Bloomfield Township Public Library

Financial Statements

March 31, 2022

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Independent Auditors' Report

Board of Trustees
Bloomfield Township Public Library
Bloomfield Township, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bloomfield Township Public Library (the Library), as of and for the year ended March 31, 2022, 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, based on our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library as of March 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness 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 budgetary comparison information, Retirement System schedules, and Other Postemployment Benefit schedules, 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
September 13, 2022

Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2022

The management's discussion and analysis of Bloomfield Township Public Library's (the Library) financial report provides an overview of the Library's financial activities for the fiscal year ended March 31, 2022. Please read it in conjunction with the Library's financial statements which follow this section.

Reviewing the Financial Statements

The basic financial statements, immediately following the management's discussion and analysis, are prepared by our auditors and include information that presents two different views of the Library using the modified accrual and full accrual methods.

The Balance Sheet on page 3 – 4 and Statement on Revenues, Expenditures, and Changes in Fund Balance on page 3 – 6 show the modified accrual method of reporting. This method of accounting focuses on current financial resources and provides a more detailed view about the accountability of the Library's sources and uses of funds. The Balance Sheet also shows the designated use of fund balance.

The Statement of Net Position on page 3 – 1 and Statement of Activities on page 3 – 3 show the General Fund and Gift Fund combined in the full accrual method. The reconciliation of these funds used to arrive at the figures is shown on pages 3 – 5 and 3 – 7, respectively. The reconciliation represents adjustments necessary, due to GASB 34, to convert the modified accrual financial statements to the Statement of Net Position and Statement of Activities under the full accrual method. The full accrual method of accounting focuses on long-term economic resources.

The Statement of Net Position and Statement of Activities provide information about the Library's overall financial status and about the activities of the Library as a Whole and present a longer-term view of the Library's finances.

The financial statements also include auditor notes which explain some of the information in the financial statements and provide more detailed data. The following condensed financial information section shows data comparative with the prior year.

The Library established a qualified trust for other postemployment benefits in 2019 and therefore presents a fiduciary fund on page 3 – 11.

The Library as a Whole

Fiscal Year (FY) 2021/2022 ended on a very strong financial foundation. Again this year, we were able to accomplish several long overdue building and technology projects as planned for in our Capital Improvements Plan (CIP). Completed projects include an LED Lighting project, as well as new equipment and software to support the Library's technology infrastructure. We are very grateful to have funding available now to complete these important and necessary building projects.

Our wonderful Friends of the Library continue to support programs, collections and services that were not budgeted for and that provide special touches to the Library. One such project is their support of concerts at the Library. These are among the most popular and well attended programs offered at the Library. Our Bloomfield community is so very generous and supportive of the Library.

Condensed Financial Information

The tables below show key financial information under the full accrual method in a condensed format. Please note: amounts and totals reported are for all Library activities, including general operations, improvements, and gifts, to give a complete picture of the Library as a whole.

Table 1	2022	2021
Assets		
Current assets	$ 13,195,865	$ 13,903,445
Capital assets	25,970,891	24,453,674
Total assets	39,166,756	38,357,119
Deferred outflows of resources	40,688	210,110
Liabilities		
Current liabilities	796,435	821,438
Long-term liabilities	3,047,629	2,655,972
Total liabilities	3,844,064	3,477,410
Deferred inflows of resources	700,327	1,883,327
Net position		
Investment in capital assets	25,970,891	24,453,674
Gift fund balance - restricted/expendable	161,567	184,562
Unrestricted	8,530,595	8,568,256
Total net position	$ 34,663,053	$ 33,206,492

Table 2	**2022**	**2021**
Revenue		
Program revenue:		
Charges for services	$ 32,716	$ 18,687
Operating grants and contributions	26,185	95,525
General revenue:		
Property taxes	7,931,709	7,744,732
Penal fines	72,519	70,731
State aid - unrestricted	35,620	32,880
Investment earnings (loss)	(292,634)	91,691
Miscellaneous	26,610	33,841
Total revenue	7,832,725	8,088,087
Program Expenses		
Library services/operations	6,376,164	6,257,955
Change in net position	$ 1,456,561	$ 1,830,132

General Fund Revenues

Estimated property tax revenues when approved in March 2021 (as amended August, 2021) were $7,943.041. Our actual revenues were $7,931,709, which was $11,332 less than budgeted, in total.

Actual investment earnings were down by $142,919 from our original estimates due to temporary unrealized market losses.

General Fund Expenditures

Total overall expenditures were reduced over the fiscal year. Actual expenditures were $1,931,870 less than anticipated. This decrease is due to LED Lighting capital project expenditures being less than anticipated plus other projects such as the parking lot/storm water mitigation project and some technology projects delayed to FY 2022-2023. $714,889 in other operational savings were achieved in each of the other functional areas through an extensive analysis and review of historical trends.

In the Personnel functional category, expenditures decreased over the fiscal year by $452,196 due to vacant positions and reduced hours during COVID-19.

Library Services decreased overall by $106,762 from initial estimates due to lower than anticipated expenditures.

In the Facilities and Equipment functional category, expenditures decreased by $118,367 from initial estimates due to lower than anticipated expenditures, including approximately $60,000 in lower than anticipated utility costs.

Other Operating Expenditures decreased by $1,132,984 from initial estimates. $1,095,420 was due to the capital projects delayed to FY 2022-2023 and $37,564 was due to lower than anticipated operating expenditures.

