Main Street, Cedar Springs, MI 49319

I Call to Order 7:00pm

Meeting called to order by Chair Smith at 7:00 pm

Present: Tim Smith, Tony Owen, Michelle Gritter, John Lehmoine, Heidi Armock, Ron Howell, Mark Dykstra

Absent: none

The Chair verified there was a quorum present to conduct the business of the Board.

II Pledge

Chair Smith led the Board in the pledge of allegiance

III Approval of Agenda

Motion by Owen 2nd by Lehmoine to approve the agenda.

Voice Vote: Ayes: All Nays: None **Motion Passes**

IV Consent Agenda

- a. Minutes of 27Oct25 Regular Meeting
- b. October Financial Report from City

The Director circulated the Bank statement with check images for the Board to review.

Motion by Owen 2nd by Armock to accept and affirm the consent agenda (a) Minutes of the 27Oct2525 Regular Meetings (b) October Financial Report from the City as presented.

Voice Vote: Ayes: All Nays: None **Motion Passes**

V Directors Report-J. Pugh

Board Tasks

Action and Information-

The RFID Tagging Project Phase 2: Staff have done a phenomenal job with the RFID tagging project over the past month. As of November 14, 2025, Mystery and Youth are the only sections left to be tagged. The Director is hoping for a completion of Phase 2 by the end of the year.

Book Vendors: The Library now has an operational Ingram account. The Collection Manager is ordering majority of books through Ingram instead of Amazon. However, Ingram pricing is only about 1-2% cheaper than Amazon's, so the Collection Manager is ordering from Amazon when they offer a better price or there is no availability through Ingram.

Policies Affected by New Tax ID: The Director has reached out to the Attorney for the updated Financial and Personnel Policies. Once the Director receives those documents, he will share them with corresponding committees and then present them to the full board.

Specific date TBD.

MML Unemployment Group: With the new Unemployment Insurance Status with the state of Michigan, The Library's insurer, the Michigan Municipal League (MML), has offered a Group Unemployment Program.

The program helps member municipalities manage unemployment insurance obligations efficiently and predictably through a Group Reimbursable Account.

The Director is requesting a budget amendment of \$3,100 to cover the initial costs of the program. It should also be noted that future budget amendments may be necessary as the UIA has been implementing policy changes such as duration of benefits and maximum benefits allowed, which have caused a necessary recalculation of the merit rate formula, therefore it is difficult to provide a merit rate or 2026 cost at this time. See the attached Summary and MML Manual for more information.

Community Engagement-

The Director would like to recognize the outstanding work the Library's social media and marketing team has been doing. When at the 2025 MLA Annual Conference in Lansing, several library directors, workers, and colleagues praised the Library's social media posts. At the November Lakeland Library Cooperative meeting, a member of the Board of Directors also praised the team's efforts. Finally, KDL's Head of Community Engagement offered kudos to our marketing team. The Director recognizes the hard work and dedication of the Marketing & Communications Specialist and the fun the staff have creating the Library's online content. The Library participated in the Downtown Halloween Spooktacular handing out candy to over 1,500 people on Halloween Night.

The Friends of the Library hosted the annual Fall Craft Show on Saturday, November 8th, from 9:00am-2:00pm. Almost 1,000 people attended the event. The Friends raised \$1,090. The Director would like to recognize former employee, and now Friend, Mary Gardner for her outstanding work and dedication to this event from the planning, marketing, and execution. Thank you, Friends!

CSPL is now offering a free Grand Rapids Children's Museum pass. Patrons must be 18 years or older, have a valid CSPL Library Card (No LLC or KDL cards); the pass has a 3-Day borrowing period and allows admission for up to 6 people. Other rules apply. See attached flyer.

Program Attendance & Usage Stats

October Door Count: 6,149

Fall Reading Challenge Adults/Teens – 25 Children – 60

Total October Program participation: 1,445

Storytimes: 349

Senior Exercise: 216

Quilters: 77

Book Club: 10

Outreach visits: 56

Writers' Group: 7

Red Flannel Storytime: 90

Crafty Saturday: 20

Programs/Meetings: 39

Pokémon Night: 28

Halloween Storytime: 117

Passive Programs (Find Dewey, I Spy, etc.): 475

Study Room Reservations: 104 (about 21/wk.)

Community Room Uses: 49

Rentals: 10

Patrons Cedar Springs: 1,457 Solon Township: 1,854 KDL: 167 Other LLC Patrons: 65

Circulation

Adult books: 870

Youth books: 1,368

YA books: 95

Books on CD: 44

DVDs: 231

Express Items (do not go out to other libraries): 177

Other Items (including Library of Things, Hotspots, etc.): 46

Digital Content: 1,033

E-Books: 566

E-Audiobooks: 302

Digital Magazines: 165

The Director presented an **Executive Summary - MML Group Unemployment Program for the Cedar Springs Public Library-Michigan Municipal League | Revised January 2025**

Purpose

The Michigan Municipal League (MML) Group Unemployment Program helps member municipalities manage unemployment insurance obligations efficiently and predictably through a Group Reimbursable Account administered with Equifax Workforce Solutions.

Program Overview

Group Reimbursable Account: Shares unemployment risk among members without pooling funds.

Funding: Initial payment = 2% of previous year's taxable payroll. For CSPL in 2024 that equals \$3,100. Quarterly contributions based on an assigned merit rate applied to the first \$9,500 of each employee's wages (0.06%–10%). It should also be noted that future budget amendments may be necessary as the UIA has been implementing policy changes such as duration of benefits and maximum benefits allowed, which have caused a necessary re-calculation of the merit rate formula, therefore it is difficult to provide a merit rate or 2026 cost at this time.

Benefits: Professional claims management, training, and cost control support.

Services Provided

Filing and managing all unemployment claims with the Unemployment Insurance Agency (UIA).

Representation at unemployment hearings.

Verification of benefit charges and activity.

Quarterly reports summarizing claims, appeals, and costs.

Supervisor training on unemployment cost control.

Employer Responsibilities

Provide accurate and prompt separation documentation to Equifax.

Maintain detailed personnel records (disciplinary actions, evaluations, and warnings).

Avoid vague termination language (“poor performance”)—document misconduct clearly.

File required quarterly reports on time to avoid state penalties.

Controlling Costs

Hire carefully and provide clear policies.

Conduct exit interviews and secure written resignations.

Respond promptly to claims and participate in hearings.

Notify Equifax immediately if former employee refuses rehire.

Key Reporting Deadlines

Quarterly Contribution Report – Due by the 25th of the month following quarter end.

UIA Wage/Tax Report (Form UIA 1028) – Filed online with the State.

Negative Balances – Pay in full by April 25 of each year.

Posting/Notice Requirements – Display UIA 1710 and provide UIA 1711 at separation.

Eligibility & Benefit Basics

Claimants must be able, available, and actively seeking work.

Weekly benefit range: \$135–\$446, for 14–26 weeks.

Board Considerations

Participation supports financial predictability and regulatory compliance.

Equifax and MML handle most administrative burden.

Continued timely reporting and documentation protect the library’s account and reduce costs.

Approval of Initial Payment (2% of previous year’s taxable payroll), which will be \$3,100.

Discussion: If an employee requests a hearing this Michigan Municipal League Unemployment Pool service will represent the City; the Pool would essentially perform a traditional Human Resource function of representing the library by following adopted policies and State requirements if an employee makes a claim for unemployment; the initial cost of \$3,100 will have some adjustment as it is based on payroll and will be budgeted for quarterly payments; because this is like additional insurance it will be reviewed annually; the attorney who is working on our Personnel Policies will incorporate whatever changes we need to make.

The marketing staff was complimented on how popular CSPL social media postings are being received by the public on par with larger sized libraries.

VI Chairperson’s Report-T. Smith

The Chair had no report.

VII Committee Reports

The Chair noted there were no committee meetings.

Personnel Committee

- c. Policy Committee-
- d. By-laws Committee
- e. IT (Technology) Committee-
- f. Finance Committee-
- g. Strategic Plan Committee

VIII Public Comment

Rose Powell-noted she was reelected to City Council for 4 more years; presented a flyer describing the Historical Society Christmas Pictures project on Saturday December 6th; noted how the Celebration of lights went very well recognizing the Andersons & Mabie’s; reported the renovations for new city hall should be done by March; happy thanksgiving and merry Christmas.

IX Ongoing/New Business

a. Audit Report from Vredevelde Haefner LLC.

Matt Haefner presented the 1st Annual Audit for the Library noting the most important item that was a clean audit with no issues.

Discussion: Unassigned fund balance of \$411,00 should be monitored and reviewed at budget time and Strategic Planning for anticipated needs; no line items were over budget; noted the City does a great job as the library accounting.

Motion by Owen 2nd by Gritter to approve the 2025 Audit Report as presented.

Roll Call Vote Ayes: Smith, Owen, Gritter, Lehmoine, Armock, Howell, Dykstra

Nays: None

Motion Passes

b. Board Approval of November 2025 Budget Amendment

Increase 271-000-400.100 (Appropriation from Fund Balance) by \$3,100

Increase 271-790-935.000 (Insurance & Bonds Expense) by \$3,100

Expense for initial cost of the Michigan Municipal League (MML) Unemployment Program.

This budget amendment reflects the Library’s commitment to effectively allocating resources to meet current programming and public engagement needs and does not change the Total Expenditures for 2025-26 Fiscal Year.

Motion by Lehmoine 2nd by Howell to approve the Budget Amendment as presented above.

Roll Call Vote Ayes: Smith, Owen, Gritter, Lehmoine, Armock, Howell, Dykstra

Nays: None

Motion Passes

X Agenda Items for December 15th 2025 Meeting

Discussion: The director noted he will be receiving the attorney's recommended Personnel and Finance policies and will then meet with the Board Committee(s) and submit recommendations including a fund balance percentage/number. The Strategic Plan and survey will help set budget priorities and address such questions as expanded hours; January 2026 will start next years budget process in coordination with the Strategic Plan.

XI Informational Items

XII Public Comment

No public Comment

XIII Board Comments

Dykstra-

Gritter-great job staff getting everything done and an example to other libraries

Lehmoine-Appreciated good Audit report and look to future and not go back

Owen-no comment

Howell- no comment

Armock- no comment

Smith-Reflected on how grateful I am for the staff, James, Board, and people who love this library is blessing and proud to be part of it.

XIV Motion to Adjourn

Motion by Owen 2nd by Gritter to adjourn the meeting at 7:37 pm.

