Redford Township District Library

Financial Report
with Supplemental Information
March 31, 2015

Contents

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Independent Auditor's Report

To the Board of Trustees
Redford Township District Library

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Redford Township District Library (the "Library") as of and for the year ended March 31, 2015 and the related notes to the financial statements, which collectively comprise Redford Township District Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Trustees
Redford Township District Library

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Redford Township District Library as of March 31, 2015 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Plante & Moran, PLLC

July 29, 2015

Our discussion and analysis of Redford Township District Library's (the "Library") financial performance provides an overview of the Library's financial activities for the fiscal year ended March 31, 2015. Please read it in conjunction with the Library's financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide financial statements by providing information about the Library's most significant funds.

Statement of Net Position/Statement of Activities

The following table shows, in a condensed format, the Library's net position as of March 31, 2015 and 2014:

	March 31	
	2015	2014
Assets		
Current assets	$ 4,265,743	$ 3,773,760
Capital assets	7,275,891	7,534,046
Total assets	11,541,634	11,307,806
Liabilities		
Current liabilities	676,764	670,762
Long-term liabilities	5,262,053	5,603,537
Total liabilities	5,938,817	6,274,299
Net Position		
Net investment in capital assets	2,825,891	2,589,046
Restricted	741,326	678,002
Unrestricted	2,035,600	1,766,459
Total net position	**$ 5,602,817**	**$ 5,033,507**

The Library's combined net position increased 11 percent from a year ago, increasing from approximately $5.0 million to $5.7 million.

The following table shows the change in net position during the fiscal years ended March 31, 2015 and 2014:

	Year Ended March 31	
	2015	2014
Revenue		
Tax levy	$ 2,428,787	$ 1,232,922
Penal fines	39,178	34,659
State aid	28,504	24,135
Book fines	55,592	57,672
Investment earnings (loss)	43,896	(32,694)
Miscellaneous	85,231	85,940
Total revenue	2,681,188	1,402,634
Expenses		
Personnel	1,162,788	1,099,705
Contractual services and books	126,266	117,370
Operating costs	281,347	300,857
Debt service	81,150	88,558
Capital outlay	2,655	-
Depreciation	457,672	483,026
Total expenses	2,111,878	2,089,516
Change in Net Position	**$ 569,310**	**$ (686,882)**

The Library's total revenue increased by approximately $1.3 million in the current year primarily as a result of the new 1.4 mill operating millage approved by Redford Township residents in the November 2014 election, which generated an additional $1.1 million in property tax revenue. Investment earnings increased by approximately $76,600 primarily due to the increase in interest rates and market conditions from the previous year.

Overall, current year expenses increased by approximately $22,400, or 1.1 percent, from the prior year. The primary reasons for this increase is the result of modest employee wage increases and the Library hiring additional part-time staff to restore library hours, which increased personnel costs.

The Library's Funds

Our analysis of the Library's major funds follows the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Library as a whole. The Library board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as the property tax millage for the 2002 bond issuance. The Library's major funds for 2015 consisted of the General Fund and the Debt Service Fund.

Budgetary and Current Year Highlights

As a result of the new 1.4 mill operating millage that was approved by Redford Township residents in November 2014, the Library amended the budget to restore library hours, which were cut in 2011, dedicated additional funding to books and programming, and gave modest staff wage increases. The Library's staff and board would like to express their sincere gratitude to Redford Township voters. The outstanding show of support for the millage request truly affirms the value of the Library to the community. The supplemental funds will ensure that Redford Township residents continue to receive high-quality library service for the eight- year duration of the millage.

Capital Asset and Debt Administration

During the year, the Library purchased additional shelving in the teen area and replaced office chairs and library materials (books, CDs, and audiovisual materials). The library building was constructed with the proceeds received from the issuance of $8.5 million in 2002 Library Building and Site Bonds, which was refunded in 2012 by issuing $5,425,000 in bonds with an interest rate range of 1.5 percent to 2.25 percent and retiring the 2002 Library Building and Site Bonds. The outstanding balance on the bonds was $4.45 million on March 31, 2015.