Fund Balance

The fund balance is $12,386,542 at year end. This is a decrease of $685,292 compared to the prior year-end fund balance.

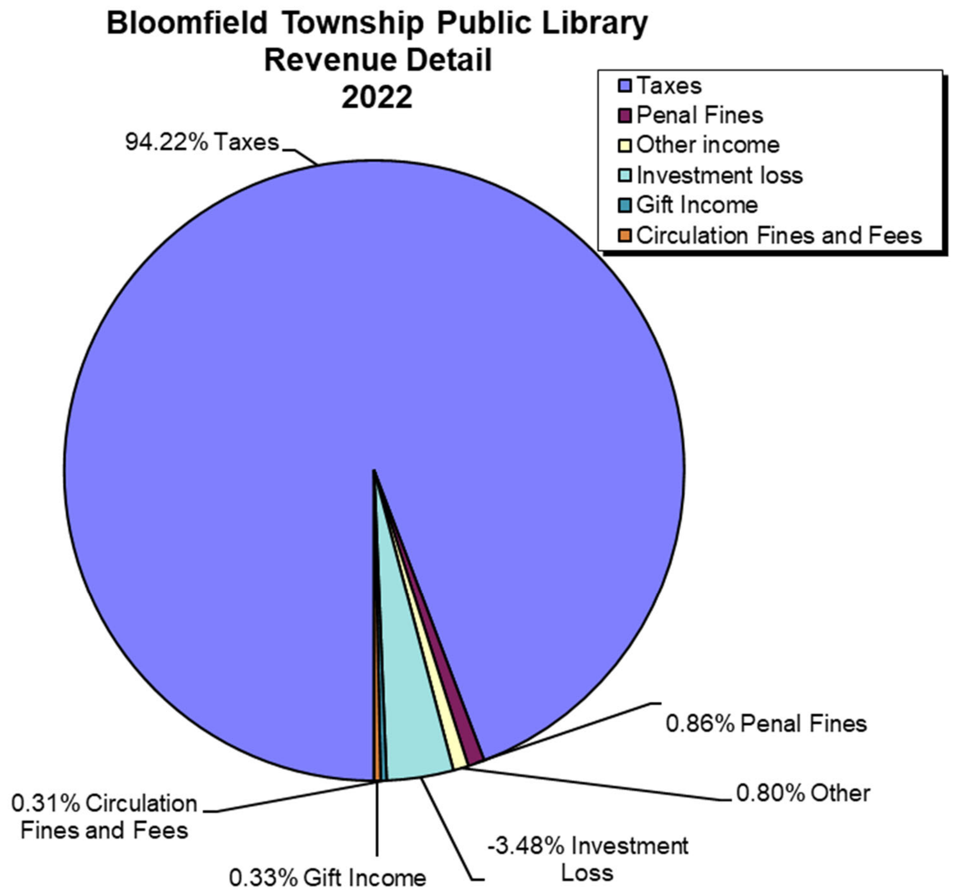
Gift Fund Estimated Budget

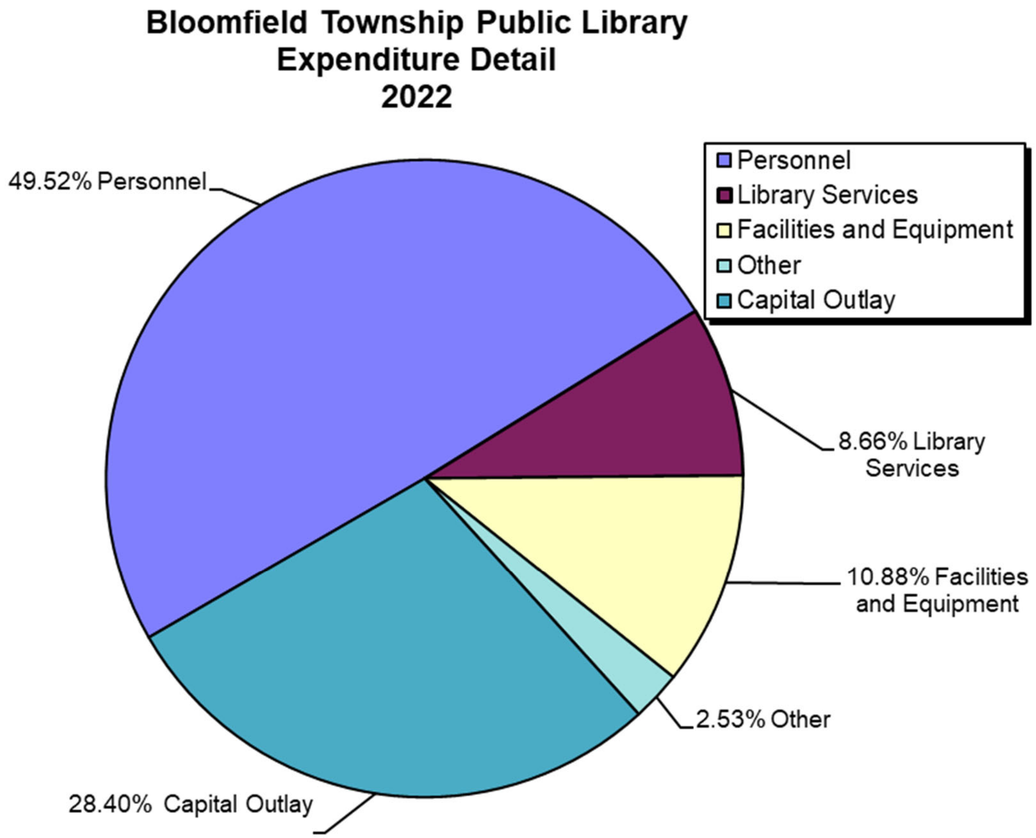
The Friends of the Library generously donate funds providing support for many of our popular programs such as the Chamber music concerts and summer reading programs, among others. The Friends' gifts also supported purchases for our various high demand and popular materials collections. Due to COVID-19, the Friends were unable to hold monthly book sales during the fiscal year 2021-2022 and therefore, no funding was received.