Voice Vote: Ayes: All Nays: None **Motion Passes**

Respectfully submitted by Secretary Howell

Ron M. Howell

25Nov25

Board Approved-



1-30-25

Next regular meeting scheduled for Monday December 15, 2025 at 7:00 pm at the library

Meeting Attachments:

Draft Minutes of 30 October 25 Regular Meeting

October 2025 Financial Report from City

Director's November Report

CSPL Flyer for Grand Rapids Children's Museum Family Pass

Michigan Municipal League, Municipal Unemployment Group Account, Manual

2025 Audit from Vredevelde Haefner LLC, dated November 14, 2025

Minutes

REGULAR BOARD MEETING

Monday October 27, 2025

Draft

7:00 PM MEETING

CEDAR SPRINGS PUBLIC LIBRARY

107 Main Street, Cedar Springs, MI 49319

I Call to Order 7:00pm

Meeting called to order by Chair Smith at 7:00 pm

Present: Tim Smith, Tony Owen, Michelle Gritter, John Lehmoine, Heidi Armock, Ron Howell

Absent: Mark Dykstra

Motion by Owen 2nd by Lehmoine to excuse M. Dykstra.

Voice Vote: Ayes: All Nays: None **Motion Passes**

The Chair verified there was a quorum present to conduct the business of the Board.

II Pledge

Chair Smith led the Board in the pledge of allegiance

III Approval of Agenda

Motion by Owen 2nd by Gritter to approve the agenda.

Voice Vote: Ayes: All Nays: None **Motion Passes**

IV Consent Agenda

a. Minutes of 22Sep Regular Meeting

b. September Financial Report from City

The Director circulated the Bank statement with check images for the Board to review.

Motion by Owen 2nd by Lehmoine to accept and affirm the consent agenda (a) Minutes of the 22Sep25 Regular Meetings (b) September Financial Report from the City as presented.

Voice Vote: Ayes: All Nays: None **Motion Passes**

V Directors Report-J. Pugh

Board Tasks

The Strategic Planning Survey has closed with 123 returned (online and digital) . Apologized the attached Strategic Planning Survey Updates were not included in the packet and the next step in

the process will be to create the focus groups and the whole process will take another 3 months.

Library Audit: The audit is essentially complete, however since this is the Library's first independent audit in a long time, there are still some final details being completed. Vredeveld Haefner, LLC will present the audit at the November Library Board meeting.

A Member of the board asked that the Director check with the auditor to make sure a review of how the City calculates our annual millage payment less DDA capture.

Action and Information-

In-service 2025: The Library was closed to the public on Monday, October 13, 2025 (Indigenous Peoples Day) for our annual in-service. This year staff took the opportunity to clean out and reorganize storage space. A couple staff members also took the opportunity to continue the RFID tagging project. The Library is now in compliance with liability and safety standards per the request of our insurer, MML. A Board member asked about the Insurance walk through and the Director explained how they found minor items like how items were stacked near the power panels and should be moved around to have better access.

The RFID Tagging Project Phase 2: The Library has a self-checkout machine! Patrons can check items out and as well as see account information on the little self-check kiosk. Staff was complimented how quickly they are also moving forward with the RFID tagging project, with roughly 2/3 of the collection tagged.

Book Vendors: Baker & Taylor (the Library's book vendor) was not acquired by ReaderLink and is now closing operations by the end of the year. The Director and Collection Manager have been working on solutions to find a replacement book vendor. As of right now, to stay on top of demand for new materials, the Library is ordering primarily through Amazon. The Director has reached out to Ingram and is finalizing set up of the Library's new account.

LM Financial Cohort: The Director has begun the Library of Michigan's Public Library Financial Management Cohort. The cost of the cohort is covered by the Library of Michigan, no budget amendment required

Small Business Taxpayer Exemption (SBTE) Reimbursement: The City received a reimbursement payment in September 2025 through a new State of Michigan program connected to small business personal property tax exemptions. Under Section 9o of the General Property Tax Act, eligible small businesses can apply for a personal property tax exemption. In 2023, the Michigan Trust Fund Act was amended to reimburse local governments — including public libraries — for millage revenue lost due to these exemptions. Unlike other state reimbursement programs, SBTE payments are not automatic. They are only issued when small business taxpayers apply for and receive the exemption each year. This means reimbursement amounts may vary or may not occur every year, depending on how many eligible taxpayers claim the exemption.

Payments are made the year following the tax year in which the exemptions were granted. The September 2025 payment represents the Library's portion of reimbursement for the 2023 tax year under this new program. The Library was eligible for a portion of the reimbursement and it will register on the Revenue/Expense Report as 271-000-569.000 (STATE GRANTS – OTHER).

The Library received \$944.31.

Policies Affected by New Tax ID: Updates to the Library's Financial and Personnel Policies are required now that the Library has its own Tax ID. The Library's attorney gave an estimate of about \$8,000 to cover both policy updates. Please see the attached budget amendment. • Michigan Unemployment Tax Status: Due to the Library's new Tax ID, it is now recognized by the State of Michigan as an employer responsible for unemployment insurance taxes. Beginning July 1, 2025, the Library must file quarterly reports and pay a 2.7% tax on the first \$9,000 of each employee's wages. This means the library will have to increase line item 271-790-708.000 (UNEMPLOYMENT EMPLOY BENEFIT EXP) by \$4,400. Regular compliance will ensure the Library avoids penalties and maintains good standing with the state. See attached summary and budget amendment for more information.

Community Engagement-

The Friends of the Library had a very successful book sale during Red Flannel Fest. Over 500 people came through the doors and the sale made just over \$1,500. The next Friends fundraising event will be the Fall Craft Show on Saturday, November 8th from 9:00am – 2:00pm. Thank you, Friends!

Program Attendance & Usage Stats

September Door Count: 3,639 • Fall Reading Challenge Adults/Teens – 24 Children - 40 • Total September Program participation: 1,206 Storytimes: 370 • Music & Movement Storytime used to be every other week, now is held every week. Senior Exercise: 250 Quilters: 55 Book Club: 6 Outreach visits: 0 • Schools requested Library visit wait until school year settles in Writers' Group: 8 John Ball Traveling Zoo: 117 Passive Programs (Find Dewey, I Spy, etc.): 400 • Study Room Reservations: 115 (about 29/wk.) Community Room Uses: 38 Rentals: 9 Programs/Meetings: 29

Patrons

Cedar Springs: 1,444 • Solon Township: 1,843 • KDL: 169 • Other LLC Patrons: 70

Circulation

Adult books: 904 • Youth books: 1,304 • YA books: 84 • Books on CD: 33 • DVDs: 125 • Express Items (do not go out to other libraries): 169 • Other Items (including Library of Things, Hotspots, etc.): 32 • Digital Content: 1,346 E-Books: 278 E-Audiobooks: 564 Digital Magazines: 504

The Director submitted a report for ADA compliance of our Web Site as of September 2025

This website currently has 457 pages that are accessible to the public. All these pages were scanned and evaluated in preparation of this report. Pages in the process of remediation: This website currently has 0 pages that require remediation to meet full compliance. This website currently has 135 PDFs that require remediation to meet full compliance. Videos in the process of review for closed captioning: 0 This website currently has 0 videos that require review to meet full compliance.

The scores reported are compiled using various open-source scanning technologies, including Lighthouse. Note that perfect scan scores do not guarantee a perfectly accessibility site for every type of disability.

The Director presented a memo regarding Michigan Unemployment Tax Status
Effective Date: July 1, 2025 Agency: Michigan Department of Labor and Economic Opportunity – Unemployment Insurance Agency (UIA) Overview The State of Michigan has determined that Cedar Springs Public Library qualifies as a liable employer under the Michigan Employment Security Act and there is a new line item in the Budget to account for those payments as reflected in the Budget amendment later in the meeting. This means the Library must participate in the state’s unemployment insurance system, similar to other employers that pay into a fund supporting workers who lose their jobs through no fault of their own.

Reporting Requirements • The Library must file Quarterly Wage/Tax Reports online through the Michigan Web Account Manager (MiWAM) system. • Reports must be submitted each quarter, even if there is no payroll activity. • Failure to file reports may lead to penalties, interest charges, and possible account redetermination by the UIA. Tax Details • Tax Rate for 2025: 2.7% (the standard new employer rate). That equals about \$1,100 charge per quarter. • Taxable Wage Base: \$9,000 per employee annually.

Example: The Library pays unemployment tax only on the first \$9,000 of each employee’s wages. • The Library may qualify for future reductions in the taxable wage base if all reports and payments remain current and the library’s unemployment fund stays above required levels.

Penalties and Interest If reports or payments are late or incorrect: • Late Filing Penalty: 10% of the tax due (minimum \$5, maximum \$25). • Negligence Penalty: 5% if UIA estimates taxes due. • Wage Penalties: \$50 for reports filed more than 30 days late; \$250 for continued noncompliance. • Interest: 1% per month on unpaid balances.

VI Chairperson’s Report-T. Smith

Had no comments at this time but there is item under New Business regarding the language for the Public Comment section of each agenda

VII Committee Reports

The Chair noted there were no committee meetings.

Personnel Committee

- c. Policy Committee-
- d. By-laws Committee
- e. IT (Technology) Committee-
- f. Finance Committee-
- g. Strategic Plan Committee

VIII Public Comment

There was no public comment.

IX Ongoing/New Business

- a. Board Approval of October 2025 Budget Amendment
Increase 271-000-400.100 (Appropriation from Fund Balance) by \$8,000 Increase 271-790-801.000 (Professional Service Expense) by \$8,000 Expense for additional attorney's fees pertaining to affected policies triggered by the Library obtaining its own Federal Tax Identification Number (Financial (5) and Personnel (entire Handbook).
(new) Increase 271-790-708.00 Unemployment Benefits Expense by \$4,400

This budget amendment reflects the Library's commitment to effectively allocating resources to meet current programming and public engagement needs and increases the Total Revenues and Expenditures for 2025-26 Fiscal Year by using an additional \$12,400 from Unrestricted cash reserves.

Discussion: It was reaffirmed the Director has the authority to pursue legal assistance within budget limitations to keep the library operations in compliance with existing laws.

Motion by Lehmoine 2nd by Howell to approve the Budget Amendment as presented above.

Roll Call Vote Ayes: Smith, Owen, Gritter, Lehmoine, Armock, Howell

Nays: None

Motion Passes

The Chair presented a proposed change to how Citizen Comments is written in the agenda.

Current

Any citizen who wishes to address the Library Board on a topic shall be recognized by the Chair and limit their comments to two minutes unless the chairperson deems otherwise. The Board will not respond to, or discuss, public comments unless the Chair approves.

Proposed Change

Thank you for joining us and taking an interest in the mission of the Cedar Springs Public Library. Anyone wishing to address the Library Board on a topic shall be recognized by the Chair and limit their comments to two minutes. The Board will not respond to or discuss public comments at this time.

Motion by Owen 2nd by Gritter to approve the revised Citizen Comments language in the agenda as requested by the Chair.

Voice Vote: Ayes: All Nays: None

Motion Passes

X Agenda Items for November 24, 2025 Meeting

Audit Report from Vredeveld Haefner LLC.

Discussion: It was noted the current bill approval process was reviewed with the Director by the Auditor.

XI Informational Items

Michigan Department of Labor and Economic Opportunity Unemployment Insurance Agency
Letters L0152131574, L0152141949, and L0152578285

XII Public Comment

There were no Public Comments

XIII Board Comments

Dykstra-

Gritter-Noted that has accepted reappointment to the Board by Solon Township for another term.
Lehmoine-Thanked Michelle for stepping up again to serve. With the coming holidays he hoped we can keep our November and December meetings to a minimum and save big projects for the new year.

