Redford Township District Library

Financial Report
with Supplementary Information
March 31, 2024

Redford Township District Library

Contents

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Redford Township District Library

Opinions

We have audited the financial statements of the governmental activities, fiduciary activities, and the General Fund of Redford Township District Library (the "Library") as of and for the year ended March 31, 2024 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, fiduciary activities, and the General Fund of the Library as of March 31, 2024 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 12 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 GAAS 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.

To the Board of Trustees
Redford Township District Library

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

Plante & Moran, PLLC

August 12, 2024

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, 2024. 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 the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide financial statements by providing information about the Library's most significant funds.

The Library's Net Position

The following table shows, in a condensed format, the Library's net position as of March 31, 2024 and 2023:

	2024	2023
Assets		
Current assets	$ 9,264,184	$ 3,863,215
Capital assets	12,810,517	7,755,633
Total assets	22,074,701	11,618,848
Deferred Outflows of Resources	254,333	542,406
Liabilities		
Current liabilities	1,037,809	225,717
Noncurrent liabilities	9,500,643	706,409
Total liabilities	10,538,452	932,126
Deferred Inflows of Resources	193,129	209,349
Net Position		
Net investment in capital assets	7,746,855	7,755,633
Unrestricted	3,850,598	3,264,146
Total net position	**$ 11,597,453**	**$ 11,019,779**

The Library's net position increased by approximately 5.2 percent from a year ago, increasing from approximately $11.0 million to $11.6 million.

The Library's Changes in Net Position

The following table shows the change in net position during the fiscal years ended March 31, 2024 and 2023:

	2024	2023
Revenue		
Tax levy	$ 2,962,675	$ 2,737,191
Penal fines	30,653	32,339
Intergovernmental:		
State aid	75,125	48,654
Other state sources	290,926	227,297
Service fees	40,317	41,584
Investment earnings	298,414	32,694
Miscellaneous	39,585	34,884
Total revenue	3,737,695	3,154,643
Expenditures		
Personnel	1,676,858	1,408,945
Contractual services and books	236,226	225,396
Operating costs	337,909	356,197
Depreciation	445,436	442,457
Debt service	463,592	1,144
Total expenditures	3,160,021	2,434,139
Change in Net Position	577,674	720,504
Net Position - Beginning of year	11,019,779	10,299,275
Net Position - End of year	**$ 11,597,453**	**$ 11,019,779**

The Library's total revenue increased by approximately $583,000 in the current year, primarily as a result of an increase in tax revenue. Total expenditures increased by approximately $726,000.

Financial Highlights and Budget

Approximately 80 percent of the Library’s revenue comes from local property taxes and the remainder comes from other sources, such as interest on investments, fees, penal fines, state aid, and donations. Property tax revenue increased by 9.1 percent due to increased taxable value throughout Redford Township.

Expenditures increased by approximately $726 thousand from the previous fiscal year, this was largely due to Phase 1 and Phase 2 Library renovations taking place during the fiscal year. Personnel increased by 21 percent primarily due to increases in salaries and wages as well as a lump-sum payment to fully fund OPEB liabilities. Using the full accrual method, revenue for the Library during the year totaled $3,737,695, exceeding expenditures by $577,674 and resulting in a positive cumulative balance of the government-wide net position of $11,597,453.

The Library’s General Fund accounts for all programming, materials, maintenance, capital investments, and administrative functions of the Library. Over the course of the year, the Library amended the budget to account for additional capital expenditures while renovating the Library.

Capital Assets and Debt Administration

During the fiscal year, the Library purchased equipment, furniture, and new items for the library collection. The Library is currently renovating the building with the proceeds received from the issuance of an $8.85 million bond in 2023. With an interest rate range of 4 percent to 4.25 percent, the outstanding balance on the bonds was $8,965,271 on March 31, 2024.

Economic Factors and Next Year's Budgets and Rates

The Library’s net property tax revenue in 2023-2024 increased by 9.1 percent compared to the previous fiscal year; in coming years, management expects taxable revenue to be in the range of 2.5 percent to 5 percent.

The Library has been able to take advantage of higher yields, currently 5.25 percent, to strengthen investment earnings; these rates are expected to decrease along with balances as capital outlay projects wrap up in 2024.

Library renovations are scheduled to be complete in August 2024. Over the next several years, management expects limited need for major capital expenditures such as carpeting, wall covering, furniture, roof, and HVAC components, all of which were recently updated or replaced.