The Gift Fund shows a decreased fund balance of $22,995 at year-end compared to FY 2020/2021, due to the decrease in Friends of the Library funding. Gifts were spent for collections, furnishings and equipment as requested by the donors from donations received in the current & prior fiscal years. The actual fund balance at the close of the fiscal year was $161,567.

The Library's Funds

The budgetary analysis of both library funds, the General Fund and the Gift Fund, is included in the financial statements on pages 4 – 1 through 4 – 2. The following pie charts illustrate the percentage breakdown of revenues and expenditures for the Library as a Whole, which includes both funds.





The largest use of resources during FY 2021/2022 continued to be for personnel salaries and benefits. This is typical of service organizations that are open to the public seven days a week, year-round. We have kept these expenses to a minimum by carefully reviewing vacated positions as to the need to fill these. The second largest use of resources during FY 2021/2022 was due to several major capital projects funded in the other category.

The Library's Budgetary Highlights

The Library's FY 2021/2022 budget, as approved in March 2021, included increased funding for Library collections, programs and services. We also completed several important and necessary building projects.

We remain very grateful to Bloomfield Township voters for their support of the Library.

Over the course of the year, the Library Board of Trustees amended the budget as needed to address unplanned needs or donations that occurred during the year. The most frequent amendments occurred in contributions and donations to the Gift Fund which cannot be anticipated at the start of the year.

Capital Assets and Long-Term Debt Activity

At the beginning of FY 2021/2022, the Library had a net investment of $25,970,891 in land, building and improvements, furniture and equipment, books and materials, including media. New collection items totaling $654,203, consisting of new books and various audiovisual materials, were added to library collections this fiscal year. (This does not include subscriptions to electronic materials and services.) A total of $239,375 was spent to replace furniture and equipment. A total of $2,265,066 was spent for building improvements. In accordance with the Library's fixed asset disposal policy, the items from the Adult Services and Youth Services materials collections, which were no longer suitable for public library use, were donated to the Friends of the Library for their used book sales. The total of materials disposed from the collection amounted to $176,068. Our final capital asset investment for FY 2021/2022 is $25,970,891.

The Library's long-term debt activity consists of capped accumulated compensated employee absences (sick/vacation leave) to be paid to eligible employees upon retirement or resignation. It also consists of our annual Other Post-Employment Benefits (OPEB) obligation and net pension liability.

Next Year's Anticipated Budget Factors

The Library has allocated funding each year to pay for future complex and costly building projects. We are consistently working on our Capital Improvement Plan (CIP) to carefully plan for and allocate funding resources for important and necessary building and systems projects during the next several years. A recent Spaces and Wayfinding Study has resulted in some proposed changes to areas of the Library. Funding to implement proposed changes will continue.

Glossary of Terms

The Library as a Whole recognizes the complete activity of the Library, including both the General Fund and Gift Fund, under the full accrual basis of accounting.

An Endowment is a permanent fund bestowed to an institution to be used for a specific purpose, as specified by the donor. The Library has six such endowments. The investments of all six endowments are administered by the Community Foundation of Southeastern Michigan. The purpose of these six endowments is to provide support and furtherance of specific programs and activities of the Library.

Full Accrual Accounting - Much like how a business reports its revenues and expenses, full accrual accounting is a long-term method of accounting in which revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Internal control refers to the interconnected system of checks and balances used to safeguard the Library's monetary assets and helps provide complete and accurate accounting records.

GASB - The Governmental Accounting Standards Board is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. The board members of the GASB are appointed by the trustees of the Financial Accounting Foundation, a private sector not-for-profit organization.

GASB 34 requires state and local governments to begin reporting all financial transactions in annual financial reports on an accrual accounting basis. Two distinct forms of information will be provided in the basic financial statements:

> **Government-wide statements** are consolidated financial statements for all of a government operation on a full accrual basis of accounting. They will not be presented on a fund basis; instead, fiscal operations will be organized into two major activities: governmental and business-type. They will have a "net asset" focus, and exclude inter-fund transactions (such as internal service funds) and fiduciary funds. Expenses (which may include allocated "indirect costs") will be shown both gross and net of related revenues such as fees and grants.
>
> **Fund statements**, in meeting stewardship and accountability concerns, are financial statements that are also presented on a fund basis, but not using the same basis of accounting as the government-wide statements for government funds.

GASB 54 established a specific definition for Special Revenue funds which are used to account for the proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. GASB 54 has also required that new terminology be used when describing parts of our fund balance.