Owen-We are doing great with good communication between us

Howell- relayed a recent social comment about how important librarians are key in helping citizens know what the facts are about the issues of the day.

Armock-Alerted the Board going through the State House that could eliminate Certification for School Librarians just because they are hard positions to fill.

Smith-Echoed that appreciation for librarians how they help a stranger find a meaningful book they would like to read and dhow our librarians have the Boards total support

XIV Motion to Adjourn

Motion by Owen 2nd by Gritter to adjourn the meeting at 7:45pm.

Voice Vote: Ayes: All Nays: None **Motion Passes**

Respectfully submitted by Secretary Howell Ron M. Howell 29Oct25

Board Approved- _____

Next regular meeting scheduled for Monday November 24, 2025 at 7:00 pm at the library

Meeting Attachments:

Draft Minutes of 22 September 25 Regular Meeting

September 2025 Financial Report from City

Director’s October Report - Including LEO UI Documents

October 2025 Budget Amendment

Proposed Changes to Language on the Board Meeting Agendas regarding Public Comment

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 271 - Library Fund						
Revenues						
Dept 000						
271-000-400.100	Appropriation from Fund Bal	22,600.00	0.00	0.00	22,600.00	0.00
271-000-400.600	Approp. from Cleo Cowles	50.00	0.00	0.00	50.00	0.00
271-000-402.000	Tax Collections - Ad Valorem Roll	139,980.00	141,735.90	7,457.06	(1,755.90)	101.25
271-000-432.000	Tax Collections - DNR PLT	50.00	0.00	0.00	50.00	0.00
271-000-437.000	Tax Collections - IFT Roll	1,240.00	853.32	0.00	386.68	68.82
271-000-451.000	Library Rev-Penal Fines	14,420.00	0.00	0.00	14,420.00	0.00
271-000-452.000	Library Revenue-Solon Twnshp	224,050.00	0.00	0.00	224,050.00	0.00
271-000-453.000	USF FUNDS-ERATE	3,090.00	2,134.22	458.62	955.78	69.07
271-000-515.000	State Aid	5,390.00	5,569.08	0.00	(179.08)	103.32
271-000-569.000	STATE GRANTS - OTHER	0.00	944.31	0.00	(944.31)	100.00
271-000-625.000	BANK FEES -FINES & SERVICES	3,600.00	1,442.84	175.58	2,157.16	40.08
271-000-664.000	Interest Earned	2,500.00	1,078.04	299.80	1,421.96	43.12
271-000-664.200	Investment Income	100.00	0.00	0.00	100.00	0.00
271-000-667.000	Rental Income	6,180.00	2,778.60	1,074.88	3,401.40	44.96
271-000-674.000	Donations	1,000.00	1,612.03	93.69	(612.03)	161.20
271-000-674.200	Book Donations	500.00	617.00	0.00	(117.00)	123.40
271-000-674.400	Summer Reading Program Donations	3,000.00	0.00	0.00	3,000.00	0.00
271-000-674.700	Area Libraries Lost & Damaged Books	210.00	300.40	158.09	(90.40)	143.05
271-000-677.000	Miscellaneous	3,090.00	59.81	2.31	3,030.19	1.94
Total Dept 000		431,050.00	159,125.55	9,720.03	271,924.45	36.92
TOTAL REVENUES		431,050.00	159,125.55	9,720.03	271,924.45	36.92
Expenditures						
Dept 790 - Library						
271-790-702.000	WAGES - FULL TIME EMPLOYEES	67,320.00	20,134.66	7,153.86	47,185.34	29.91
271-790-704.000	WAGES - PART TIME EMPLOYEES	153,470.00	44,689.23	16,315.02	108,780.77	29.12
271-790-705.000	Cleaning Service	2,100.00	392.98	91.12	1,707.02	18.71
271-790-708.000	UNEMPLOYMENT EMPLY BENEFIT EXP	110.00	1,286.62	200.62	(1,176.62)	1,169.65
271-790-709.000	SOCIAL SECURITY EXPENSE	15,530.00	4,959.00	1,795.34	10,571.00	31.93
271-790-721.000	GAS UTILITY EXPENSE	2,100.00	191.10	58.97	1,908.90	9.10
271-790-724.000	TELEPHONE	1,700.00	469.38	118.81	1,230.62	27.61
271-790-724.100	INTERNET	2,000.00	645.75	159.98	1,354.25	32.29
271-790-726.000	OFFICE SUPPLIES	3,990.00	1,150.42	246.07	2,839.58	28.83
271-790-734.000	Overdrive Program Expense	3,150.00	1,214.30	610.72	1,935.70	38.55
271-790-735.000	AV Expense	2,100.00	390.92	182.91	1,709.08	18.62
271-790-739.000	Area Libraries Lost & Damaged Books	1,100.00	469.59	133.72	630.41	42.69
271-790-790.000	PROGRAMS	16,000.00	5,102.65	938.12	10,897.35	31.89
271-790-792.000	BOOKS	25,000.00	6,034.12	1,994.88	18,965.88	24.14
271-790-792.100	LIBRARY OF THINGS	1,000.00	0.00	0.00	1,000.00	0.00
271-790-792.200	DIGITAL MATERIALS	3,000.00	734.36	0.00	2,265.64	24.48
271-790-801.000	Professional Service Expense	11,050.00	11,292.50	663.00	(242.50)	102.19
271-790-801.600	PROFESSIONAL SERVICE - LAWN/SNOW	6,300.00	1,880.00	710.00	4,420.00	29.84
271-790-808.000	Lakeland Support Services	26,250.00	8,850.04	4,734.35	17,399.96	33.71
271-790-813.000	Garbage Disposal Service	420.00	74.31	0.00	345.69	17.69
271-790-851.000	POSTAGE	530.00	88.01	78.00	441.99	16.61
271-790-861.000	TRANSPORTATION EXPENSE	2,000.00	0.00	0.00	2,000.00	0.00
271-790-905.000	COMPUTER MAINTENANCE EXPENSE	7,900.00	1,410.00	0.00	6,490.00	17.85
271-790-906.000	SOFTWARE	6,800.00	2,000.00	950.00	4,800.00	29.41
271-790-915.000	MEMBERSHIP & DUES EXPENSE	800.00	486.00	0.00	314.00	60.75
271-790-917.000	Workmens Compensation Expense	700.00	687.00	0.00	13.00	98.14
271-790-918.000	WATER UTILITY EXPENSE	1,050.00	289.07	79.87	760.93	27.53

REVENUE AND EXPENDITURE REPORT
 PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 271 - Library Fund						
Expenditures						
271-790-926.000	Electric Expense	6,300.00	2,350.22	618.23	3,949.78	37.31
271-790-930.000	Repair & Maintenance Serv Exp	16,300.00	935.57	344.57	15,364.43	5.74
271-790-930.300	Education/Training Expense	2,000.00	300.00	0.00	1,700.00	15.00
271-790-935.000	INSURANCE & BONDS EXPENSE	4,970.00	4,970.00	0.00	0.00	100.00
271-790-955.000	Bank Fees	2,310.00	1,291.46	232.79	1,018.54	55.91
271-790-956.000	Miscellaneous Expense	5,250.00	2,000.31	(226.85)	3,249.69	38.10
271-790-968.000	Public Relations	2,100.00	520.00	400.00	1,580.00	24.76
271-790-970.000	Capital Expense	5,250.00	765.51	765.51	4,484.49	14.58
271-790-970.400	CAPITAL - TECHNOLOGY	22,910.00	20,163.87	529.00	2,746.13	88.01
271-790-999.100	APPROPRIATION TO FUND BALANCE	190.00	0.00	0.00	190.00	0.00
Total Dept 790 - Library		431,050.00	148,218.95	39,878.61	282,831.05	34.39
TOTAL EXPENDITURES		431,050.00	148,218.95	39,878.61	282,831.05	34.39
Fund 271 - Library Fund:						
TOTAL REVENUES		431,050.00	159,125.55	9,720.03	271,924.45	36.92
TOTAL EXPENDITURES		431,050.00	148,218.95	39,878.61	282,831.05	34.39
NET OF REVENUES & EXPENDITURES		0.00	10,906.60	(30,158.58)	(10,906.60)	100.00

Fund 271 Library Fund

GL Number	Description	Balance
*** Assets ***		
271-000-001.100	General Checking - Independent Bar	224,067.62
271-000-001.110	CASH IN BANK - CHOICEONE	147,822.29
271-000-003.185	CD - CHOICE ONE	66,530.00
271-000-004.000	Petty Cash	289.14
271-000-004.100	CASH DRAWER	100.00
271-000-035.000	Certificate of Deposit-Cowles	13,000.00
271-000-035.100	Certificate of Deposit-USF Funds	6,634.34
Total Assets		458,443.39
*** Liabilities ***		
271-000-209.000	State Unemployment Tax Payable	203.93
271-000-210.000	State Withholding Payable	913.08
Total Liabilities		1,117.01
*** Fund Balance ***		
271-000-373.000	Assigned - USF Funds	6,629.29
271-000-375.500	RESTRICTED - CAPITAL MAINTENANCE	5,000.00
271-000-375.600	RESTRICTED - MABIE OPERATIONS DONA	73,363.70
271-000-383.300	Non-spendable - Cleo Cowles	13,000.00
271-000-390.000	Restricted - Library Operations	348,426.79
Total Fund Balance		446,419.78
Beginning Fund Balance		446,419.78
Net of Revenues VS Expenditures		10,906.60
Ending Fund Balance		457,326.38
Total Liabilities And Fund Balance		458,443.39

Check Date	Check	Vendor Name	Amount
Bank LIBC1 LIBRARY MAIN CHECKING			
10/01/2025	17018	BIBLIOTHECA LLC	529.00
10/01/2025	17019	FOSTER SWIFT	663.00
10/01/2025	17020	GRAND RAPIDS CHILDREN'S MUSEUM	100.00
10/01/2025	17021	SPECTRUM ENTERPRISE	159.98
10/01/2025	17022	WEBSTAUANT STORE LLC	765.51
10/15/2025	17023	BAKER & TAYLOR, INC.	248.63
10/15/2025	17024	DTE ENERGY	58.97
10/15/2025	17025	LAKE ODESSA COMMUNITY LIBRARY	8.95
10/15/2025	17026	LAKELAND LIBRARY COOPERATIVE	4,976.07
10/15/2025	17027	STREAMLINE	950.00
10/15/2025	17028	THE VILLAGE LEARNING CENTER	24.95
10/15/2025	17029	TURFS ARE US, INC	710.00
10/17/2025	5(E)	ELAN FINANCIAL SERVICES	3,832.18
10/23/2025	6(E)	CONSUMERS ENERGY	618.23
10/28/2025	17030	CITY OF CEDAR SPRINGS	79.87
10/28/2025	17031	KONICA MINOLTA BUSINESS SOLUTIONS	117.14
10/28/2025	17032	LAKELAND LIBRARY COOPERATIVE	369.00
10/28/2025	17033	NORTHWEST KENT MECHANICAL	251.59

LIBC1 TOTALS:

Total of 18 Checks:	14,463.07
Less 0 Void Checks:	0.00
Total of 18 Disbursements:	14,463.07

Director's Report

November 2025

Board Tasks

- The Strategic Plan: LLC Director Carol Dawe is currently compiling data and reaching out to local community members for Strategic Planning Focus Groups.
- Library Audit: The audit is complete. See the attached Audit Report.