Requests for Further Information

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Library's finances and demonstrate 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, 2024

	General Fund	GASB Statement No. 34 Adjustments (Note 11)	Statement of Net Position Full Accrual Basis
Assets			
Cash and investments (Note 3)	$ 4,971,557	$ -	$ 4,971,557
Receivables:			
Property taxes receivable	232,090	-	232,090
Grant receivable	47,754	-	47,754
Restricted assets (Note 3)	3,901,609	-	3,901,609
Net OPEB asset	-	111,174	111,174
Capital assets: (Note 4)			
Assets not subject to depreciation	-	6,855,215	6,855,215
Assets subject to depreciation - Net	-	5,955,302	5,955,302
Total assets	9,153,010	12,921,691	22,074,701
Deferred Outflows of Resources			
Deferred outflows related to pensions (Note 8)	-	229,151	229,151
Deferred outflows related to OPEB (Note 9)	-	25,182	25,182
Total deferred outflows of resources	-	254,333	254,333
Total assets and deferred outflows of resources	**$ 9,153,010**	13,176,024	22,329,034
Liabilities			
Accounts payable	$ 746,734	-	746,734
Accrued liabilities and other	51,331	199,968	251,299
Noncurrent liabilities:			
Due within one year - Compensated absences	-	39,776	39,776
Due in more than one year:			
Compensated absences (Note 5)	-	48,301	48,301
Net pension liability (Note 8)	-	487,071	487,071
Long-term debt (Note 5)	-	8,965,271	8,965,271
Total liabilities	798,065	9,740,387	10,538,452
Deferred Inflows of Resources			
Unavailable revenue	275,371	(275,371)	-
Deferred inflows related to OPEB (Note 9)	-	193,129	193,129
Total deferred inflows of resources	275,371	(82,242)	193,129
Equity			
Fund balance: (Note 6)			
Restricted	3,901,609	(3,901,609)	-
Assigned	3,656,194	(3,656,194)	-
Unassigned	521,771	(521,771)	-
Total fund balance	8,079,574	(8,079,574)	-
Total liabilities, deferred inflows of resources, and fund balance	**$ 9,153,010**		
Net position:			
Net investment in capital assets		7,746,855	7,746,855
Unrestricted		3,850,598	3,850,598
Total net position		**$ 11,597,453**	**$ 11,597,453**

See notes to financial statements.

Statement of Activities/Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

Year Ended March 31, 2024

	General Fund	GASB Statement No. 34 Adjustments (Note 11)	Statement of Activities Full Accrual Basis
Revenue			
Tax levy	$ 2,944,703	$ 17,972	$ 2,962,675
Penal fines	30,653	-	30,653
Intergovernmental:			
State aid	75,125	-	75,125
Other state sources	243,172	47,754	290,926
Service fees	40,317	-	40,317
Investment earnings	298,414	-	298,414
Miscellaneous	39,585	-	39,585
Total revenue	3,671,969	65,726	3,737,695
Expenditures			
Personnel	1,677,232	(374)	1,676,858
Contractual services and books	375,076	(138,850)	236,226
Operating costs	337,909	-	337,909
Capital outlay	5,361,470	(5,361,470)	-
Depreciation	-	445,436	445,436
Debt service	263,624	199,968	463,592
Total expenditures	8,015,311	(4,855,290)	3,160,021
Other Financing Sources			
Issuance of bonds	8,850,000	(8,850,000)	-
Debt premium or discount	115,271	(115,271)	-
Total other financing sources	8,965,271	(8,965,271)	-
Net Change in Fund Balance/Net Position	4,621,929	(4,044,255)	577,674
Fund Balance/Net Position - Beginning of year	3,457,645	7,562,134	11,019,779
Fund Balance/Net Position - End of year	**$ 8,079,574**	**$ 3,517,879**	**$ 11,597,453**

See notes to financial statements.

Statement of Fiduciary Net Position

March 31, 2024

	Retiree Health Care Plan
Assets - Interest in pooled investments	$ 873,455
Liabilities	-
Net Position - Restricted - Postemployment benefits other than pension	**$ 873,455**

See notes to financial statements.

Statement of Changes in Fiduciary Net Position

Year Ended March 31, 2024

	Retiree Health Care Plan
Additions	
Investment income	$ 77,907
Contributions	220,000
Total additions	297,907
Deductions	
Benefit payments	30,996
Administrative expenses	1,426
Total deductions	32,422
Net Increase in Fiduciary Net Position	265,485
Net Position - Beginning of year	607,970
Net Position - End of year	**$ 873,455**

See notes to financial statements.

Note 1 - Significant Accounting Policies

Redford Township District Library (the "Library") is located in Redford Township, Michigan. The Library is funded primarily through 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

The 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.

Retiree Health Care Plan

The Retiree Health Care Plan is a trust governed by the Library that provides other postemployment benefits to eligible employees of the Library. Although it is legally separate from the Library, it is reported as a fiduciary component unit because the Library maintains operational control and the plan imposes a financial burden on the Library.