These terms are:

> **Nonspendable** amounts cannot be spent because they are either (a) not in spendable form (prepaid expenses) or (b) legally or contractually required to be maintained intact.
>
> **Restricted** amounts can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
>
> **Committed** amounts can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
>
> **Assigned** amounts are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
>
> **Unassigned** amounts are the residual classification for the government's General Fund. It includes all spendable amounts not contained in the other classifications.

GASB 68 requires governments providing defined benefit pensions to recognize their unfunded defined benefit obligations as a liability and to more comprehensively and comparably measure the annual costs of pension benefits.

GASB 75 requires governments providing defined benefit OPEB plans to recognize their unfunded defined benefit obligations as a liability and to more comprehensively and comparably measure the annual costs of OPEB benefits.

Modified Accrual Accounting - The individual funds of the Library are accounted for using modified accrual accounting. Modified accrual accounting is a short-term method of accounting that recognizes revenue when it is both measurable and available to be used to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred; however, expenditures related to compensated absences are generally only recorded when payment is due. Long-term assets and liabilities such as capital assets, compensated absences unlikely to be paid out within a year, and the net other post- employment benefits obligation are excluded from the modified accrual balance sheet.

PA 152 - A Michigan law, PA 152 is the Publicly Funded Health Insurance Contribution Act that requires public employees to contribute to their health care costs. PA 152 gives public employers three options from which to choose for funding health care costs: the hard cap option, 80/20 option or to be exempt. The Library does not qualify to be exempt as it is not, by definition, a local unit of government. Each December, the Library Board must decide which of the other two available options to implement for the next fiscal year.

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.

Bloomfield Township Public Library
Statement of Net Position
March 31, 2022

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	$ 1,418,584
Investments	11,757,524
Prepaid items	19,757
Total current assets	13,195,865
Noncurrent assets	
Capital assets not being depreciated	131,015
Capital assets, net of accumulated depreciation	25,839,876
Total noncurrent assets	25,970,891
Total assets	39,166,756
Deferred Outflows of Resources	
Deferred amount relating to net pension liability	40,688

Bloomfield Township Public Library
Statement of Net Position
March 31, 2022

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	$ 197,350
Accrued wages	128,791
Due to Charter Township of Bloomfield	294,970
Current portion of compensated absences	175,324
Total current liabilities	796,435
Noncurrent liabilities	
Noncurrent portion of compensated absences	290,900
Net pension liability	1,003,164
Net OPEB liability	1,726,920
Insurance claims payable	26,645
Total noncurrent liabilities	3,047,629
Total liabilities	3,844,064
Deferred Inflows of Resources	
Deferred amount relating to net pension liability	89,756
Deferred amount relating to net OPEB liability	610,571
Total deferred inflows of resources	700,327
Net Position	
Investment in capital assets	25,970,891
Restricted for	
Gift fund	161,567
Unrestricted	8,530,595
Total net position	$ 34,663,053

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library
Statement of Activities
For the Year Ended March 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Recreation and culture	$ 6,376,164	$ 32,716	$ 26,185	$ (6,317,263)

	Governmental Activities
General revenues	
Property taxes	7,931,709
Penal fines	72,519
State aid - unrestricted	35,620
Investment loss	(292,634)
Miscellaneous	26,610
Total general revenues	7,773,824
Change in net position	1,456,561
Net position - beginning of year	33,206,492
Net position - end of year	$ 34,663,053

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library

Governmental Funds

Balance Sheet

March 31, 2022

	General	Gift	Total
Assets			
Cash and cash equivalents	$ 1,226,176	$ 165,763	$ 1,391,939
Investments	11,757,524	-	11,757,524
Prepaid items	18,790	967	19,757
Total assets	$ 13,002,490	$ 166,730	$ 13,169,220
Liabilities			
Accounts payable	$ 192,187	$ 5,163	$ 197,350
Accrued wages	128,791	-	128,791
Due to Charter Township of Bloomfield	294,970	-	294,970
Total liabilities	615,948	5,163	621,111
Fund Balances			
Non-spendable			
Prepaid items	18,790	967	19,757
Restricted	-	160,600	160,600
Committed for cash flow	4,502,201	-	4,502,201
Assigned for OPEB, compensated absences, and capital improvements	6,027,370	-	6,027,370
Unassigned	1,838,181	-	1,838,181
Total fund balances	12,386,542	161,567	12,548,109
Total liabilities and fund balances	$ 13,002,490	$ 166,730	$ 13,169,220

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library

Governmental Funds

Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities

March 31, 2022

Total fund balances for governmental funds	$ 12,548,109
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,970,891
Deferred outflows (inflows) of resources.	
Deferred inflows of resources resulting from net pension liability	(89,756)
Deferred inflows of resources resulting from net OPEB liability	(610,571)
Deferred outflows of resources resulting from net pension liability	40,688
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(1,003,164)
Net OPEB liability	(1,726,920)
Compensated absences	(466,224)
Net position of governmental activities	$ 34,663,053