Economic Factors and Next Year's Budgets and Rates

The Library's budget shortfall was the main hurdle for all aspects of the Library's five-year strategic plan. Now that funding has been stabilized, the Library can begin to work toward other goals identified by the plan. A number of improvements that were put on hold during the funding crunch will also be made this year, including an upgrade to patron computers, replacement of the outdated phone system, and repairs to the parking lot. In addition, with passage of the supplemental millage, the Library board once again has the ability to maintain its fund balance at a responsible level.

Contacting the Library's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the library director's office.

Redford Township District Library

Statement of Net Position/Governmental Funds Balance Sheet
March 31, 2015

	Individual Library Funds				
	General Fund	Debt Service Fund	Total Modified Accrual Basis	GASB Statement No. 34 Adjustments (Note 11)	Statement of Net Position - Full Accrual Basis
Assets					
Cash and cash equivalents (Note 3)	$ 3,317,051	$ 685,621	$ 4,002,672	$ -	$ 4,002,672
Taxes receivable	214,521	48,550	263,071	-	263,071
Due from other funds/internal balances (Note 4)	-	7,155	7,155	(7,155)	-
Capital assets (Note 5):					
Assets not subject to depreciation	-	-	-	325,000	325,000
Assets subject to depreciation	-	-	-	6,950,891	6,950,891
Total assets	**$ 3,531,572**	**$ 741,326**	**$ 4,272,898**	**$ 7,268,736**	**$ 11,541,634**
Liabilities					
Accounts payable	$ 70,254	$ -	$ 70,254	$ -	$ 70,254
Due to other funds	7,155	-	7,155	(7,155)	-
Accrued liabilities and other	39,809	-	39,809	33,555	73,364
Noncurrent liabilities (Note 6):					
Due within one year:					
Compensated absences	-	-	-	23,146	23,146
Current portion of long-term debt	-	-	-	510,000	510,000
Due in more than one year:					
Compensated absences	-	-	-	115,030	115,030
Net OPEB obligation (Note 10)	-	-	-	1,207,023	1,207,023
Long-term debt	-	-	-	3,940,000	3,940,000
Total liabilities	117,218	-	117,218	5,821,599	5,938,817
Deferred Inflows of Resources -					
Delinquent property taxes	212,031	48,550	260,581	(260,581)	-
Equity					
Fund balance (Note 7):					
Restricted	-	692,776	692,776	(692,776)	-
Assigned	3,100,000	-	3,100,000	(3,100,000)	-
Unassigned	102,323	-	102,323	(102,323)	-
Total fund balance	3,202,323	692,776	3,895,099	(3,895,099)	-
Total liabilities, deferred inflows of resources, and fund balance	**$ 3,531,572**	**$ 741,326**	**$ 4,272,898**		
Net position:					
Net investment in capital assets				2,825,891	2,825,891
Restricted - Debt service				741,326	741,326
Unrestricted				2,035,600	2,035,600
Total net position				**$ 5,602,817**	**$ 5,602,817**

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

Redford Township District Library

Statement of Activities/Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance Year Ended March 31, 2015