Action & Information

- **The RFID Tagging Project Phase 2:** Staff have done a phenomenal job with the RFID tagging project over the past month. As of November 14, 2025, Mystery and Youth are the only sections left to be tagged. The Director is hoping for a completion of Phase 2 by the end of the year.
- **Book Vendors:** The Library now has an operational Ingram account. The Collection Manager is ordering majority of books through Ingram instead of Amazon. However, Ingram pricing is only about 1-2% cheaper than Amazon's, so the Collection Manager is ordering from Amazon when they offer a better price or there is no availability through Ingram.
- **Policies Affected by New Tax ID:** The Director has reached out to the Attorney for the updated Financial and Personnel Policies. Once the Director receives those documents, he will share them with corresponding committees and then present them to the full board. Specific date TBD.
- **MML Unemployment Group:** With the new Unemployment Insurance Status with the state of Michigan, The Library's insurer, the Michigan Municipal League (MML), has offered a Group Unemployment Program. The program helps member municipalities manage unemployment insurance obligations efficiently and predictably through a Group Reimbursable Account. The Director is requesting a budget amendment of \$3,100 to cover the initial costs of the program. It should also be noted that future budget amendments may be necessary as the UIA has been implementing policy changes such as duration of benefits and

maximum benefits allowed, which have caused a necessary re-calculation of the merit rate formula, therefore it is difficult to provide a merit rate or 2026 cost at this time. See the attached Summary and MML Manual for more information.

Community Engagement

- The Director would like to recognize the outstanding work the Library's social media and marketing team has been doing. When at the 2025 MLA Annual Conference in Lansing, several library directors, workers, and colleagues praised the Library's social media posts. At the November Lakeland Library Cooperative meeting, a member of the Board of Directors also praised the team's efforts. Finally, KDL's Head of Community Engagement offered kudos to our marketing team. The Director recognizes the hard work and dedication of the Marketing & Communications Specialist and the fun the staff have creating the Library's online content.
- The Library participated in the Downtown Halloween Spooktacular handing out candy to over 1,500 people on Halloween Night.
- The Friends of the Library hosted the annual Fall Craft Show on Saturday, November 8th, from 9:00am-2:00pm. Almost 1,000 people attended the event. The Friends raised \$1,090. The Director would like to recognize former employee, and now Friend, Mary Gardner for her outstanding work and dedication to this event from the planning, marketing, and execution. Thank you, Friends!
- CSPL is now offering a free Grand Rapids Children's Museum pass. Patrons must be 18 years or older, have a valid CSPL Library Card (No LLC or KDL cards); the pass has a 3-Day borrowing period and allows admission for up to 6 people. Other rules apply. See attached flyer.

Program Attendance & Usage Stats

- October Door Count: 6,149
- Fall Reading Challenge
 - Adults/Teens – 25
 - Children – 60

- Total October Program participation: 1,445
 - Storytimes: 349
 - Senior Exercise: 216
 - Quilters: 77
 - Book Club: 10
 - Outreach visits: 56
 - Writers' Group: 7
 - Red Flannel Storytime: 90
 - Crafty Saturday: 20
 - Pokémon Night: 28
 - Halloween Storytime: 117
 - Passive Programs (Find Dewey, ISpy, etc.): 475
- Study Room Reservations: 104 (about 21/wk.)
- Community Room Uses: 49
 - Rentals: 10
 - Programs/Meetings: 39

Patrons

- Cedar Springs: 1,457
- Solon Township: 1,854
- KDL: 167
- Other LLC Patrons: 65

Circulation

- Adult books: 870
- Youth books: 1,368
- YA books: 95
- Books on CD: 44
- DVDs: 231
- Express Items (do not go out to other libraries): 177
- Other Items (including Library of Things, Hotspots, etc.): 46
- Digital Content: 1,033
 - E-Books: 566
 - E-Audiobooks: 302
 - Digital Magazines: 165

GRAND RAPIDS
CHILDREN'S
MUSEUM

Cedar Springs



Public Library

FAMILY PASS

AVAILABLE FOR
ADULT CSPL
CARDHOLDERS ONLY!

TERMS OF USE:

- **3-Day Borrow**
- Good for 6 people
- Fee of \$25 PER DAY if turned in late
- **NO HOLDS** - available on a first come, first served basis
- **Must return to Circulation Desk**
- **1 check-out PER YEAR** per card



SEE THE CIRCULATION DESK FOR ADDITIONAL DETAILS



Executive Summary - MML Group Unemployment Program for the Cedar Springs Public Library

Michigan Municipal League | Revised January 2025

Purpose

The Michigan Municipal League (MML) Group Unemployment Program helps member municipalities manage unemployment insurance obligations efficiently and predictably through a Group Reimbursable Account administered with Equifax Workforce Solutions.

Program Overview

- Group Reimbursable Account: Shares unemployment risk among members without pooling funds.
- Funding:
 - Initial payment = 2% of previous year's taxable payroll. For CSPL in 2024 that equals \$3,100.
 - Quarterly contributions based on an assigned merit rate applied to the first \$9,500 of each employee's wages (0.06%–10%). It should also be noted that future budget amendments may be necessary as the UIA has been implementing policy changes such as duration of benefits and maximum benefits allowed, which have caused a necessary re-calculation of the merit rate formula, therefore it is difficult to provide a merit rate or 2026 cost at this time.
- Benefits: Professional claims management, training, and cost control support.

Services Provided

- Filing and managing all unemployment claims with the Unemployment Insurance Agency (UIA).
- Representation at unemployment hearings.
- Verification of benefit charges and activity.
- Quarterly reports summarizing claims, appeals, and costs.
- Supervisor training on unemployment cost control.

Employer Responsibilities

- Provide accurate and prompt separation documentation to Equifax.
- Maintain detailed personnel records (disciplinary actions, evaluations, and warnings).
- Avoid vague termination language (“poor performance”)—document misconduct clearly.
- File required quarterly reports on time to avoid state penalties.

Controlling Costs

- Hire carefully and provide clear policies.
- Conduct exit interviews and secure written resignations.
- Respond promptly to claims and participate in hearings.
- Notify Equifax immediately if a former employee refuses rehire.

Key Reporting Deadlines

- Quarterly Contribution Report – Due by the 25th of the month following quarter end.
- UIA Wage/Tax Report (Form UIA 1028) – Filed online with the State.
- Negative Balances – Pay in full by April 25 of each year.
- Posting/Notice Requirements – Display UIA 1710 and provide UIA 1711 at separation.

Eligibility & Benefit Basics

- Claimants must be able, available, and actively seeking work.
- Weekly benefit range: \$135–\$446, for 14–26 weeks.

Board Considerations

- Participation supports financial predictability and regulatory compliance.
- Equifax and MML handle most administrative burden.
- Continued timely reporting and documentation protect the library’s account and reduce costs.
- Approval of Initial Payment (2% of previous year’s taxable payroll), which will be \$3,100.

Michigan Municipal League

Municipal Unemployment Group Account



Procedures Manual

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Sample Forms and Reports - Section 6

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Thank you for being a member of The Michigan Municipal League's Group Unemployment Program. We enjoy working with you and providing your organization with a comprehensive package of unemployment related services. By being in the MML Program, you are part of what is referred to as a Group Reimbursable Account.

What is a Group Reimbursable Account?

A group reimbursable account is a system whereby the risk is shared but not pooled.

The Group Reimbursing Account removes some of the immediate risks and uncertainties related to unemployment. It allows a governmental entity to better budget for its unemployment expenditures over time, which cannot be done as a direct reimbursing entity. It also provides the services of the Michigan Municipal League, the expertise of claims management specialists, Equifax Workforce Solutions, and training and education opportunities.

The account is initially funded by an upfront contribution equal to 2% of your total annual taxable payroll for the previous calendar year (for unemployment purposes). Additionally, for the first year, quarterly contributions will be based on a .06% rating factor applied to the first \$9,500 that each employee earns in a calendar year (which is subject to change without notice), and which allows a reserve to be built and drawn upon. A full list of requirements to join the Group Account can be found in section 4.

Member Services

Group Members are entitled to the following services:

- Claims processing and filing of all unemployment related paperwork to the Unemployment Insurance Agency (UIA) in Michigan.
- Consultation and representation at unemployment hearings.
- Verification of benefits paid and charged to your employer account.
- Quarterly activity reports that provide information on claims for unemployment benefits.
- Unemployment cost control training for supervisors and managers.

Unemployment Cost Control Training

An unemployment cost control workshop is available for our members. This seminar is designed to help educate our members' personnel regarding unemployment cost control policies and procedures. The topics reviewed include the unemployment compensation process, separation issues and concerns, and state employment guidelines.

Additional details and contact information are provided in the following pages.

Contact Information

If you have questions regarding general member services or your member account balance, please contact the Michigan Municipal League at:

Contact Information: Michigan Municipal League
P.O. Box 7409
Ann Arbor, MI 48107
Phone: (800) MLEAGUE
Fax: 734-662-6939



Contact Name: Shelly Shields
Director, Finance for RMS
Phone: 734-669-6319

If you have any questions about the Michigan Employment Security Act, preparing separation forms, processing claims or other unemployment concerns, please contact Equifax Workforce Solutions at:

Contact Information: Equifax Workforce Solutions
20300 Superior Rd.
Taylor, MI 48180
Phone: (800) 510-6160
Fax: (877) 847-1780



Contact Names: Shemila Gardner
Client Relationship Manager
O: 800-968-9675 / O: 614-658-3050

Jenise Murray
Unemployment Insurance Consultant
Extension: 2533

Marti Bellport
Administrative Support
Extension: 2946

When an employee files for unemployment benefits, a notice is sent to Equifax Workforce Solutions as the official mailing address. At this time, an Equifax Workforce Solutions Unemployment Insurance Consultant will call or fax your organization to request separation and special payment (i.e., severance, vacation, pay continuation) information. This request will include a return due date for the information requested. If you receive a notice at your address, call or send the form via fax to the Equifax Workforce Solutions office.

Basic Separation Information

When an employee is terminated, you should record the following information and retain it in the employee's files.

1. Employee's first and last day of work, including the date removed from payroll. (Last day worked is the last day the employee was physically present at work.)
2. Employee's social security number.
3. Separation reason, described in detail, along with pertinent documentation.
4. All payments of vacation, holiday, retirement, severance, pay continuation or wages in lieu of notice should be documented.