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2022

	General	Gift	Total
Revenues			
Property taxes	$ 7,931,709	$ -	$ 7,931,709
Penal fines	72,519	-	72,519
State aid	35,620	-	35,620
Circulation fines and fees	27,888	-	27,888
Charges for services	4,828	-	4,828
Gift income	-	26,185	26,185
Investment income (loss)	(292,919)	285	(292,634)
Other revenue	26,610	-	26,610
Total revenues	7,806,255	26,470	7,832,725
Expenditures			
Current			
Personnel	4,229,701	-	4,229,701
Library services	710,592	29,477	740,069
Facilities and equipment	913,501	15,558	929,059
Other expenditures	211,822	4,430	216,252
Capital outlay	2,425,931	-	2,425,931
Total expenditures	8,491,547	49,465	8,541,012
Net change in fund balances	(685,292)	(22,995)	(708,287)
Fund balances - beginning of year	13,071,834	184,562	13,256,396
Fund balances - end of year	$ 12,386,542	$ 161,567	$ 12,548,109

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended March 31, 2022

Net change in fund balances - total governmental funds	$ (708,287)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(1,452,751)
Capital outlay	3,009,878
Loss on disposal of capital assets	(39,910)
Expenses are recorded when incurred in the statement of activities.	
Compensated absences	63,954
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	(386,745)
Net change in the deferred inflows of resources related to the net pension liability	248,208
Net change in the deferred outflows of resources related to the net pension liability	(8,511)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability	(43,156)
Net change in the deferred inflows of resources related to the net OPEB liability	934,792
Net change in the deferred outflows of resources related to the net OPEB liability	(160,911)
Change in net position of governmental activities	$ 1,456,561

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library
Proprietary Fund
Statement of Net Position
March 31, 2022

	Internal Service Fund
Assets	
Current assets	
Cash and cash equivalents	$ 26,645
Liabilities	
Noncurrent liabilities	
Insurance claims payable	26,645
Net Position	
Unrestricted	-
Total net position	$ -

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library

Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended March 31, 2022

	Internal Service Fund
Operating revenue	
User charges	$ 406,071
Operating expenses	
Claims	406,071
Change in net position	-
Net position - beginning of year	-
Net position - end of year	$ -

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library
Proprietary Fund
Statement of Cash Flows
For the Year Ended March 31, 2022

	Internal Service Fund
Cash flows from operating activities	
Receipts from interfund users	$ 406,071
Payments to suppliers	(403,249)
Net cash provided by operating activities	2,822
Cash and cash equivalents - beginning of year	23,823
Cash and cash equivalents - end of year	$ 26,645
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ -
Adjustments to reconcile operating income to net cash from operating activities	
Changes in assets and liabilities	
Claims payable	2,822
Net cash provided by operating activities	$ 2,822

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library
Fiduciary Fund
Statement of Fiduciary Net Position
March 31, 2022

	Other Employee Benefit Trust Fund
Assets	
Investments	$ 3,032,742
Liabilities	-
Net Position	
Restricted - held in trust for other post-employment benefits	$ 3,032,742

Bloomfield Township Public Library
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended March 31, 2022

	Other Employee Benefit Trust Fund
Investment Earnings	
Net increase in fair value of investments	$ 88,860
Deductions	
Administrative expenses	12,658
Change in net position	76,202
Net position - beginning of year	2,956,540
Net position - end of year	$ 3,032,742

See Accompanying Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

Reporting Entity
The Bloomfield Township Public Library (the Library) was established in 1964 to provide recreational and cultural services to the residents of Bloomfield Township. The Library's activities are overseen by an autonomous six-member Board of Trustees. The financial statements of the Library have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the Library. The Library has no activities that would be classified as component units.

Government-wide and Fund Financial Statements
The government-wide financial statements (i.e., the statement of net position and the statement of activities report information on all the nonfiduciary activities of the Library).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, the proprietary fund, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and the internal service fund are reported as separate columns in the fund financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Property taxes, state aid, fines and fees, charges for services, investment earnings, and gift income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library.

The Library reports the following major governmental funds:

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

The Gift Fund accounts for all contributions and gifts received.

Additionally, the Library reports the following:

The Internal Service Fund, which is used to account for the Library's participation in the Charter Township of Bloomfield's self-insurance program.

The Fiduciary Fund, which is used to account for the Library's single employer defined benefit other postemployment benefit plan. The plan accumulates resources for other postemployment benefits payments to qualified Library employees. The funds are based on the Plan's March 31 fiscal year end.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges for healthcare. Operating expenses for the internal service fund include claims related to the self-insurance program. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position or Equity

Deposits and investments – Cash and cash equivalents are considered to be 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. Certificates of deposit are stated at cost which approximates fair value.

Realized gains and losses on investment transactions are recorded as the difference between proceeds received and carrying value. Net unrealized appreciation or depreciation in the fair value of investments is recorded as the change in carrying value of the investment portfolio from the beginning of the year or date of purchase to the end of the year.

Property taxes – Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2021 taxable valuation of the property subject to the Library's millage totaled $4,223,898,657 on which ad valorem taxes consisted of 1.8800 mills for operating purposes. This resulted in $7,931,709 for operating purposes, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Prepaid expenses – Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Library follows the consumption method, and they therefore are capitalized as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include land, buildings, furniture, and library materials 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 $5,000 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.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the Library values these capital assets at the estimated acquisition value of the item at the date of its donation.

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

Building and improvements	3 to 60 years
Furniture and equipment	3 to 20 years
Library books and materials	7 to 10 years

Due to Charter Township of Bloomfield – The Charter Township of Bloomfield (the Township) processes payroll and employee benefits for the Library. The amount due to the Township represents the required transfer of funds for payment of the Library's March payroll and health insurance, as well as a portion of the Library's retirement contribution.