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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Accounting

The Library accounts for its various activities in the General Fund in order to demonstrate accountability for how it spends certain resources; separate funds allow the Library to show the particular expenditures for which specific revenue is used. The Library reports the following fund as a major governmental fund:

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

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the Library's programs. Activities that are reported as fiduciary include the following:

- The Retiree Health Care Plan, which accumulates resources for future retiree health care payments to retirees

Note 1 - Significant Accounting Policies (Continued)

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 Library 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 health care-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.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is 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 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.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest are required to be set aside for construction or other allowable bond purchases

Capital Assets

Capital assets, which include property, furniture and equipment, library books, and videos, are reported in the applicable 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 acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Buildings	50
Furniture and equipment	5-15
Library books and AV materials	2-10

Note 1 - Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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 and premiums as other financing sources and bond discounts as other financing uses.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Library has two items that qualify for reporting in this category: deferred outflows of resources related to pensions and deferred outflows of resources related to OPEB.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Library has two items that qualify for reporting in this category: the deferred inflows of resources related to delinquent property taxes and deferred inflows of resources related to OPEB. Property taxes are shown as deferred inflows of resources on the governmental funds balance sheet.

Net Position

Net position of the Library is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Library will sometimes 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 and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Library will sometimes 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. Furthermore, 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.

Note 1 - Significant Accounting Policies (Continued)

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 Library's highest level of decision-making authority. The board of trustees is the highest level of decision-making authority for the Library 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 of trustees 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 exist only 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.

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, Michigan tax rolls.

The Library's 2024 property tax revenue was levied and collectible on December 1, 2023 and is recognized as revenue in the year ended March 31, 2024 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2023 taxable valuation of the Library totaled approximately $1 billion (a portion of which is captured by the Redford Township Brownfield), on which taxes levied consisted of 2.8755 mills for operating purposes which resulted in approximately $2,945,000 of tax revenue.

Pension

The Library offers a defined benefit pension plan to its employees. The Library records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability will be liquidated from the funds of the General Fund.

Note 1 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The Library offers retiree health care benefits to retirees. The Library records a net OPEB asset for the difference between the total OPEB asset calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 judgment liabilities, if applicable, will be liquidated through the General Fund.

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.

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Library's financial statements for the year ending March 31, 2025.

In December 2023, the Government Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the Library's financial statements for the year ending March 31, 2026.

In April 2024, the Government Accounting Standards Board issues Statement No. 103, *Financial Reporting Model Improvements*, which provides updated guidance impacting management’s discussion and analysis and budgetary comparison information. The provisions of this new statement are effective for the Authority’s financial statements for the year ending March 31, 2027.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary 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. Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. During the year, the Library did not have expenditure budget variances.

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Governmental Activities
Cash	$ 4,971,557
Restricted cash	3,901,609
Total cash and investments	$ 8,873,166

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that 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 Retiree Health Care Plan is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed $250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Library has designated four 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 investments 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 bank deposits of $0 (checking and savings accounts) that were uninsured and uncollateralized. U.S. Treasury bills and bank investment pools are not insured.

Fair Value Measurements

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The Library's investment in the MERS Total Market Portfolio ($873,455) is valued at net asset value. At March 31, 2024, there were no unfunded commitments or redemption restrictions.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The Municipal Employees' Retirement System (MERS) manages the asset allocation and monitors the underlying investment managers.

Note 4 - Capital Assets

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

Governmental Activities

	Balance April 1, 2023	Additions	Disposals	Balance March 31, 2024
Capital assets not being depreciated:				
Land	$ 325,000	$ -	$ -	$ 325,000
Construction in progress	1,246,481	5,283,734	-	6,530,215
Capital assets being depreciated:				
Building	7,877,026	-	-	7,877,026
Furniture and equipment	2,515,446	77,736	-	2,593,182
Library books and audiovisual materials	3,722,372	138,850	(130,091)	3,731,131
Subtotal	14,114,844	216,586	(130,091)	14,201,339
Accumulated depreciation:				
Building	2,992,197	157,540	-	3,149,737
Furniture and equipment	1,632,800	139,132	-	1,771,932
Library books and audiovisual materials	3,305,695	148,764	(130,091)	3,324,368
Subtotal	7,930,692	445,436	(130,091)	8,246,037
Net capital assets being depreciated	6,184,152	(228,850)	-	5,955,302
Net governmental activities capital assets	$ 7,755,633	$ 5,054,884	$ -	$ 12,810,517

Construction Commitments

The Library has active construction projects at year end. The projects include the library renovation project. At year end, the Library's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Library renovations	$ 4,385,839	$ 7,219,447

Note 5 - Long-term Debt

Long-term debt activity for the year ended March 31, 2024 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:							
Other debt - Building and Site Bonds	4.00%-4.25%	$170,000-$930,000	$ -	$ 8,850,000	$ -	$ 8,850,000	$ -
Unamortized bond premiums			-	115,271	-	115,271	-
Total bonds payable			-	8,965,271	-	8,965,271	-
Compensated absences			81,811	36,058	(29,792)	88,077	39,776
Total governmental activities long-term debt			$ 81,811	$ 9,001,329	$ (29,792)	$ 9,053,348	$ 39,776

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.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Governmental Activities		
	Other Debt		
Years Ending March 31	Principal	Interest	Total
2025	$ -	$ 406,194	$ 406,194
2026	170,000	355,006	525,006
2027	195,000	347,706	542,706
2028	225,000	339,306	564,306
2029	255,000	329,706	584,706
2030-2034	1,790,000	1,459,031	3,249,031
2035-2039	2,880,000	997,431	3,877,431
2040-2044	3,335,000	291,841	3,626,841
Total	$ 8,850,000	$ 4,526,221	$ 13,376,221

Note 6 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	General Fund
Restricted unspent bond proceeds for capital	$ 3,901,609
Assigned:	
Property tax float	2,250,000
Capital improvements and replacements	1,000,000
Debt service	406,194
Total assigned	3,656,194
Unassigned	521,771
Total fund balance	$ 8,079,574

The property tax float assignment represents approximately 76 percent of the taxes levied in December 2023 to fund library operations from January 2024 to December 2024 until taxes are collected next year.