Determining Due Dates

Each unemployment claim, determination and decision has a due date by which a response or appeal must be returned to the Unemployment Insurance Agency (UIA). Time limits must be observed or your organization could lose your rights to contest payments or appeal decisions.

Appeal Procedures

If Equifax Workforce Solutions receives an adverse determination or re-determination your organization will be contacted to discuss if the determination will be appealed to an unemployment hearing. As with a claim, if your organization receives a determination, please fax it immediately to the Equifax Workforce Solutions office.

Claims Processing

Equifax Workforce Solutions will process all monetary determinations, re-determinations and requests for information from the UIA. They will also appeal any claims that you wish to protest to an unemployment hearing or the Michigan Compensation Appellate Commission.

Unemployment Hearings

If your organization ever needs to participate in an unemployment hearing, Equifax Workforce Solutions will review the case with the individuals involved and prepare them for the hearing. A hearing representative will be assigned to the case who will represent your organization at the hearing.

Employer representatives with first hand knowledge of the events resulting in termination will need to testify. It is important that complete and accurate information be presented at the hearing, including relevant documentation. In the event the former employee has other claims pending (e.g., EEOC, wrongful discharge, etc.) or you anticipate that other claims may be brought, you should alert Equifax Workforce Solutions immediately.

Verification of Benefits

When a claimant has been awarded unemployment compensation benefits, Equifax Workforce Solutions will monitor the charges to verify the amounts, duration and that the employer(s) involved are properly charged. Any invalid or improper charges that Equifax Workforce Solutions finds are protested.

The base period is also calculated to determine if a member is liable for the claim and the member's portion of charges are verified.

Claims Activity Reports (Samples of these reports can be found in Section 6.)

All of our members receive a series of reports on a quarterly basis to show the unemployment activity for their organization. These reports include the following:

- **Unemployment Activity Analysis** – Provides a summary on the number of claims filed and protested for your organization. The top half of this report summarizes the number of claims received and protested with pending decisions and appeals on a quarterly basis. The bottom half of the report summarizes the separation reasons broken down by liability. It also includes the number of claims that were appealed to a hearing or the Michigan Compensation Appellate Commission.
- **Status of Unemployment Claims** – Provides the names of individuals who have filed claims for unemployment benefits, in addition to listing benefit charges. This report provides a more detailed analysis of unemployment claim activity on a quarterly basis. It includes the name of the claimant, a partial social security number, date of the claim and whether or not benefit charges were incurred.
- **Summary of Unemployment Charge Errors** – Provides information on benefit charges protested and whether or not credit was received from the state. This report summarizes any incorrect charge amounts, incorrect charge periods and/or protested issues where a refund or credit has been received or is due from the state. It will include the name of the claimant, a partial social security number and the total amount of credit received.

Terminating the Working Relationship

Occasionally, despite all efforts to properly hire, train and counsel employees, separations will occur. The terminology used in separating and reporting employee separations is, perhaps, the single most critical element involved in your unemployment cost control program. Regardless of the actual employment record, if the proper language is not used when terminating an employee, you decrease your chances of receiving favorable decisions and can be faced with the possibility of a lengthy, costly unemployment claim process.

You should avoid general statements such as the following when an employee has been terminated for misconduct.

- Unsatisfactory performance
- Inability to perform job duties
- Poor employee
- Poor judgment
- Not a good fit

(See *Involuntary Terminations Initiated by Employer* (p. 6), #3 (pp. 7-8) and *definition of "misconduct"* (pp. 15-16).)

Reasons for termination should be supported by well-documented personnel records.

Voluntary Terminations – Initiated by Employee

When an employee leaves an organization voluntarily, he/she is considered to have quit. An employee who voluntarily quits must show **good cause attributable to the employer** to qualify for unemployment compensation. (See #2, p. 7 and "What is Good Cause Attributable to the Employer?" (p. 15)).

An exit interview, preferably conducted by someone other than the immediate supervisor, is recommended for an employee who has voluntarily quit. Discussing the termination with him/her and preparing a statement of the facts formulates a permanent record for future use. Such a statement should be read and signed by the employee if possible. It is also advisable to have a witness present. Listed below are some reasons why employees may quit:

- To seek other employment
- To accept other employment
- Job dissatisfaction
- To relocate
- Illness
- Personal reasons
- Family obligations
- To attend school

Involuntary Terminations – Initiated by Employer

1. When the employer is the moving party in a separation, it is considered to be involuntary. **With layoffs or job eliminations, employees are considered to have been separated through no fault of their own.** This automatically makes them eligible for unemployment benefits, presuming they have qualifying wages and are able, available and actively seeking work. Listed below are some examples of a lack of work.

- Reduction in hours and/or pay
- Job/position eliminated
- Facilities temporarily or permanently closed
- Temporary or seasonal job completed
- Part-time hours

2. **To render the employee ineligible for unemployment benefits, an employee must be discharged for misconduct connected with work.** (Refer to “What is Misconduct?” Under Section 4). Depending on the degree of misconduct, this could be the result of multiple violations of an organization policy, a single violation of multiple policies, or a one-time incident. The documentation in the personnel file will be the basis for the case should the employee file for unemployment compensation. The following are some examples of different degrees of misconduct:

- Violating a dress code policy, smoking in an unauthorized location and an unexcused absence are examples of misconduct that likely would not be considered to be misconduct if termination occurred after only a single incident and the employee had no other rule violations.
- Unauthorized possession of an employer’s property, being under the influence of a controlled substance and embezzling money are examples of violations that likely would be considered to be misconduct even if the employee had no other rule violations.

Controlling Unemployment Costs

One obvious, but sometimes overlooked, way to control unemployment costs is to minimize employee turnover. The **inability to perform given job duties will not ordinarily disqualify a terminated employee** from receiving unemployment benefits.

In this regard, the control of unemployment compensation costs begins prior to a new employee being hired. Hiring well qualified employees is one way of reducing turnover and consequently, unemployment costs. It is important to check past education and work references to verify a potential employee’s alleged work abilities.

Once a new employee has been hired, either an employee handbook or a list of organization rules and regulations should be given to him/her. Included should be a “tear-out” signature page, which can be placed in the employee’s personnel file after he/she has signed it acknowledging his/her receipt and understanding of organization policies.

This procedure can help control unemployment costs in one of two ways. First, by putting employees on notice of what is expected of them, and what conduct may result in termination, there may be fewer instances of misconduct. Second, if an employee does engage in misconduct, for an employer to successfully challenge a claim for benefits, the employer generally needs to establish that the employee violated an employer rule and the employee was aware of the rule.

Providing frequent encouragement, advice and counseling are other ways to reduce employee turnover. Periodic reviews, especially during the first year of employment, will let employees know you're interested in his/her job success and also help them meet organization standards.

If it is necessary to terminate an employee, an employer's chances of successfully challenging a claim for unemployment compensation are improved when an employee who has violated organization policies or failed to meet organization standards, has been warned. Both verbal and written warnings should be documented. Written warnings, as well as performance reviews, should be signed by the employee if possible and kept in his/her personnel file. Proper documentation is a vital part of controlling unemployment costs. The importance of documentation is realized when a terminated employee applies for unemployment benefits. In the case of a protested claim, the burden of proof will fall on the organization. When this occurs, proper documentation can support you and your position.

If you have an established probationary or orientation period, evaluate the employee throughout; do not wait until the end of the period to review the individual. Take appropriate action at the time of any incident.

The Equifax Workforce Solutions staff is available to consult with you during any period of an individual's employment. They can also provide information as to the potential unemployment cost impact to your organization in advance of action being taken by you.

Important Issues for Controlling Unemployment Costs

1. Don't assume because an employee quits or is discharged, they won't collect unemployment benefits. Employees who quit with good cause attributable to actions of the employer, and employees terminated for reasons other than misconduct are entitled to benefits.
2. Do conduct exit interviews for employees who voluntarily quit. Where applicable, the information obtained can be used to show that the employee quit without good cause attributable to the employer if he or she files for unemployment benefits.
3. Don't use the terminology "poor performance" or "unsatisfactory performance" if it can be avoided when terminating an employee if the employee, in fact, engaged in misconduct. For example, unsatisfactory performance would accurately describe an employee who is terminated because he/she is unable to complete assignments on time. On the other hand, if the failure to complete assignments timely is due to an employee's refusal to perform an assignment, insubordination would be a more

appropriate reason for termination. Likewise, an employee who is unable to timely complete assignments because he/she spends an extensive amount of time making personal calls, citing a rule violation as the reason for performance would be appropriate.

4. Do insist that "leaves of absence" be requested in writing, so there's no misunderstanding between you and the employee as to the date and time period agreed too.
5. Don't let a claim form sit on your desk. Fax it to Equifax Workforce Solutions immediately.
6. Do contact Equifax Workforce Solutions at 800-510-6160 for help if you have a question regarding unemployment.
7. Consider making rehire offers to your desirable former employees, especially those who are collecting unemployment benefits.
8. Do notify Equifax Workforce Solutions immediately if a former employee refuses a rehire offer.
9. Don't believe that if you ask someone to resign and they do so that it is a voluntary quit. It is not...it is a discharge and should be reported to Equifax Workforce Solutions accordingly.
10. Do try to get resignations in writing, including the reason.
11. Don't underestimate the importance of an appeal hearing when appropriate. If your case isn't presented at the unemployment hearing, you can almost be assured of losing.
12. Don't forget to document. Documentation should be done, not only at the time of the separation, but after each incident of misconduct, because the knowledgeable supervisor may be unavailable or details may have been forgotten by the time the information is required. Signed documentation also prevents "the story" from changing at a later date.

What are the requirements to join the Michigan Municipal League Group Unemployment Account?

MML Requirements:

- League membership is required to participate in the Unemployment Group Account. If your organization is not currently a Full or Associate member of the Michigan Municipal League, it will be required to join as a Limited Associate member.
- Once League membership is confirmed, a signed MML Unemployment Group Account Membership Agreement must be submitted.
- An initial funding for your account, equal to 2% of the previous year's total taxable payroll (for unemployment purposes), must be received within a timely manner, usually with receipt of the signed membership agreement.

State of Michigan Requirements:

- Submit a Power of Attorney letter from your organization authorizing Equifax Workforce Solutions to be its unemployment representative.
- Submit a request for a change to the Group Account.
- Complete the Michigan Business Tax Form 518.
- Agree to a commitment to remain in the group for a minimum of two years.

NOTE: Your organization must pay the State of Michigan any outstanding balance on its current employer account before they may join the Group Account.

Which Employees are Covered?

All members must be aware of the employees that are covered under unemployment insurance in order to calculate the total wages or taxable wages.

All employees are covered unless specifically exempt. Employment is defined by law as any service performed for wages or under any contract of hire, written or oral. Only if an individual is free from control or direction over the performance of such services, both under contract and in fact, would the person be considered an "independent contractor."