	Modified Accrual Basis				
	General Fund	Debt Service Fund	Total Modified Accrual Basis	GASB Statement No. 34 Adjustments (Note 11)	Statement of Activities Full Accrual
Revenues					
Tax levy	$ 1,660,962	$ 639,640	$ 2,300,602	$ 128,185	$ 2,428,787
Penal fines	39,178	-	39,178	-	39,178
State aid	28,504	-	28,504	-	28,504
Book fines/fees	55,592	-	55,592	-	55,592
Investment earnings	43,801	95	43,896	-	43,896
Miscellaneous	85,231	-	85,231	-	85,231
Total revenues	1,913,268	639,735	2,553,003	128,185	2,681,188
Expenditures/Expenses					
Personnel	994,045	-	994,045	168,743	1,162,788
Contractual services and books	310,750	-	310,750	(184,484)	126,266
Operating costs	281,347	-	281,347	-	281,347
Debt service	-	579,244	579,244	(498,094)	81,150
Capital outlay	17,688	-	17,688	(15,033)	2,655
Depreciation	-	-	-	457,672	457,672
Total expenditures/expenses	1,603,830	579,244	2,183,074	(71,196)	2,111,878
Net Change in Fund Balance/Net Position	309,438	60,491	369,929	199,381	569,310
Fund Balance/Net Position - Beginning of year	2,892,885	632,285	3,525,170	1,508,337	5,033,507
Fund Balance/Net Position - End of year	**$ 3,202,323**	**$ 692,776**	**$ 3,895,099**	**$ 1,707,718**	**$ 5,602,817**

Note 1 - Summary of Significant Accounting Policies

Redford Township District Library (the "Library") is located in Redford Township, Michigan. The Library is funded primarily though a tax levy, fines, and fees. Revenue is used to operate and staff the Library. The following is a summary of the significant accounting policies used by Redford Township District Library:

Reporting Entity

Redford Township District Library is governed by an appointed seven-member board of trustees. The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting unit. Based on these criteria, there are no component units of the Library that are to be included in the reporting entity.

Accounting and Reporting Principles

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

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The individual fund columns present their activities on the modified accrual basis of accounting, as discussed above, which demonstrates accountability for how the current resources have been spent. The government-wide columns are presented on the economic resources measurement focus and the full accrual basis of accounting, in order to measure the cost of providing government services, and the extent to which constituents have paid the full cost of government services.

On the full accrual basis of accounting, revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Accounting

The Library accounts for its various activities in the General Fund and Debt Service Fund, in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenues were used. The Library reports the following as "major" governmental funds:

- The General Fund, which is the primary operating fund because it accounts for all financial resources used to provide the Library services. General Fund activities are financied by revenue from two general property tax millages, state aid, and other sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

- The Debt Service Fund, which is used to account for the annual payments of principal, interest, and expenses in connection with the 2002 Building and Site Bonds that were refunded in 2012. Debt Service Fund activities are financed by revenue from a property tax millage that expires in 2021.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare-related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the Library considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state aid, state penal fines, property taxes, and interest associated with the current fiscal period.

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Capital Assets - Capital assets, which include property, furniture and equipment, library books, and videos, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Note 1 - Summary of Significant Accounting Policies (Continued)

Buildings, furniture and equipment, library books, and videos are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Lives
Buildings	50 years
Furniture and equipment	5-15 years
Library books and AV materials	2-10 years

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. The debt service fund is generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Library does not have any items that quality for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Library has one item that qualifies for reporting in this category. The deferred inflows of resources relate to delinquent property taxes. These property taxes are shown as deferred inflows of resources on the governmental funds balance sheet.

Net Position Flow Assumption

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumption

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Library itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Library board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Library board has, by resolution, authorized the library director to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes receivable are shown net of allowance for uncollectible amounts, if deemed necessary. Properties are assessed as of December 31 and become a lien on December 1 of the following year. Related property taxes are billed on July 1 and December 1 of the following year. These taxes are due on September 15 and February 14 with the final collection date of February 28 before they are added to the Wayne County tax rolls.

The Library's 2015 tax is levied and collectible on December 1, 2014 and is recognized as revenue in the year ended March 31, 2015, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2015 taxable valuation of the Library totaled approximately $778 million, on which taxes levied consisted of 2.3233 mills for the Library's operations and 0.7880 mills for debt service, resulting in property tax revenue of approximately $1,661,000 and $640,000, respectively. These amounts are recognized in the respective General Fund and Debt Service Fund financial statements as tax revenue.