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

Debt service assignments are to fund future bond payments.

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 7 - 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 8 - Agent-defined Benefit Pension Plan

Plan Description

The Library participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report that includes the financial statements and required supplementary information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917. The plan was closed to new hires after July 1, 2016.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

Note 8 - Agent-defined Benefit Pension Plan (Continued)

Retirement benefits for employees are calculated as 2.5 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early reduced retirement age at 50 with 25 years of experience or 55 with 20 years of service. The vesting period is 6 years. Employees are eligible for duty and nonduty disability benefits and duty and nonduty death benefits. Duty disability retirement benefits are determined as the greater of the standard benefit formula or 25 percent of the final average compensation. There are no vesting requirements. Nonduty disability benefits are calculated using the standard benefit formula. The member must be vested. Duty-related death benefits are determined as the greater of the standard benefit formula or 25 percent of the final average compensation. There are no vesting requirements. Non-duty-related death benefits are calculated as 85 percent of the defined benefit formula. The member must be vested. All disability and death benefits are payable immediately without actuarial reduction.

There are no annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the library board.

Employees Covered by Benefit Terms

At the December 31, 2023 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	4
Total employees covered by the plan	18

Contributions

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

The annual required contribution was $27,468 for the fiscal year ended March 31, 2024. During the year, the Library contributed $39,324.

Net Pension Liability

The Library has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The March 31, 2024 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2023 measurement date. The December 31, 2023 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Note 8 - Agent-defined Benefit Pension Plan (Continued)

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

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2022	$ 4,020,903	$ 3,587,634	$ 433,269
Changes for the year:			
Service cost	40,879	-	40,879
Interest	284,077	-	284,077
Differences between expected and actual experience	134,546	-	134,546
Changes in assumptions	29,279	-	29,279
Contributions - Employer	-	52,278	(52,278)
Net investment income	-	391,015	(391,015)
Benefit payments, including refunds	(246,074)	(246,074)	-
Administrative expenses	-	(8,314)	8,314
Net changes	242,707	188,905	53,802
Balance at December 31, 2023	$ 4,263,610	$ 3,776,539	$ 487,071

The plan's fiduciary net position represents 88.6 percent of the total pension liability.

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

For the year ended March 31, 2024, the Library recognized pension expense of $347,484. At March 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 219,320	$ -
Employer contributions to the plan subsequent to the measurement date	9,831	-
Total	$ 229,151	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions of $9,831 made to the plan subsequent to the measurement date, which will impact the net pension liability in fiscal year 2023 rather than pension expense.

Years Ending March 31	Amount
2025	$ 50,690
2026	78,033
2027	118,245
2028	(27,648)
Total	$ 219,320

Note 8 - Agent-defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00 percent, and an investment rate of return (net of investment expenses) of 6.93 percent. Mortality rates were based on a 50 percent male - 50 percent female blend of the Pub-2010 fully generational MP-2019 scale.

Discount Rate

The discount rate used to measure the total pension liability was 7.18 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return (after subtracting a 2.5 percent inflation assumption) as of the December 31, 2023 measurement date, for each major asset class, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private assets	20.00	7.00

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Library, calculated using the discount rate of 7.18 percent, as well as what the Library's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.18%)	Current Discount Rate (7.18%)	1 Percentage Point Increase (8.18%)
Net pension liability of the Library	$ 945,178	$ 487,071	$ 98,853

Note 8 - Agent-defined Benefit Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

Assumption Changes

In March 31, 2024, investment rate of return (net of investment expenses) decreased from 7.00 percent to 6.93 percent.

Note 9 - Other Postemployment Benefit Plan

Plan Description

The Library provides retiree health care benefits to all full-time employees hired before April 1, 2016 in accordance with current library policy; however, the board reserves the right to change or withdraw that benefit at any time. This is a single-employer defined benefit plan administered by the Municipal Employees' Retirement System of Michigan. MERS issues a publicly available financial report that includes financial statements and required information for MERS. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

Prior to May 31, 2019, the plan provided medical, dental, and vision coverage benefits to eligible retirees and their spouses. Effective June 1, 2019, the plan provides a stipend to eligible retirees and their spouses to be used for retiree health care. The stipend provided for pre-65 retirees and post-65 retirees is $614 and $276 per month, respectively, through September 18, 2023. As of September 18, 2023, the stipend amount for post-65 retirees was raised to $300 per month. The benefits provided are subject to board approval on an annual basis. As of April 1, 2016, the plan was closed to new entrants.