The most convenient method of enumerating covered employees is to say that all employees are covered except:

1. An elected official, or a member of a legislative body, or a member of the judiciary;
2. An employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency (including volunteer firefighters and EMS);

3. An employee who serves as a school crossing guard. That individual is denied benefits only between two successive academic years or terms, if that individual performs the services of a school crossing guard in the first of the academic years or terms and has a reasonable assurance that he/she will perform those services in the second of the academic years or terms.
4. For those in a nontenured policy-making or advisory position, the performance of the duties of which ordinarily does not require more than eight (8) hours per week;
5. Service performed as part of an unemployment work-relief or work-training program assisted or financed in whole or part by any federal agency or any agency of a state or political subdivision.
6. Service performed by a individual less than 22 years of age who is enrolled at an educational institution which normally has a regularly organized body of students in attendance, as a student in a full-time program, taken for credit, which combines academic instruction with work experience. This service is, however, covered employment if the program is established for an employer or group of employers.

Again, the above mentioned groups are employees whose wages should not be included in the calculation of total wages or taxable wages. The wages or salaries of all other employees should be included in total wages or taxable wages.

How Do You Calculate Gross Wages, Excess Wages, and Taxable Wages?

Gross Wages

Gross wages are the total wages earned for a specified quarter for all covered employees. The amount of gross wages must match the total wages reported on UIA Form 1028 (Employer's Quarterly Wage/Tax Report).

Excess Wages

Excess wages are any wages that were paid to an employee during a specified quarter that were in excess of the first \$9,000 earned during the calendar year. This amount must be less than reported gross wages. Please note that the first \$9,000 reported as gross wages is considered taxable. To calculate taxable wages, see the examples below.

Example 1: John Smith earns \$40,000 a year (or \$10,000 every quarter)

J. Smith	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Totals
Gross Wages	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Excess Wages	*-1,000	-10,000	-10,000	-10,000	-31,000
Taxable Wages	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 9,000

*Qtr 1 Gross Wages – 9,000 = 1,000 in excess wages

Example 2: Joan Davis earns \$20,000 a year (or \$5,000 every quarter)

J. Davis	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Totals
Gross Wages	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$20,000
Excess Wages	0	*1,000	-5,000	-5,000	-11,000
Taxable Wages	\$ 5,000	\$ 4,000	\$ 0	\$ 0	\$ 9,000

*(Qtr 1 Gross Wages + Qtr 2 Gross Wages) – 9,000 = 1,000 in excess wages

Note: Gross wages for quarters 1 and 2 need to be added together as \$9,000 was not earned in full in the first quarter.

Taxable Wages

Taxable wages are the difference between gross wages and excess wages for a specified quarter.

What is a Merit Rate and How is it Calculated?

The merit rate is designed to ensure that your account is properly funded based on projected benefit charges.

Each member organization is assigned a merit rate on an annual basis, which is based on a five-year average of your taxable payroll for unemployment purposes and benefit charges. At the time rates are calculated, current and future account balances are considered along with a projection of your anticipated benefit charges for the following year.

Merit rates vary from a minimum of .06% to a maximum of 10%, which are inclusive of an administrative fee of .06%. This administrative fee is calculated on your annual taxable payroll for unemployment purposes and is deducted from each member's account every June 30th.

At the conclusion of the merit rate calculation process, all members are assigned a merit rate for the upcoming year. Each December, members will receive a Merit Rate Notice that indicates both the new merit rate as well as any applicable negative balance. Negative balance situations arise when a member's balance is in a deficit position as a result of claim payments exceeding your account balance. Please note, negative balance payments for the prior year are due in full with the first quarter contribution payment (by April 25th of the following year).

How Does a Person Establish a Claim for Unemployment Benefits?

To receive benefits, a former employee (claimant) must meet both non-monetary and monetary requirements.

- A. To qualify for non-monetary requirements, a claimant must:
 - be separated from work in a covered service for a liable employer
 - file a claim on time
 - file a resume with the Michigan Talent Bank
 - register to work at a *Michigan Works!* agency service center
 - be able, available and actively seeking work (unless waived)
- B. To qualify for monetary eligibility, a claimant must have earned:
 - wages in at least 2 quarters
 - wages in the "high quarter" of at least \$3,298.
 - wages in the entire base period of at least 1.5 times the wages in the "high quarter"

Both non-monetary and monetary requirements must be met to establish a claim. The "high quarter" is the calendar quarter in the Base Period in which the claimant's wages are the highest dollar amount.

The “Base Period” of the claim is usually the first four of the last five completed calendar quarters. However, if a worker lacks enough wages in that Base Period to qualify for a claim, the UIA will consider an Alternate Base Period, which is the most recently completed four calendar quarters.

1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	5 th quarter	6 th quarter
\$\$\$\$\$\$ \$	\$\$\$\$\$\$ \$	\$\$\$\$\$\$ \$	\$\$\$\$\$\$ \$	Lag	Filing

Base Period

A claimant may use wages from more than one employer to establish a claim. Employers are charged proportionally. If there are multiple employers, each employer will be charged its proportion of wages paid in the base period. A claimant may be working part time hours and still be eligible for partial unemployment benefits, as long as the claimant is making less than 1 1/2 times his/her weekly benefit amount.

How Do You Calculate How Much a Person Will Be Paid?

Minimum weekly benefit	\$ 135
Maximum weekly benefit	\$ 446
Maximum claim is	\$11,596

The UIA will find the calendar quarter in the claimant’s Base Period in which the claimant had the highest wages. That quarter is known as the high quarter. The UIA then multiplies the high quarter wages by 4.1% (.041) to determine the claimant’s Weekly Benefit Amount (rounded down to the nearest dollar). In addition, \$6 per dependent is added, up to five dependents and the total benefit amount cannot exceed \$446 per week.

Please note that the minimum and maximum weekly benefit amounts are subject to change based on state or federal legislation.

How Many Weeks Can A Person Draw?

To determine the number of weeks of benefits that could be paid on a claim, the UIA multiplies 43% (.43) times the total Base Period wages and then divides by the claimant’s weekly benefit amount. The amount is rounded down to the nearest half week. The minimum number of weeks is 14 and the maximum is 26.

Please note that the minimum and maximum number of weeks that can be paid on a claim are subject to change based on state or federal legislation.

Example: Claimant had \$5,000 Base Period wages and \$205 Weekly Benefit Amount
 Calculation: $\$5,000 \times .43 = \$2,150 / \$205 = 10.4$ round down to 10 weeks of benefits

Once a claim is established, so is the benefit year, i.e. the time period during which the benefits are to be paid. The benefit year is the 52 weeks immediately following the date the claim was established. A claimant may collect benefits at any time during this benefit year, not to exceed 26 weeks of benefits and providing they meet all of the eligibility requirements.

What Is Underemployment?

An employee can file a claim for unemployment benefits if the hours worked in a subsequent week are less than the hours worked in a previous week. For example, a part-time employee who works 20 hours a week, but is typically scheduled to work 30 hours a week can file a claim for unemployment benefits. However, he/she is required to report any earnings for that week, which will reduce his/her benefit amount.

Does a Person Qualify for Benefits While on a Leave of Absence?

Should a person request a leave of absence from work for medical, personal or maternity reasons, that person is not eligible for unemployment benefits, because he/she is not able, available and actively seeking work.

How Do Weekly Earnings Affect Unemployment Benefits?

If a claimant works less than full-time, benefits are reduced as follows (WBA = Weekly Benefit Amount):

- A. If earnings equal or exceed 1.5 times the WBA, no unemployment benefits are paid.
- B. If earnings are less than 1.5 times the WBA, but greater than the WBA, total earnings are subtracted from 1.5 times the WBA. Claimant receives remainder plus earnings.
- C. If earnings are equal to or less than the WBA, 0.5 times the earnings are subtracted from the WBA. Claimant receives remainder plus earnings.

If the claimant chooses to draw a minimum of \$1 for a week, the weeks of benefit entitlement will be reduced by a week.

Examples:

WBA = \$360	Claimant receives \$0 WBA because earnings equal or exceed 1.5 WBA. Claimant receives \$600 earnings only.
1.5 x WBA = \$540	
Earnings = \$600	
WBA = \$360	Claimant receives \$120 WBA because earnings exceed WBA but are less than 1.5 x WBA. \$540 – \$420 = \$120
1.5 x WBA = \$540	
Earnings = \$420	
WBA = \$360	Claimant receives \$310 WBA because the earnings equal or are less than the WBA. \$360 - \$50 = \$310
0.5 x Earnings = \$50	
Earnings = \$100	

How Does Severance Pay Affect Unemployment Benefits?

Jobless benefits are offset by severance pay the worker receives or that is allocated by the employer. If the employer makes a lump sum severance payment to a worker at the time the worker is separated from employment and allocates that severance payment to a week or weeks other than the week in which the payment is made, then the worker's unemployment benefits otherwise payable for that week will be reduced by the severance payment allocated to that week.

If the employer makes a lump sum severance payment to a worker at the time the worker is separated from employment, but does not allocate that severance payment to a week or weeks, then the severance payment will reduce the unemployment benefits only in the week in which the lump sum severance payment is made.

If the employer makes weekly or monthly payments of severance pay, that severance payment will be used to reduce unemployment benefits in the week in which it is paid, unless the employer otherwise allocates the severance payments to other weeks. It is suggested, therefore, that if you provide an employee with a lump sum severance payment in excess of one week's pay, that the employee be advised that the payment is being allocated over the number of weeks of pay the employee is receiving.

How Do Retirement Benefits Affect Unemployment Payments?

If retirement benefits are from the base period employer and:

Claimant's contribution to retirement is:	Reduction to Unemployment Insurance benefits are:
None	100% reduction
Less than 50%	50% reduction
More than 50%	None

What Is Allocating Vacation Pay?

Unless addressed in a collective bargaining agreement, an employer has the right to designate when employees will take their vacation. Since vacation pay is remuneration, weeks of vacation are not weeks of unemployment. To make an effective allocation, **the employer must provide written notice to each employee** on or before his/her last day of work or if there is a union bargaining representative with a posting to the employees. Further, the notice must indicate both the designation and that such designation may render the employees ineligible for unemployment benefits during the designated period.

How Does a Disabled Claimant Preserve His/Her Credit Weeks?

A claimant must contact the Unemployment Insurance Agency (UIA) within 90 days after the start of a period of disability or within 90 days of being advised of his/her rights by the UIA or if the individual has been unable to submit the written request due to medical reasons, within 90 days after the end of that medical inability.

The written notice should contain:

1. The expected duration of the injury, illness or hospitalization. Claimants who preserve their credit weeks may then file a claim when they are no longer disabled and their last employer would potentially be liable, if they do not have suitable work available for the claimant.
2. The nature of the injury, illness or hospitalization.
3. That based upon examination by a physician, the individual is not able and available to perform full-time work.

What Is Good Cause Attributable to the Employer?

Good cause attributable to the employer includes reasons that would cause the average reasonable person to leave his or her job, but does not include personal reasons such as babysitting problems. Good cause attributable to the employer typically includes items such as safety hazards, duties that are not customary, a hostile work environment, different work hours or a change in locations.

What Is a Suitable Offer of Work?