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

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

Compensated absences attributable to the governmental activities will be liquidated by the General Fund. Claims and judgments liabilities, if applicable, will be liquidated through the General Fund. The net OPEB obligation has been liquidated from the funds from which individual employees' salaries are paid, which is the General Fund.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Note 2 - Stewardship, Compliance, and Accountability

Budget Information - The annual budget is prepared by the director and the Library board and adopted by the Library board; subsequent amendments are approved by the Library board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2015 has not been calculated.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. The budget statement is adopted by fund and function. The budget statement (statement of revenue, expenditures, and changes in fund balance) is presented on the same basis of accounting and level of detail as the adopted budget. State law requires expenditures to stay within appropriated amounts, and the Library did not have any unfavorable expenditure budget variances.

Note 3 - Deposits and Investments

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

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

Note 3 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. At year end, the Library had $1,988,959 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The Library evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. Negotiable certificates of deposits and bank investment pools are not insured.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Library's investment policy does not restrict investment maturities, other than commercial paper, which can only be purchased with a 270-day maturity.

At year end, the Library had the following investments and maturities:

Investment	Less than 1 Year	1-5 Years	More than 5 Years
Negotiable certificates of deposit	$ 99,535	$ 660,972	$ 751,473

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Library has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Negotiable certificates of deposit	$ 1,511,980	Not rated	N/A

Note 4 - Interfund Receivables, Payables, and Transfers

The following are the interfund receivables at March 31, 2015:

Receivable Fund	Payable Fund	Amount
Debt Service Fund	General Fund	$ 7,155

This balance results from the time lag between the recording of the transaction in the accounting system and the actual payments being made between funds.

Note 5 - Capital Assets

Capital asset activity of the Library was as follows:

	Balance April 1, 2014	Additions	Disposals	Balance March 31, 2015
Governmental Activities				
Capital assets not being depreciated - Land	$ 325,000	$ -	$ -	$ 325,000
Capital assets being depreciated:				
Building	7,877,026	-	-	7,877,026
Furniture and equipment	1,168,132	15,033	-	1,183,165
Library books and audiovisual materials	4,147,838	184,484	-	4,332,322
Subtotal	13,192,996	199,517	-	13,392,513
Accumulated depreciation:				
Building	1,574,328	157,541	-	1,731,869
Furniture and equipment	740,398	96,663	-	837,061
Library books and audiovisual materials	3,669,224	203,468	-	3,872,692
Subtotal	5,983,950	457,672	-	6,441,622
Net capital assets being depreciated	7,209,046	(258,155)	-	6,950,891
Net capital assets	$ 7,534,046	$ (258,155)	$ -	$ 7,275,891

Note 6 - Long-term Debt

The Library issued bonds to provide for the acquisition and construction of a library facility. The Library has the following long-term debt outstanding as of March 31, 2015:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
2012 Library Refunding Bonds (unlimited tax general obligation) original issue of $5,425,000 maturing through 2022	1.5%-2.25	$510,000-$610,000	$4,945,000	$ -	$ (495,000)	$4,450,000	$ 510,000
Other long-term liabilities - Compensated absences		N/A	128,596	32,499	(22,919)	138,176	23,146
Total governmental activities			$5,073,596	$ 32,499	$ (517,919)	$4,588,176	$ 533,146

The compensated absences represent the estimated liability to be paid to employees under the Library's paid-time-off policy. Under the Library's policy, employees earn paid time off based on time of service with the Library.

Note 6 - Long-term Debt (Continued)

Debt Service Requirements

The annual requirements to service all debt outstanding as of March 31, 2015 (excluding compensated absences), including principal and interest, are as follows:

Year Ending March 31	Principal	Interest	Total
2016	$ 510,000	$ 76,678	$ 586,678
2017	525,000	68,945	593,945
2018	530,000	61,033	591,033
2019	545,000	52,289	597,289
2020	560,000	42,420	602,420
2021-2023	1,780,000	46,405	1,826,405
Total	$ 4,450,000	$ 347,770	$ 4,797,770

Note 7 - Fund Balance Constraints

Fund balance constraints are as follows:

	General Fund	Debt Service Fund	Total
Fund Balances			
Restricted for debt service	$ -	$ 692,776	$ 692,776
Assigned:			
Property tax float	1,200,000	-	1,200,000
Capital improvements and replacements	590,000	-	590,000
Library construction - Second floor	1,310,000	-	1,310,000
Total assigned	3,100,000	-	3,100,000
Unassigned	102,323	-	102,323
Total fund balances	$ 3,202,323	$ 692,776	$ 3,895,099

The property tax float assignment represents approximately 75 percent of the taxes levied in December 2014 to fund Library operations from January 2015 to December 2015, until taxes are collected next year.