Employees Covered by Benefit Terms

At the March 31, 2024 measurement date, the following members were covered by the benefit terms:

Date of member count	March 31, 2024
Inactive plan members or beneficiaries currently receiving benefits	5
Active plan members	4
Total plan members	9

Contributions

The Library provides a stipend amount to retirees to be used for retiree health care. The Library has no obligation to make contributions in advance of when the insurance premiums are due for payment. In the current year, the Library paid postemployment health care premiums and stipends of $30,996, plus it contributed $189,004 into a prefunded retiree health care fund. Employees are not required to contribute to the plan.

Note 9 - Other Postemployment Benefit Plan (Continued)

Net OPEB Asset

The Library has chosen to use the March 31 measurement date as its measurement date for the net OPEB asset. The March 31, 2024 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the March 31, 2024 measurement date. The March 31, 2024 measurement date total OPEB liability was determined by an actuarial valuation as of March 31, 2023.

Changes in the net OPEB liability (asset) during the measurement year were as follows:

	Increase (Decrease)		
Changes in Net OPEB Liability (Asset)	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Balance at April 1, 2023	$ 829,091	$ 607,970	$ 221,121
Changes for the year:			
Service cost	18,056	-	18,056
Interest	58,215	-	58,215
Differences between expected and actual experience	(112,473)	-	(112,473)
Changes in assumptions	389	-	389
Contributions - Employer	-	220,000	(220,000)
Net investment income	-	77,907	(77,907)
Benefit payments, including refunds	(30,996)	(30,996)	-
Administrative expenses	-	(1,426)	1,426
Net changes	(66,809)	265,485	(332,294)
Balance at March 31, 2024	$ 762,282	$ 873,455	$ (111,173)

The plan's fiduciary net position represents 114.6 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2024, the Library recognized OPEB recovery of $94,799. At March 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,687	$ (181,109)
Changes in assumptions	22,495	(7,513)
Net difference between projected and actual earnings on OPEB plan investments	-	(4,507)
Total	$ 25,182	$ (193,129)

Note 9 - Other Postemployment Benefit Plan (Continued)

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

Years Ending March 31	Amount
2025	$ (109,736)
2026	(31,556)
2027	(17,899)
2028	(8,756)
Total	$ (167,947)

Actuarial Assumptions

The total OPEB liability in the March 31, 2023 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases of 3.5 percent; an investment rate of return (net of investment expenses) of 7.0 percent (including inflation); and the 2010 Public General Employees and Healthy Retirees, headcount weighted with MP-2021 improvement scale. For pre-65 medical benefits, a health care cost trend rate of 7.25 percent graded down to 4.5 percent by 0.25 percent per year was used. For post-Medicare medical benefits, a health care cost trend rate of 5.50 percent graded down to 4.5 percent by 0.25 percent per year was used. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Note 9 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the March 31, 2023 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private assets	20.00	7.00

Rate of Return

For the year ended March 31, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the Library, calculated using the discount rate of 7.00 percent, as well as what the Library's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB asset of the Library	$ (20,409)	$ (111,174)	$ (187,337)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB asset of the Library, calculated using the health care cost trend rate, as well as what the Library's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB asset of the Library	$ (198,576)	$ (111,174)	$ (4,961)

Assumption Changes

Salary scale was updated from 3.00 percent to 3.50 percent.

Note 10 - Retirement Plans

The Library provides pension benefits to all of its full-time employees hired after July 1, 2016 through a defined contribution pension plan administered by Alerus Financial. The plan provides for the Library to make a matching contribution up to 6.5 percent of employee contributions. Employer contributions to the plan totaled $17,498 for the year ended March 31, 2024.

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

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

Fund Balance Reported in Governmental Fund	$ 8,079,574
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 fund	12,810,517
Property tax revenue not collected within 60 days of year end is recorded as a deferred inflow of resources in the fund	275,371
Bonds payable are not due and payable in the current period and are not reported in the fund	(8,965,271)
Accrued interest is not due and payable in the current period and is not reported in the fund	(199,968)
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	(88,077)
Net pension liability does not represent a claim on current financial resources. Therefore, it is not reported as a fund liability	(487,071)
Deferred outflows related to pension are not a financial resource and are not reported in the fund	229,151
Net OPEB asset does not represent a claim on current financial resources. Therefore, it is not reported as a fund asset	111,174
Deferred inflows related to OPEB are not a financial resource and are not reported in the fund	(193,129)
Deferred outflows related to OPEB are not a financial resource and are not reported in the fund	25,182
Net Position of Governmental Activities	$ 11,597,453