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the Library that is applicable to a future reporting period. The Library reports deferred outflows of resources as a result of pension and OPEB investment earnings. This amount is the result of a difference between what the plans expected to earn from plan investments and what is actually earned. This amount will be amortized over the subsequent four years and will be included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Compensated absences – Compensated absences represent the estimated liability to be paid to employees under the Library's compensated absence policy. It is the Library's policy to permit employees to accumulate earned but unused sick time up to 80 days and vacation time earned but unused in the current year. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for eligible employee terminations as of year end. Compensated absences are generally liquidated by the General Fund.

Pensions – For purposes 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 Plan and additions to/deductions from Plan's fiduciary net position have been determined on the same basis as they are reported to the 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.

Other Postemployment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at cost.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the Library that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The Library reports deferred inflows of resources as a result of pension and OPEB investment earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the subsequent four years and included in pension and OPEB expense.

Changes in assumption and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

> Non-spendable – assets that are not available in a spendable form.
>
> Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.
>
> Committed – amounts constrained on use imposed by the Library's highest level of decision-making, its Board of Trustees. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Trustees.
>
> Assigned – amounts intended to be used for specific purposes, as determined by management. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.
>
> Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Library's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Library's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The amounts included in assigned fund balance are as follows:

Compensated absences liability	$	466,224
OPEB obligation		1,726,920
Capital improvements		3,834,226
	$	6,027,370

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, deferred outflows, liabilities, deferred inflows 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

Budgetary Information
The Library is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The Library prepares the proposed operating budget for the fiscal year commencing April 1. Prior to incurring significant expenditures, the budget is then legally enacted through Board of Trustees action. The budget is then legally adopted and maintained at the functional level in the General Fund, which corresponds to the level of detail shown in the budgetary comparison schedules. The Gift Fund is adopted and maintained at the fund level. Budgeted amounts are reported as originally adopted and as amended by the Board of Trustees during the year.

Note 3 - Deposits and Investments

At year end the Library's deposits and investments were reported in the financial statements in the following categories:

	Cash and Cash Equivalents	Investments	Total
Governmental activities	$ 1,418,584	$ 11,757,524	$ 13,176,108
Fiduciary funds	-	3,032,742	3,032,742
Total	$ 1,418,584	$ 14,790,266	$ 16,208,850

The breakdown between deposits and investments is as follows:

	Governmental Activities	Fiduciary Funds	Total
Bank deposits (checking and savings accounts and certificates of deposit)	$ 1,414,584	$ -	$ 1,414,584
Investments	11,757,524	3,032,742	14,790,266
Petty cash and cash on hand	4,000	-	4,000
	$ 13,176,108	$ 3,032,742	$ 16,208,850

As of year end, the Library had the following debt securities:

Investment	Fair Value	Maturities	Rating	Rating Organization
U.S. Treasury notes	$ 4,503,820	< 1 Year	AAA	Moody's
U.S. Treasury notes	3,444,435	1 - 5 Years	AAA	Moody's
	$ 7,948,255			

Interest rate risk – The Library's investment policy does not have specific limits in excess of State law on investment maturities to manage its exposure to fair value losses from changes in interest rates.

Credit risk – State statutes authorize the Library to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of 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 investment policy adopted by the Library authorizes investment in bonds and securities of the United States government and bank accounts and certificates of deposit, as well as the remainder of State statutory authority as listed above.

Concentration of credit risk – The Library has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the Library's deposits may not be returned to it. The Library does not have a policy for custodial credit risk. As of year end, no deposits were exposed to custodial credit risk as the entire balance of $1,438,156 was insured and collateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Library does not have a policy for investment custodial credit risk. Although uninsured and unregistered, the Library's investments at March 31, 2022 are not subject to custodial credit risk.

Note 4 - 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.

The prices for most securities and certain security transactions are obtained by the investment custodian from independent quotation services whose appraisals are based on closing price(s), bid-ask quotations, or other factors; however, the investment custodian calculates prices for certain securities using information from independent and internal sources.

The Library has the following recurring fair value measurements as of March 31, 2022:

	Fair Value Measurements		
Investment Type	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. Treasury notes	$ -	$ 7,948,255	$ 7,948,255
Fixed income	4,920,226	-	4,920,226
U.S. equities	1,525,890	-	1,525,890
International equities	395,895	-	395,895
Total	$ 6,842,011	$ 7,948,255	$ 14,790,266

Note 5 - Assets Held at Community Foundation

There are six endowment funds that are held and managed by the Community Foundation for Southeastern Michigan (CFSEM) for the benefit of the Library and are irrevocably invested. CFSEM is a public charity that is funded through donations by a large number of contributors. Earnings are available for distribution to the Library for its operations at the discretion of CFSEM. CFSEM maintains unilateral variance power and legal ownership of the endowment funds, and therefore, principal and earnings balances are not reflected in the Library's financial statements. Balances are reported on a calendar year basis.