Capital improvements and replacements are assignments to fund the estimated future capital outlay needs of the Library.

The Library construction - second floor assignment will fund the costs associated with completing the construction of the unfinished space on the second floor of the Libary.

Unassigned fund balance has not been assigned for a specific purpose at this time, but management is in the process of evaluating several potential uses.

Note 8 - Risk Management

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

Note 9 - Pension Plan

Plan Description - The Library provides a defined benefit pension plan to its employees through the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer pension plan. MERS provides retirement and disability benefits; these benefits were established in Library policies and may be amended at any time. MERS issues a publicly available financial report that includes financial statements as well as trend information for the system; that report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy - The obligation to contribute to and maintain MERS for these employees was established by negotiation with the Library's employees and currently does not require employee contributions.

Annual Pension Cost - For the year ended March 31, 2015, the Library's annual pension cost of $85,834 was equal to the required and actual contribution that was determined by the actuarial valuation at December 31, 2012, using the entry age normal actuarial cost method. The actuarial assumptions included (a) an 8 percent investment rate of return; (b) projected salary increases of 0 percent to 13 percent, attributable to seniority/merit, which includes inflation at 2 percent for 2015, 3 percent for 2016, and 4.5 percent thereafter; and (c) no cost of living adjustments.

Employer contributions and annual pension cost data for the current and two preceding years were as follows:

Fiscal Year Ended	Annual Pension Costs	Employer Contributions Percentage of ARC Contributed
3/31/13	$ 76,686	100.0 %
3/31/14	82,764	100.0
3/31/15	85,834	100.0

Note 9 - Pension Plan (Continued)

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/12	$ 1,894,277	$ 2,232,584	$ 338,307	84.8	$ 492,334	68.7
12/31/13	1,978,368	2,360,839	382,471	83.8	492,949	77.6
12/31/14	2,066,804	2,502,092	435,288	82.6	494,481	88.0

Actuarial Methods and Assumptions - In the December 31, 2014 actuarial valuation, the entry age normal cost method was used. Significant actuarial assumptions used include (a) an 8 percent investment rate of return (b) and projected salary increases of 0 percent to 13 percent, attributable to seniority/merit. Both (a) and (b) include inflation at 2 percent for 2015, 3 percent for 2016, and 4.5 percent thereafter. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 25 years.

Note 10 - Other Postemployment Benefits

The Library provides healthcare benefits to all full-time employees upon retirement, in accordance with current Library policy; however, the board reserves the right to change or withdraw that benefit at any time. In the current year, the board authorized a $30,000 transfer into a single-employer defined benefit plan administered by the Municipal Employees' Retirement System. Currently, the Library has one retiree who qualifies for postemployment benefits. Expenditures for postemployment healthcare benefits are recognized as the insurance premiums become due.

Plan Description - The Library provides retiree healthcare benefits to eligible employees and their spouses. This is a single-employer defined benefit plan administered by the Library. The benefits are provided to employees based on board approval. MERS issues a publicly available financial report that includes financial statements as well as trend information for the system; that report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy - The employee benefit currently does not require a contribution from employees. The Library has no obligation to make contributions in advance of when the insurance premiums are due for payment.