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 General Fund 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 Balance Reported in the Governmental Fund	$ 4,621,929
Amounts reported for governmental activities in the statement of activities are different because:	
The governmental fund reports 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	138,850
Capital outlay	5,361,470
Depreciation expense	(445,436)
Revenue is recorded in the statement of activities when earned; it is not reported in the fund until collected or collectible within 60 days of year end	65,726
Issuing debt provides current financial resources to governmental fund, but increases long-term liabilities in the statement of net position	(8,965,271)
Change in accrued interest payable	(199,968)
Change in the accrual for compensated absences is reported as expense in the statement of activities but not in the fund financial statements	(6,266)
Change in net pension liability 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	(53,802)
Change in deferred outflows related to pension	(254,358)
Change in net OPEB asset 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	332,294
Change in deferred inflows related to OPEB	16,221
Change in deferred outflows related to OPEB	(33,715)
Change in Net Position of Governmental Activities	$ 577,674

Note 12 - Tax Abatements

The Library receives reduced property tax revenue as a result of tax abatement agreements granted by the Charter Township of Redford (the "Township"). The tax abatement agreements include the following:

The Brownfield Redevelopment Authority, a discretely presented component unit of the Township, uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the brownfield's tax revenue is reduced. For the fiscal year ended March 31, 2024, the Library's property tax revenue was reduced by approximately $87,000 of taxes under this program. There are no provisions to recapture taxes. There are no abatements entered into by the Library itself.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended March 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue				
Tax levy	$ 2,855,000	$ 2,930,000	$ 2,944,703	$ 14,703
Penal fines	30,000	30,653	30,653	-
Intergovernmental:				
State aid	49,000	50,201	75,125	24,924
Other state sources	65,000	243,172	243,172	-
Service fees - Other fines and forfeitures	23,000	37,910	40,317	2,407
Investment earnings	-	280,002	298,414	18,412
Miscellaneous	25,000	39,575	39,585	10
Total revenue	3,047,000	3,611,513	3,671,969	60,456
Expenditures				
Personnel	1,501,125	1,704,685	1,677,232	27,453
Contractual services and books	426,190	426,190	375,076	51,114
Operating costs	396,246	400,246	337,909	62,337
Capital outlay	650,000	6,050,000	5,361,470	688,530
Debt service	-	264,000	263,624	376
Total expenditures	2,973,561	8,845,121	8,015,311	829,810
Other Financing Sources - Bond proceeds	-	8,965,271	8,965,271	-
Net Change in Fund Balance	73,439	3,731,663	4,621,929	890,266
Fund Balance - Beginning of year	3,457,645	3,457,645	3,457,645	-
Fund Balance - End of year	**$ 3,531,084**	**$ 7,189,308**	**$ 8,079,574**	**$ 890,266**

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios

Last Nine Fiscal Years

	2024 (12/31/2023 Measurement Date)	2023 (12/31/2022 Measurement Date)	2022 (12/31/2021 Measurement Date)	2021 (12/31/2020 Measurement Date)	2020 (12/31/2019 Measurement Date)	2019 (12/31/2018 Measurement Date)	2018 (12/31/2017 Measurement Date)	2017 (12/31/2016 Measurement Date)	2016 (12/31/2015 Measurement Date)
Total Pension Liability									
Service cost	$ 40,879	$ 42,055	$ 43,122	$ 43,904	$ 41,348	$ 47,039	$ 54,401	$ 57,769	$ 63,749
Interest	284,077	266,883	268,484	246,615	242,327	232,268	223,529	217,414	199,329
Differences between expected and actual experience	134,546	160,219	(91,212)	33,815	12,380	8,929	(30,758)	(81,403)	46,251
Changes in assumptions	29,279	-	128,435	146,741	94,996	-	-	-	106,954
Benefit payments, including refunds	(246,074)	(216,745)	(182,933)	(182,933)	(170,017)	(149,317)	(119,140)	(112,211)	(111,227)
Net Change in Total Pension Liability	242,707	252,412	165,896	288,142	221,034	138,919	128,032	81,569	305,056
Total Pension Liability - Beginning of year	4,020,903	3,768,491	3,602,595	3,314,453	3,093,419	2,954,500	2,826,468	2,744,899	2,439,843
Total Pension Liability - End of year	**$ 4,263,610**	**$ 4,020,903**	**$ 3,768,491**	**$ 3,602,595**	**$ 3,314,453**	**$ 3,093,419**	**$ 2,954,500**	**$ 2,826,468**	**$ 2,744,899**
Plan Fiduciary Net Position									
Contributions - Employer	$ 52,278	$ 98,646	$ 666,508	$ 350,269	$ 88,254	$ 75,265	$ 85,194	$ 344,153	$ 91,902
Net investment income (loss)	391,015	(433,382)	462,857	347,755	330,881	(102,005)	312,850	235,536	(29,507)
Administrative expenses	(8,314)	(7,618)	(5,287)	(5,425)	(5,701)	(5,092)	(4,950)	(4,591)	(4,286)
Benefit payments, including refunds	(246,074)	(216,745)	(182,933)	(182,933)	(170,017)	(149,317)	(119,140)	(112,211)	(111,227)
Net Change in Plan Fiduciary Net Position	188,905	(559,099)	941,145	509,666	243,417	(181,149)	273,954	462,887	(53,118)
Plan Fiduciary Net Position - Beginning of year	3,587,634	4,146,733	3,205,588	2,695,922	2,452,505	2,633,654	2,359,700	1,896,813	1,949,931
Plan Fiduciary Net Position - End of year	**$ 3,776,539**	**$ 3,587,634**	**$ 4,146,733**	**$ 3,205,588**	**$ 2,695,922**	**$ 2,452,505**	**$ 2,633,654**	**$ 2,359,700**	**$ 1,896,813**
Library's Net Pension Liability - Ending	**$ 487,071**	**$ 433,269**	**$ (378,242)**	**$ 397,007**	**$ 618,531**	**$ 640,914**	**$ 320,846**	**$ 466,768**	**$ 848,086**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.58 %	89.22 %	110.04 %	88.98 %	81.34 %	79.28 %	89.14 %	83.49 %	69.10 %
Covered Payroll	$ 321,638	$ 338,880	$ 380,602	$ 386,142	$ 363,659	$ 398,294	$ 456,381	$ 472,358	$ 506,347
Library's Net Pension Liability as a Percentage of Covered Payroll	151.43 %	127.85 %	(99.38)%	102.81 %	170.09 %	160.91 %	70.30 %	98.82 %	167.49 %