An individual may be disqualified from receiving benefits for a number of reasons related to the issue of suitable work. An employee will be disqualified if he or she:

- Failed without good cause to apply for available suitable work after receiving from the employment office or the commission notice of the availability of that work.
- Failed without good cause while unemployed to report to the individual's former employer or employing unit within a reasonable time after that employer or employing unit provided notice of the availability of an interview concerning available suitable work with the former employer or employing unit.
- Failed without good cause to accept suitable work offered to the individual or to return to the individual's customary self-employment, if any, when directed by the employment office or the commission.

Details considered in determining whether work is suitable are degrees of risk involved to the individual's health, safety and morals, the individual's experience and prior earnings, the length of employment and prospects for securing work in the individual's customary occupation and the distance of the available work from the individual's residence. These are some of the factors that will be used to determine if a current job offer is suitable, as compared to an individual's prior position.

From a compensation perspective, an offer of work will usually be considered suitable if the gross pay is at least 70% of what the claimant earned immediately before becoming unemployed. After a claimant has exhausted 50% of his or her benefit weeks any job that pays at least 120% of his or her weekly benefit amount will be considered suitable.

What Is Misconduct?

As defined for the Unemployment Insurance Agency purposes:

“Misconduct in an unemployment compensation case is . . . conduct evincing such willful or wanton disregard of an employer’s interests as is found in deliberate violations or disregard of standards of behavior which the employer has the right to expect of his employee, or in carelessness or negligence of such degree or recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer’s interests or of the employee’s duties and obligations to his employer. On the other hand, mere inefficiency, unsatisfactory conduct, failure in good performance as the result of inability or incapacity, inadvertencies or ordinary negligence in isolated instances, or good-faith errors in judgment or discretion are not to be deemed “misconduct” within the meaning of the (unemployment compensation) statute.” (Carter v Employment Security Agency, 364 Mich 538, 541) (1961)

Examples:

1. Unauthorized possession of employer’s property.
2. Insubordination, refusal to obey instructions of supervisor and warned his/her job is in jeopardy.
3. Use, possession or being under the influence of a controlled substance on the employer’s premises or for refusing to submit to a drug test or for testing positive.
4. Malicious damage to employer’s property.
5. Fighting or assault. (provide witness statements)
6. Rudeness to customers (may require prior warnings and witness statements).
7. Violation of rules (cite the rule, which the employee must have known existed).
8. Excessive unexcused absences (warnings, have dates, time and reasons available; note whether claimant also failed to report his final absence).
9. Excessive lateness (warnings, have dates, time and reasons available).
10. Falsification of records (provide copy of records).
11. Willful failure to perform in a manner of which he/she was capable.
12. Violation of conditions of employment (specify).

Please refer to Section 6 for a sample of all of the reports/forms listed below.

1. Merit Rate Notices and Negative Balance Payments

A verification and computation of each member's unemployment merit rate is performed on an annual basis. Rate notices are mailed to participants each December for the following calendar year.

If your account has a negative balance at the time that merit rates are calculated, the amount of the negative balance will be reflected on your annual merit rate notice. Negative balance situations arise when a member's balance is in a deficit position as a result of claim payments exceeding your account balance. **Please note, negative balance payments for the prior year are due in full with the first quarter contribution payment (by April 25th of the following year).**

2. Quarterly Contribution Report

This report is required on a quarterly basis from each member. This report must be completed and postmarked on or before the 25th day of the month following the end of the quarter. **This report must be submitted even if no wages were paid during the quarter and/or no payment is forwarded.** Members who submit the report and payment after the applicable due date are subject to a 1.5% late penalty, which is assessed to the contribution amount that is owed each month that the payment remains delinquent.

A blank copy of this report is sent to each member prior to the end of each quarter. At each quarter-end, the completed report and payment should be sent to the Michigan Municipal League.

3. Employer's Quarterly Wage/Tax Report – Form UIA 1028

This report is required by the Unemployment Insurance Agency (UIA) on a quarterly basis and must be received by the 25th day of the month following the end of the calendar quarter. Required information includes gross income and excess wages paid for the quarter, a listing of each applicable employee and their gross wages paid during the quarter, and the number of employees who worked or received pay during the quarter. Failure to submit this report to the State will result in a UIA penalty of up to \$60 if not received within 30 days of the due date with an additional \$250 penalty for each subsequent quarter it is not received. These fees will be deducted from your member account upon notification from the State of Michigan.

Employers are required to file this report on-line through the Michigan Web Account Manager. Visit www.michigan.gov/uia for more information on this form.

4. Amended Quarterly Contribution Report

This report is to be used to correct wages previously reported in error. File a separate report for each quarter being adjusted. If you underpaid, please submit the additional amount due. If you overpaid, a refund will be sent to you.

A blank copy of this report is provided upon request from Equifax Workforce Solutions or the Michigan Municipal League.

5. Employee Separation Questionnaire

When Equifax Workforce Solutions receives a Monetary Determination form that someone has filed a claim for unemployment benefits, they will send you a questionnaire depending on the separation reason indicated. These forms need to be completed and returned to Equifax Workforce Solutions by the date indicated with any supporting documentation.

6. Notice to Employees Posting - Form UIA 1710

This form is required by Michigan law to be displayed by all employers in the state. It provides employees with information on how to file a claim for unemployment benefits. Form UC 1710 is available at the following web site: www.michigan.gov/uia

7. Unemployment Compensation Notice to Employees - Form UIA 1711

Employers must provide each worker at the time of separation from employment with a copy of Form UC 1711 (Unemployment Compensation Notice to Employee) or an equivalent written statement that provides the employer's name and unemployment agency account number and the address of the employer to which any request for wage or separation information or both will be directed. Your unemployment agency account number is indicated on your quarterly contribution report. Form UC 1711 is available at the following web site: www.michigan.gov/uia

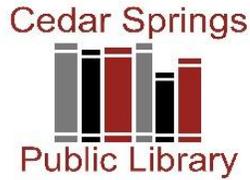
The following pages contain samples of the following forms and reports:

Forms:

1. Merit Rate Notice
2. Quarterly Contribution Report
3. Employer Quarterly Wage/Tax Report – Form UIA 1028
4. Amended Quarterly Contribution Report
5. Employee Separation Questionnaire
6. Notice to Employees Posting – Form UIA 1710
7. Unemployment Compensation Notice to Employees – Form UIA 1711

Reports:

1. Unemployment Activity Analysis
2. Status of Unemployment Claims
3. Summary of Unemployment Charge Errors



Budget Amendment

November 24, 2025

Increase 271-000-400.100 (Appropriation from Fund Balance) by \$3,100

Increase 271-790-935.000 (Insurance & Bonds Expense) by \$3,100

- Expense for initial cost of the Michigan Municipal League (MML) Unemployment Program.

This budget amendment reflects the Library's commitment to effectively allocating resources to meet current programming and public engagement needs and does not change the Total Expenditures for 2025-26 Fiscal Year.



Vredeveld Haefner LLC

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November 14, 2025

To the Members of the Library Board
Cedar Springs Public Library

We have audited the financial statements of the governmental activities and the major fund of the Cedar Springs Public Library, a special revenue fund of the City of Cedar Springs, Michigan, (the Library) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 July 21, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Results

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 1 to the financial statements. Year end 2025 was the first audit of the Library. 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 Library's financial statements were:

Management's estimate of the useful lives of capital assets is based on previous history and future expectations. 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.

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. Management has corrected all such misstatements. As a result of our audit procedures, we proposed, and management recorded, adjustments to record capital assets and related depreciation in the government-wide financial statements.

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 November 14, 2025.

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.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as itemized in the table of contents, 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 and management of the Library and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Uredexold Haefner LLC

CEDAR SPRINGS PUBLIC LIBRARY

CEDAR SPRINGS, MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025



Vredeveld Haefner LLC
CPAs and Consultants

CEDAR SPRINGS PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

November 14, 2025

Members of the Library Board
Cedar Springs Public Library
Cedar Springs, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Cedar Springs Public Library, Cedar Springs, Michigan (a special revenue fund of the City of Cedar Springs, Michigan) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Library, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and budgetary comparison information on page 21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Uredexold Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

About the Library

Cedar Springs Public Library (the "Library") is a special revenue fund of the City of Cedar Springs, Michigan, and serves the City and an adjacent township in Kent County, Michigan. The Library is governed by a seven-member board with members appointed by participating entities.

Financial Highlights

- Increased fund balance of the general fund by \$72,714.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains an internal control and compliance report issued in connection with an audit conducted following *Government Auditing Standards* in addition to the basic financial statements themselves.

Government-wide financial statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Library's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The *statement of activities* presents information showing how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (accrued interest on debt).

Both of the government-wide financial statements distinguish functions of the Library that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Library currently has no business-type activities.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library only utilizes a single governmental fund.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Library’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains one governmental fund; the general fund. The fund reports all Library services. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The Library adopts an annual appropriations budget for its general fund as required by state law. A budgetary comparison statement has been provided as required supplementary information for the General Fund to demonstrate legal compliance.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes this discussion and analysis as well as a budgetary comparison schedule for the General Fund.

Government-wide Financial Analysis

The following table presents condensed information about the Library’s financial position for the fiscal year. This was the first audit of the Library, comparative amounts will be presented in future years. Net position increased to \$583,495 during the year. Total net position includes the investment in capital assets. Capital assets represent the capital assets held by the Library, net of related accumulated depreciation.

	<u>2025</u>
Current and other assets	\$455,616
Capital assets	138,657
Total assets	<u>594,273</u>
Current and other liabilities	<u>10,778</u>
Total liabilities	<u>10,778</u>
Net position	
Net investment in capital assets	138,657
Restricted trust funds	13,000
Unrestricted	<u>431,838</u>
Total net position	<u>\$583,495</u>

Income and Expenses

The Library has increased its financial position during the year ended June 30, 2025. Revenues exceeded expenses primarily due to increases in both property tax and local contribution revenues. Net position increased \$93,636 during the year. A summary of revenues and expenses for the past fiscal year is presented below.

	<u>2025</u>
Program revenues	
Charges for services	\$ 12,196
Grants and contributions	193,148
General revenues	
Property taxes	152,652
Penal fines	15,962
Other general revenues	<u>19,905</u>
Total revenues	393,863
Functions/program expenses	
Library	<u>300,227</u>
Change in net position	93,636
Net position, beginning of year	<u>489,859</u>
Net position, end of year	<u>\$583,495</u>

General Fund Budgetary Highlights

The budget was established to reflect activity for the year based on estimates. The budget was amended during the year to reflect additional programming and professional services expenses.

Capital Asset and Long-Term Debt Activities

Capital assets – The Library's investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$138,657 (net of accumulated depreciation).

The Library's capital assets (net of depreciation) are summarized as follows:

	<u>Governmental Activities</u>
Collections	\$111,678
Building improvements	12,566
Equipment and furniture	<u>14,413</u>
Total	<u>\$138,657</u>

During the year the Library purchased new collections materials in addition to computer equipment. Additional information on the Library's capital assets can be found in Note 4 to these financial statements.