Note 10 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended March 31, 2015, the Library has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2014. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	$ 216,268
Interest on the prior year's net OPEB obligation	42,252
Less adjustment to the annual required contribution	(66,090)
Annual OPEB cost	192,430
Less amounts contributed:	
Payments of current premiums	(11,712)
Advance funding	(30,000)
Increase in net OPEB obligation	150,718
OPEB obligation - Beginning of year	1,056,305
OPEB obligation - End of year	$ 1,207,023

Employer contributions and annual OPEB cost data for the current and two preceding years were as follows:

				Employer Contributions		
Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Percentage of ARC Contributed	Percentage OPEB Costs Contributed	Net OPEB Obligation
3/31/13	3/31/13	$ 189,104	$ 173,443	22.0	25.8	$ 914,442
3/31/14	3/31/13	201,883	182,462	20.1	22.2	1,056,305
3/31/15	3/31/13	216,268	192,430	19.3	21.7	1,207,023

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/10	$ -	$ 3,253,746	$ 3,253,746	-	$ 508,569	639.8
3/31/13	103,757	1,811,613	1,707,856	5.7	442,963	385.6

Note 10 - Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplemental information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the March 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 9 percent initially and then graded down to 5 percent in 2017. The UAAL is being amortized on a level dollar closed basis. The remaining amortization period at March 31, 2013 was 27 years.

Note 11 - Reconciliation of the Library as a Whole and the Governmental Fund Financial Statements

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

Fund Balance Reported in Governmental Funds	$ 3,895,099
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	7,275,891
Property tax revenue not collected within 60 days of year end is recorded as a deferred inflow of the funds	260,581
Bonds payable are not due and payable in the current period and are not reported in the funds	(4,450,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(33,555)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(138,176)
Net OPEB obligation does not present a claim on current financial resources. Therefore, it is not reported as a fund liability	(1,207,023)
Net Position of Governmental Activities	**$ 5,602,817**

Note 11 - Reconciliation of the Library as a Whole and the Governmental Fund Financial Statements (Continued)

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the individual fund columns because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

Net Change in Fund Balances - Total Governmental Funds	$ 369,929
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Library books and audiovisual materials	184,484
Capital outlay	15,033
Depreciation expense	(457,672)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	128,185
Repayment of bond principal is an expenditure in the fund financial statements, but not in the statement of activities	495,000
Change in accrued interest payable and other	3,094
Increase in the accrual for compensated absences is reported as an expenditure in the fund financial statements, but not in the statement of activities	(18,025)
Increase in net OPEB obligation expenses reported in the statement of activities does not require the use of current resources; therefore, it is not reported in the fund statements until it comes due for payment	(150,718)
Change in Net Position of Governmental Activities	**$ 569,310**

Note 12 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Library is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending March 31, 2016.

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

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Library to recognize on the face of the financial statements its net OPEB liability related to its participation in the Retiree Medical Plan. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Library is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Library's financial statements for the year ending March 31, 2019.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule - General Fund
Year Ended March 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenues				
Property taxes	$ 700,000	$ 1,614,215	$ 1,660,962	$ 46,747
Penal fines	32,000	39,177	39,178	1
State aid	24,000	28,503	28,504	1
Fines/Fees	46,000	46,000	55,592	9,592
Investment earnings	25,000	-	43,801	43,801
Miscellaneous	81,200	73,500	85,231	11,731
Total revenues	908,200	1,801,395	1,913,268	111,873
Expenditures/Expenses				
Personnel	971,878	1,021,828	994,045	27,783
Contractual services and books	301,867	317,657	310,750	6,907
Operating costs	305,084	301,251	281,347	19,904
Capital outlay	10,000	35,000	17,688	17,312
Total expenditures/expenses	1,588,829	1,675,736	1,603,830	71,906
(Deficiency) Excess of Revenues Over Expenditures	(680,629)	125,659	309,438	183,779
Fund Balance - Beginning of year	2,892,885	2,892,885	2,892,885	-
Fund Balance - End of year	**$ 2,212,256**	**$ 3,018,544**	**$ 3,202,323**	**$ 183,779**

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
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The schedule of funding progress is as follows:

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3/31/13	103,757	1,811,613	1,707,856	5.7	442,963	385.6

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July 29, 2015

To the Board of Trustees
Redford Township District Library

We have audited the financial statements of Redford Township District Library (the "Library") as of and for the year ended March 31, 2015 and have issued our report thereon dated July 29, 2015. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Communications Required Under AU 265

Section II - Communications Required Under AU 260

Section III - Legislative and Informational Items

Section I includes any deficiencies we observed in the Library's accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about the Library's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the board of directors of Redford Township District Library.