GASB Statement No. 68 was implemented for the fiscal year ended March 31, 2016. Data will be added each of the succeeding years until 10 years of such information is available.

Required Supplementary Information
Schedule of Pension Contributions

Last Ten Fiscal Years

Years Ended March 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 27,468	$ 73,356	$ 91,236	$ 82,896	$ 75,060	$ 72,648	$ 83,806	$ 95,860	$ 92,526	$ 85,834
Contributions in relation to the actuarially determined contribution	39,324	103,886	671,164	352,540	93,027	72,648	83,806	345,860	92,526	85,834
Contribution Excess	**$ 11,856**	**$ 30,530**	**$ 579,928**	**$ 269,644**	**$ 17,967**	**$ -**	**$ -**	**$ 250,000**	**$ -**	**$ -**
Covered Payroll	$ 321,638	$ 338,880	$ 380,602	$ 386,142	$ 363,659	$ 398,294	$ 456,381	$ 472,358	$ 506,347	$ 494,481
Contributions as a Percentage of Covered Payroll	12.23 %	30.66 %	176.34 %	91.30 %	25.58 %	18.24 %	18.36 %	73.22 %	18.27 %	17.36 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, which is three months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	13 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.75 - including inflation
Investment rate of return	6.93 percent
Retirement age	60 years
Mortality	50 percent male - 50 percent female blend of the Pub-2010 fully generational mortality table with scale MP-2019
Other information	None

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios

Last Six Fiscal Years

	2024	2023	2022	2021	2020	2019
Total OPEB Liability						
Service cost	$ 18,056	$ 18,327	$ 18,953	$ 21,052	$ 36,871	$ 35,439
Interest	58,215	55,454	57,879	55,552	110,598	120,642
Changes in benefit terms	-	-	-	-	(556,275)	-
Differences between expected and actual experience	(112,473)	4,802	(87,345)	(6,440)	(257,719)	(229,936)
Changes in assumptions	389	29,830	1,660	(20,510)	28,305	(32,153)
Benefit payments, including refunds	(30,996)	(30,960)	(16,040)	(15,780)	(18,634)	(31,406)
Net Change in Total OPEB Liability	(66,809)	77,453	(24,893)	33,874	(656,854)	(137,414)
Total OPEB Liability - Beginning of year	829,091	751,638	776,531	742,657	1,399,511	1,536,925
Total OPEB Liability - End of year	**$ 762,282**	**$ 829,091**	**$ 751,638**	**$ 776,531**	**$ 742,657**	**$1,399,511**
Plan Fiduciary Net Position						
Contributions - Employer	$ 220,000	$ 63,376	$ 46,040	$ 46,040	$ 48,634	$ 61,406
Net investment income (loss)	77,907	(15,457)	29,681	137,017	(23,318)	3,824
Administrative expenses	(1,426)	(1,049)	(1,088)	(859)	(707)	(787)
Benefit payments, including refunds	(30,996)	(30,960)	(16,040)	(15,780)	(18,634)	(31,406)
Net Change in Plan Fiduciary Net Position	265,485	15,910	58,593	166,418	5,975	33,037
Plan Fiduciary Net Position - Beginning of year	607,970	592,060	533,467	367,049	361,074	328,037
Plan Fiduciary Net Position - End of year	**$ 873,455**	**$ 607,970**	**$ 592,060**	**$ 533,467**	**$ 367,049**	**$ 361,074**
Net OPEB (Asset) Liability - Ending	**$ (111,173)**	**$ 221,121**	**$ 159,578**	**$ 243,064**	**$ 375,608**	**$1,038,437**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	114.58 %	73.33 %	78.77 %	68.70 %	49.42 %	25.80 %
Covered-employee Payroll	$ 330,507	$ 377,392	$ 374,601	$ 367,253	$ 360,051	$ 491,623
Net OPEB (Asset) Liability as a Percentage of Covered-employee Payroll	(33.64)%	58.59 %	42.60 %	66.18 %	104.32 %	211.23 %