	Bloomfield Township Public Library Endowment Fund	Yvonne T. Atkinson Fund	Lawrence Smith and Isabel Francis Smith Challenge Grant Fund	Jeanette P. Myers Memorial Scholarship Fund	Fair Radom Garden Endowment Fund	Library Director's Legacy Endowment Fund	Total
Balance - January 1, 2021	$ 45,633	$ 33,370	$ 37,856	$ 16,819	$ 18,175	$ 20,765	$ 172,618
Contributions	1,658	-	-	-	-	174	1,832
Distributions	-	-	(1,606)	(671)	(713)	-	(2,990)
Investment earnings	5,524	3,871	4,185	1,940	2,823	2,443	20,786
Balance - December 31, 2021	$ 52,815	$ 37,241	$ 40,435	$ 18,088	$ 20,285	$ 23,382	$ 192,246

Note 6 - Capital Assets

Capital asset activity for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 131,015	$ -	$ -	$ 131,015
Construction-in-progress	148,766	-	148,766	-
Total capital assets not being depreciated	279,781	-	148,766	131,015
Capital assets being depreciated				
Building and improvements	29,470,307	2,265,066	-	31,735,373
Furniture and equipment	5,393,847	239,375	38,768	5,594,454
Library books and materials	3,420,385	654,203	176,070	3,898,518
Total capital assets being depreciated	38,284,539	3,158,644	214,838	41,228,345
Less accumulated depreciation for				
Building and improvements	7,831,087	676,621	-	8,507,708
Furniture and equipment	4,378,795	292,306	38,509	4,632,592
Library books and materials	1,900,764	483,824	136,419	2,248,169
Total accumulated depreciation	14,110,646	1,452,751	174,928	15,388,469
Net capital assets being depreciated	24,173,893	1,705,893	39,910	25,839,876
Governmental activities capital assets, net	$ 24,453,674	$ 1,705,893	$ 188,676	$ 25,970,891

Note 7 - Long-term Debt

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 530,178	$ 111,370	$ 175,324	$ 466,224	$ 175,324

Note 8 - Debt Service Commitment

On November 7, 2013, the Charter Township of Bloomfield (the Township) issued General Obligation Limited Tax Pension Obligation Bonds (Series 2013) in the amount of $80,780,000. The purpose of this bond issue was to fund the pension plan of the Charter Township, which the Library participates in. Additionally, on August 16, 2019, the Township issued General Obligation Limited Tax Pension Obligation Refunding Bonds (Series 2019) in the amount of $49,995,000 in order to advance refund a portion of the outstanding Series 2013 bonds. The Library's Board of Trustees have agreed to participate in the debt service applicable to these bonds by paying a percentage of the total principal and interest requirements based on the pension accrued liability of the Library relative to the total pension accrued liability of the Township. This percentage has ranged from 3.42% to 3.77%. The committed principal and interest balance of $2,394,142 is payable through May 1, 2032, with $219,211 being due in the 2023 fiscal year at the current rate of 3.77%. This commitment will be serviced with revenues of the General Fund.

Note 9 - 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 participates with the Charter Township of Bloomfield in its risk management program to cover these risks.

Note 10 - Self-Insurance

The Library participates with the Charter Township of Bloomfield's health insurance plan which transitioned to a self-insurance plan on January 1, 2020. The self-insurance program is accounted for in the Internal Service Fund. Cigna administers and processes the daily claims. The Library is responsible for individual claims up to $100,000. The revenues to this fund's operation are reimbursements from the Library's General Fund. The liability at the end of the year is based on claims already incurred and reported and on estimates of incurred but not reported claims as provided by Cigna.

The changes in the claims liability for the fiscal years ended March 31, 2022 and 2021 is as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
March 30, 2021	$ 48,622	$ 307,373	$ 332,172	$ 23,823
March 30, 2022	23,823	406,071	403,249	26,645

Note 11 - Defined Contribution Benefit Plan

Plan description – Qualified, full-time employees of Bloomfield Township Public Library are covered by the Charter Township of Bloomfield 401(a) Plan (the Plan), which is a defined contribution pension plan established by the Township to provide benefits at retirement for eligible employees. The Plan was effective April 1, 2011 for new library hires. At March 31, 2022, there were 11 plan members. A stand-alone financial report of the Plan has not been issued.

Funding policy – The obligation to contribute and maintain the Plan for these employees was established by a resolution of the Library's Board of Trustees and requires a contribution from the Library of 10 percent of participating employees' payroll. The Library's policy does not require or allow contributions from employees. Contributions to the Plan amounted to $65,763 for the year ended March 31, 2022.

Note 12 - Defined Benefit Pension Plan

Plan description – Qualified, full-time employees of the Bloomfield Township Public Library are covered by the Township of Bloomfield Retirement Income Plan (the Plan), which is a cost-sharing single employer defined benefit pension plan covering all of the governmental units of the Charter Township of Bloomfield (the Township). The Plan provides retirement benefits for all employees attaining age 50 with full vesting. The Plan was closed to new employees effective April 1, 2011. The Plan issues a publicly available report that is included in the basic financial statements of the Township. That report may be obtained by writing to the Charter Township of Bloomfield, 4200 Telegraph Road, Bloomfield Hills, Michigan 48302.

Employees covered by benefit terms – At the January 1, 2021 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to, but not yet receiving benefits	1
Active employees	10
	27

Contributions – The obligation to contribute to and maintain the system for these employees was established by a resolution of the Library's Board of Trustees and requires a contribution from the employees of 5 percent of gross wages. The Township is required to contribute at actuarially required rates.

The Township sold pension obligation bonds and the plan was fully funded as of January 1, 2014. The Library's contribution to the Plan for the year ended March 31, 2021 was $198,986 and was equal to the actuarially required contribution for the year.