Long-term debt – The Library has no debt outstanding as of June 30, 2025.

Economic Factors and Next Year's Budget

The Library is anticipating steady taxable property values and inflationary cost increases from the prior year.

Contacting the Library Management

This management discussion and analysis provides an overview of the current and prospective financial condition of the Library's operations and financial position. If there are questions concerning this report or if additional information is desired, please contact Library Director, Cedar Springs Public Library, 107 N Main St, Cedar Springs, MI 49319.

BASIC FINANCIAL STATEMENTS

CEDAR SPRINGS PUBLIC LIBRARY

STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government Governmental Activities
Assets	
Cash and certificates of deposit	\$ 439,654
Due from other governments	15,962
Capital assets, net	
Capital assets being depreciated, net	<u>138,657</u>
Total assets	<u>594,273</u>
Liabilities	
Accounts payable	9,198
Compensated absences	<u>1,580</u>
Total liabilities	<u>10,778</u>
Net Position	
Net investment in capital assets	138,657
Restricted	13,000
Unrestricted	<u>431,838</u>
Total net position	<u>\$ 583,495</u>

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

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CEDAR SPRINGS PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

<u>Functions/Programs</u>	Program Revenues			Net (Expense)
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue</u>	
Primary government				
Governmental activities				
Library	\$ 300,227	\$ 12,196	\$ 193,148	\$ (94,883)
Total primary government	<u>\$ 300,227</u>	<u>\$ 12,196</u>	<u>\$ 193,148</u>	<u>(94,883)</u>
General revenues				
Property taxes				
General operating				152,652
County penal fines				15,962
State revenues				10,663
Interest earnings				<u>9,242</u>
Total general revenues				<u>188,519</u>
Change in net position				93,636
Net position, beginning of year				<u>489,859</u>
Net position, end of year				<u>\$ 583,495</u>

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

CEDAR SPRINGS PUBLIC LIBRARY

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2025

	<u>General</u>
Assets	
Cash and certificates of deposit	\$ 439,654
Due from other governments	<u>15,962</u>
Total assets	<u>\$ 455,616</u>
Liabilities and fund balance	
Liabilities	
Accounts payable and accrued liabilities	<u>\$ 9,198</u>
Total liabilities	<u>9,198</u>
Fund balances	
Restricted	
Cowles trust funds	13,000
Assigned	
Subsequent year expenditures	22,000
Unassigned	<u>411,418</u>
Total fund balances	<u>446,418</u>
Total liabilities and fund balance	<u>\$ 455,616</u>

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

CEDAR SPRINGS PUBLIC LIBRARY

RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

JUNE 30, 2025

Fund balances - total governmental funds	\$ 446,418
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets (net)	138,657
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences	<u>(1,580)</u>
Net position of governmental activities	<u>\$ 583,495</u>

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

CEDAR SPRINGS PUBLIC LIBRARY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General</u>
Revenues	
Taxes	\$ 152,652
Intergovernmental	
State revenues	10,663
County penal fees	15,962
Local	181,894
Fees and charges	5,336
Contributions and donations	4,825
Interest	9,242
Reimbursements	6,860
Miscellaneous	<u>6,429</u>
Total revenues	<u>393,863</u>
Expenditures	
Current	
Library	
Personnel	196,918
Professional and contractual	10,043
Collections	20,580
Supplies and other	4,299
Computer Expense	19,712
Services and charges	3,565
Maintenance and repairs	10,016
Insurance	1,860
Utilities	14,313
Promotion and programming	11,327
Membership dues	672
Miscellaneous	10,664
Capital outlay	<u>17,180</u>
Total expenditures	<u>321,149</u>
Net changes in fund balances	72,714
Fund balances, beginning of year	<u>373,704</u>
Fund balances, end of year	<u>\$ 446,418</u>

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

CEDAR SPRINGS PUBLIC LIBRARY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Net changes in fund balances - total governmental funds	\$ 72,714
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	49,069
Deduct - depreciation expense	(29,663)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Add - decrease in compensated absences	<u>1,516</u>
Change in net position of governmental activities	<u>\$ 93,636</u>

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

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CEDAR SPRINGS PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Cedar Springs Public Library, Cedar Springs, Michigan (the "Library") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Cedar Springs Public Library. The Library is a special revenue fund of the City of Cedar Springs, Michigan, and serves the City and an adjacent township in Kent County, Michigan. The Library is governed by a seven-member board with members appointed by participating entities. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the Library.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported in total. The Library has no business-type or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. County penal fines are recognized when received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 except grant revenues which are recognized when grant requirements are met, County penal fines and other revenues are recognized when received, and

CEDAR SPRINGS PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

interest revenue which is recorded when earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Property taxes, state revenue, licenses, 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 Library.

The Library reports the following major governmental fund:

The *General Fund* is the general operating fund of the Library. It is used to account for all financial resources, except those required to be accounted for in another fund.

Budgets and Budgetary Accounting

Comparisons to budget are presented for the General Fund. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Library Director submits to the Library Board a proposed operating budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the general funds.
5. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Adoption and amendments of all budgets used by the Library are governed by Michigan Law. The appropriations ordinances are based on the projected expenditures budget of the various objects of the Library. Any amendment to the original budget must meet the requirements of Michigan Law. The Library amended its budget for the current year. Any revisions that alter the expenditures at the object level within the general fund must be approved by the Library Board.

Deposits and Investments

State statutes authorize the Library to invest in:

- a. Bond, 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. Bankers acceptances 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.

CEDAR SPRINGS PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities' column in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets (including infrastructure), is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and fixtures	10
Machinery and equipment	3-7
Library collection	7

Compensated Absences

Under contracts and employee policy, employee groups and individual employees have a vested right to receive payments for unused vacation benefits under formulas and conditions specified in the contracts. The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Property Taxes

The Library collects an operating millage from the City and a contribution from the township within its service area. Property taxes are levied and become an enforceable lien on July 1. Taxes are payable by September 15. Real property taxes not collected as of March 1 are turned over to the County for collection, which advances the Library 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the taxing units. Property tax revenues are recognized as revenue in the year for which they are levied. Property taxes are levied at a total of 1.2087 mills on a total taxable value of approximately \$115,700,000.

Grants and Other Intergovernmental Revenues

Grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenue when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditure/expenses are incurred.

CEDAR SPRINGS PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable – the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted – the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed – the related assets can only be spent for a specific purpose identified by formal approval of the governing board.
4. Assigned – the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned – is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund Balance can only be committed by formal resolution of the Library Board.

Net Position and Fund Balance Flow Assumptions

Sometimes the Library will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2025, the Library carried commercial insurance to cover risks of losses. The Library has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Library's actual expenditures and budgeted expenditures for the general fund have been shown at the object level, the same level at which the approved budget of the Library was adopted.

During the year ended June 30, 2025, the Library did not incur any expenditures which were in excess of the amounts appropriated.

CEDAR SPRINGS PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3. CASH AND CERTIFICATES OF DEPOSIT

The balance of cash and certificates of deposit on the financial statements is \$439,654.

These deposits are in financial institutions located in Michigan in varying amounts. State law and the City policy limits the Library's investing options to financial institutions located in Michigan. All accounts are in the name of the Library and are recorded in Library records at fair value.

Deposit risk

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. As of year-end, of the Library's bank balance of \$441,103, \$166,620 was under the Library employer identification number and was either insured or collateralized. Custodial credit risk for the remaining \$274,483 cannot be determined for the Library separately from the City of Cedar Springs due to the cash and certificates of deposit being held by the City. Exposure to custodial credit risk can be determined for the City as a whole but cannot be separately identified for the Library.

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental activities				
Capital assets, being depreciated				
Collections	\$ 191,730	\$38,669	\$24,074	\$206,325
Building improvements	31,949	-	-	31,949
Equipment and furniture	45,066	10,400	-	55,466
Total capital assets, being depreciated	<u>268,745</u>	<u>49,069</u>	<u>24,074</u>	<u>293,740</u>
Less accumulated depreciation for				
Collections	94,775	23,946	24,074	94,647
Building improvements	16,303	3,080	-	19,383
Equipment and furniture	38,416	2,637	-	41,053
Total accumulated depreciation	<u>149,494</u>	<u>29,663</u>	<u>24,074</u>	<u>155,083</u>
Net capital assets, being depreciated	<u>119,251</u>	<u>19,406</u>	<u>-</u>	<u>138,657</u>
Governmental activities capital assets, net	<u>\$119,241</u>	<u>\$19,406</u>	<u>\$ -</u>	<u>\$138,657</u>

Depreciation expense of \$29,663 was charged to the Library function/program of the primary government.

CEDAR SPRINGS PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5. COMPENSATED ABSENCES

The following is a summary of compensated absences of the Library for the year ended June 30, 2025:

	Balance July 1, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2025</u>	<u>Due Within One Year</u>
Governmental Activities					
Accrued compensated absences *	\$3,096	\$ -	\$1,516	\$1,580	\$ -

* The change in compensated absences is presented as a net change

REQUIRED SUPPLEMENTARY INFORMATION

CEDAR SPRINGS PUBLIC LIBRARY

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 137,650	\$ 137,150	\$ 152,652	\$ 15,502
Intergovernmental				
State revenues	5,000	5,240	10,663	5,423
County penal fees	14,000	14,000	15,962	1,962
Local	175,400	175,400	181,894	6,494
Fees and charges	3,600	3,700	5,336	1,636
Contributions and donations	4,500	4,500	4,825	325
Interest	2,600	2,600	9,242	6,642
Rent	6,000	6,000	6,860	860
Miscellaneous	6,000	6,000	6,429	429
Total revenues	<u>354,750</u>	<u>354,590</u>	<u>393,863</u>	<u>39,273</u>
Expenditures				
Current				
Library				
Personnel	200,030	207,780	196,918	10,862
Professional and contractual	9,500	10,500	10,043	457
Collections	22,500	22,500	20,580	1,920
Supplies	3,800	4,500	4,299	201
Cooperative fees	25,000	25,000	19,712	5,288
Services and charges	4,500	10,500	3,565	6,935
Maintenance and repairs	21,900	21,900	10,016	11,884
Insurance	3,000	3,000	1,860	1,140
Utilities	13,580	16,900	14,313	2,587
Programming	17,500	17,300	11,327	5,973
Membership dues	700	700	672	28
Miscellaneous	25,290	13,560	10,664	2,896
Capital outlay	15,000	21,800	17,180	4,620
Total expenditures	<u>362,300</u>	<u>375,940</u>	<u>321,149</u>	<u>54,791</u>
Net changes in fund balance	(7,550)	(21,350)	72,714	94,064
Fund balance, beginning of year	<u>373,704</u>	<u>373,704</u>	<u>373,704</u>	<u>-</u>
Fund balance, end of year	<u>\$ 366,154</u>	<u>\$ 352,354</u>	<u>\$ 446,418</u>	<u>\$ 94,064</u>

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).