Section III presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the Library in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

We would like to take this opportunity to thank the Library's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the board of directors and management of Redford Township District Library and is not intended to be and should not be used by anyone other than these specified parties.

To the Board of Directors
Redford Township District Library

July 29, 2015

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

William E. Brickey

Section I - Communications Required Under AU 265

In planning and performing our audit of the financial statements of Redford Township District Library as of and for the year ended March 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiency in Library's internal control to be a material weakness:

- Journal entries were required during the audit to ensure the financial statement presentation was in conformity with generally accepted accounting principles, including full accrual presentation of the governmental funds. This qualifies as a material weakness in internal control. The entries included adjustments required for the full accrual presentation of the government-wide statements, an adjustment to record accounts receivable and deferred inflows of resources related to property taxes, and properly recording long-term debt and capital asset activity. If journal entries are not posted, this could lead to inaccurate financial reporting during the year.

Section II - Communications Required Under AU 260

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 10, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Library. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 25, 2015.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Library are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2015.

We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the estimates related to pension and other postemployment benefits (OPEB) funding. We evaluated the key factors and assumptions used to develop the allowance and annual required contribution in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are Note 9 - Pension Plan and Note 10 - Other Postemployment Benefits.

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as 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.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Library, and business plans and strategies that may affect the risks of material misstatement with management each year prior to our 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 of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 29, 2015.

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 Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Library's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such other information is properly stated. However, we read the budgetary comparison schedule and the pension system schedule and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Section III - Legislative and Informational Items

New Pension Standards

Beginning with the Library's March 31, 2016 year end, a new accounting standard issued by the Governmental Accounting Standards Board (GASB) will significantly impact the Library's financial statements. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* significantly revises the current accounting and reporting requirements for pensions.

Employers providing defined benefit pensions to its employees must now recognize their unfunded pension benefit obligation as a liability for the first time and must more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised and expanded note disclosures and required supplemental information (RSI). As a result of implementing this new standard, the Library may need to add a net pension liability to its statement of net position, potentially resulting in a significant impact to the Library's governmental activities; this should have no impact on the Library's General Fund since the pension accrual is recognized only on the government-wide statements.

New Other Postemployment Benefits Standards

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* addresses reporting by OPEB plans, whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees.

Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statement more extensive note disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the Library, after adoption of GASB Statement No. 75, will recognize on the face of the financial statements its net OPEB liability. The Library is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016, whereas GASB Statement No. 75 is effective one year later.

Personal Property Tax

In August 2014, Michigan voters put the last piece of personal property tax reform in place. As a result, personal property taxes will be reduced in two respects:

1. Small taxpayers with total personal property within a taxing unit valued at less than $80,000 will be able to sign an affidavit exempting this personal property from taxation. This exemption began with the 2014 tax billings.

2. Personal property used in a manufacturing process that is purchased after December 31, 2012 will be exempt. This exemption will begin in the 2016 tax billings.

The legislation is generally intended to fully reimburse local units of government for revenue losses that result from this exempt property. The changes include creation of a new Local Community Stabilization Authority (LCSA) that will receive money from two sources:

- Use tax: The legislation includes specific amounts of the use tax that will be diverted from the State's General Fund to the new LCSA; and

- Essential services assessment: Manufacturers will pay a "local community essential services assessment" to the LCSA based on the value of their exempt manufacturing property. The rate is set at 2.4 mills for a property's first five years; then 1.25 mills for the next five; then 0.9 mills thereafter.

There have been a number of refinements, changes, and clarifications made along the way.