GASB Statement No. 75 was implemented for the fiscal year ended March 31, 2019. Data will be added each of the succeeding years until 10 years of such information is available.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years

Years Ended March 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 50,802	$ 39,148	$ 48,724	$ 64,755	$ 81,111	$ 192,746	$ 458,104	$ 417,118	$ 381,328	$ 216,268
Contributions in relation to the actuarially determined contribution	220,000	63,376	46,040	46,040	48,634	61,406	60,170	53,810	41,801	41,712
Contribution Excess (Deficiency)	**$ 169,198**	**$ 24,228**	**$ (2,684)**	**$ (18,715)**	**$ (32,477)**	**$ (131,340)**	**$ (397,934)**	**$ (363,308)**	**$ (339,527)**	**$ (174,556)**

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of March 31, the same year to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal as a level percentage of payroll
Amortization method	Level dollar
Remaining amortization period	13 years
Asset valuation method	Market value
Inflation	2.5 percent
Health care cost trend rates	Pre-65 medical: 7.25 percent graded down to 4.5 percent by 0.25 percent per year; post-Medicare: 5.5 percent graded down to 4.5 percent by 0.25 percent per year; dental/vision: 3 percent per year
Salary increase	3.5 percent
Investment rate of return	7.00 percent
Retirement age	Not applicable
Mortality	2010 Public General Employees and Healthy Retirees, headcount weighted, MP-2021
Other information	None

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Investment Returns

Last Six Fiscal Years

Years Ended March 31

	2024	2023	2022	2021	2020	2019
Annual money-weighted rate of return - Net of investment expense	11.00 %	(2.67)%	5.22 %	34.47 %	(5.75)%	1.07 %

See notes to required supplementary information.

Pension Information

Changes in Assumptions

Changes in assumptions for the December 31, 2019 actuarial valuation include the following:

- The discount rate decreased from 7.6 to 6.85 percent.

- The assumed salary increases decreased from 3.75 to 3.0 percent.

Changes in assumptions for the December 31, 2020 actuarial valuation include the following:

- The mortality tables were updated to the 2010 Public General Employees and Healthy Retirees, headcount weighted with MP-2019 improvement scale.

Changes in assumptions for the December 31, 2021 actuarial valuation include the following:

- The assumed rate of investment return decreased from 7.35 to 7.0 percent.

Changes in assumptions for the December 31, 2023 actuarial valuation include the following:

- The assumed rate of investment return decreased from 7.0 to 6.93 percent.

OPEB Information

Benefit Changes

From April 1, 2019 to May 31, 2019, the plan provided medical, dental, and vision coverage benefits to eligible retirees and their spouses. Effective June 1, 2019, the plan provides a stipend to eligible retirees and their spouses to be used for retiree health care.

Changes in Assumptions

Changes in assumptions for the March 31, 2020 actuarial valuation include the following:

- The investment rate of return decreased from 7.75 to 7.35 percent.

- Health care trend rates changed for pre-65 Medicare medical benefits to 8.5 percent graded down to 4.5 percent by 0.25 percent per year. Post-Medicare medical benefits of 7.0 percent graded down to 4.5 percent by 0.25 percent per year.

- The mortality tables were updated to the 2010 Public General Employees and Healthy Retirees, headcount weighted with MP-2019 improvement scale.

Changes in assumptions for the March 31, 2021 actuarial valuation include the following:

- Salary scale decreased from 3.5 to 3.0 percent.

- Health care trend rates changed for pre-65 Medicare medical benefits to 7.5 percent graded down to 4.5 percent by 0.25 percent per year. Post-Medicare medical benefits of 5.75 percent graded down to 4.5 percent by 0.25 percent per year.

- The mortality tables were updated to the 2010 Public General Employees and Healthy Retirees, headcount weighted with MP-2020 improvement scale.

Changes in assumptions for the March 31, 2022 actuarial valuation include the following:

- Health care trend rates changed for pre-65 Medicare medical benefits to 7.25 percent graded down to 4.5 percent by 0.25 percent per year. Post-Medicare medical benefits of 5.50 percent graded down to 4.5 percent by 0.25 percent per year.

- The mortality tables were updated to the 2010 Public General Employees and Healthy Retirees, headcount weighted with MP-2021 improvement scale.

Changes in assumptions for the March 31, 2023 actuarial valuation include the following:

- The discount rate decreased from 7.35 to 7.0 percent.

Changes in assumptions for the March 31, 2024 actuarial valuation include the following:

- Salary scale was updated from 3.00 to 3.50 percent.