Net pension liability – The Library's net pension liability was determined as of March 31, 2022 (measurement date) and the actuarial valuation was performed as of January 1, 2021 (valuation date).

Actuarial assumptions – The total pension liability in the January 1, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Salary increases 3.50% in the long-term; 2) Investment rate of return of 6.00%, net of investment expense, including inflation.

Mortality rates used were based on the Pub-2010 Mortality Tables with generational projection using Scale MP-2019 with PubS-2010 for public safety and PubG-2010 for all others.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US core fixed income	50.00%	1.17%
US large caps	18.50%	2.74%
US small & mid caps	10.00%	3.03%
Foreign developed equity	16.50%	4.16%
Private real estate property	5.00%	3.18%

Discount rate – The discount rate used to measure the total pension liability is 6.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

Total Pension Liability	
Service cost	$ 109,420
Interest on the total pension liability	579,255
Changes in assumptions	(2,703)
Differences between expected and actual experience	64,879
Benefit payments and refunds	(527,118)
Net change in total pension liability	223,733
Total pension liability - beginning	8,911,309
Total pension liability - ending (a)	$ 9,135,042
Plan Fiduciary Net Position	
Employee contributions	$ 10,229
Employer contributions	198,986
Pension plan net investment income	156,913
Benefit payments and refunds	(527,118)
Pension plan administrative expense	(2,022)
Net change in plan fiduciary net position	(163,012)
Plan fiduciary net position - beginning	8,294,890
Plan fiduciary net position - ending (b)	$ 8,131,878
Net pension liability (a-b)	$ 1,003,164
Plan fiduciary net position as a percentage of total pension liability	89.02%
Covered payroll	$ 688,378
Net pension liability as a percentage of covered payroll	145.73%

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 6.00%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower or 1% higher than the current rate.

1% Decrease	Current Discount Rate	1% Increase
$ 2,261,984	$ 1,003,164	$ (41,702)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended March 31, 2022, the employer recognized pension expense was $304,508. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	$ 40,688	$ -	$ 40,688
Changes in assumptions	-	(38,295)	(38,295)
Net difference between projected and actual earning on plan investments	-	(51,461)	(51,461)
Total	$ 40,688	$ (89,756)	$ (49,068)

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

Year Ended March 31,	
2023	$ 64,675
2024	(7,137)
2025	(177,788)
2026	71,182
	$ (49,068)

Note 13 - Other Postemployment Benefits

Plan description – The Library provides retiree healthcare benefits to eligible full-time employees hired before May 1, 2011 and their spouses/qualified dependents. The benefits provided to Library employees have been established by a resolution of the Library's Board of Trustees.

Employees covered by benefit terms – As of the April 1, 2020 valuation date, the plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	16
Active employees	13
	29

The plan is closed to new members.

Contributions – The Library's policy does not require or allow contributions from employees. The Library has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis.

Net OPEB liability – The OPEB liability was measured as of March 31, 2022 (measurement date), and the actuarial valuation used for the measurement was as of April 1, 2020 (valuation date).

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of April 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Salary increases	3.50%, including inflation
Investment rate of return	6.00%, net of OPEB plan investment expense including inflation
Healthcare cost trend rates	6.30% - 4.20% over 55 years

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 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. Best-estimate of arithmetic real rates of return for each major class included in the target asset allocation as of March 31, 2022 are summarized below along with the Board's adopted asset allocation policy:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US core fixed income	40.00%	1.25%
US equity market	45.00%	4.15%
Non-US equity	15.00%	5.86%

Discount rate – The discount rate used to measure the total OPEB liability was 6.00%. The 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 discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

Changes in Net OPEB Liability

Total OPEB Liability	
Service cost	$ 85,401
Interest	276,375
Benefit payments	(242,418)
Net change in total OPEB liability	119,358
Total OPEB liability - beginning	4,640,304
Total OPEB liability - ending (a)	$ 4,759,662
Plan Fiduciary Net Position	
Employer contributions	$ 242,418
Net investment income	80,402
Benefit payments	(242,418)
Administrative expense	(4,200)
Net change in plan fiduciary net position	76,202
Plan fiduciary net position - beginning	2,956,540
Plan fiduciary net position - ending (b)	$ 3,032,742
Net OPEB liability (a-b)	$ 1,726,920
Plan fiduciary net position as a percentage of total OPEB liability	63.72%
Covered payroll	$ 926,484
Net OPEB liability as a percentage of covered payroll	186.40%

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the Library, as well as what the Library's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
$ 2,319,324	$ 1,726,920	$ 1,233,318

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the Library, as well as what the Library's net OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
$ 1,178,555	$ 1,726,920	$ 2,399,431

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended March 31, 2022, the employer recognized OPEB expense of ($488,307). The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Total to Amortize
Differences in experience	$ (166,797.00)	$ (166,797)
Changes in assumptions	(187,196)	(187,196)
Net difference between projected and actual earning on plan investments	(256,578)	(256,578)
Total	$ (610,571)	$ (610,571)

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

Year Ended March 31,	
2023	$ (336,890)
2024	(170,299)
2025	(122,754)
2026	19,372
	$ (610,571)

Note 14 - Retirement Health Savings Plan

Plan description – The Library provides retiree healthcare to eligible full-time employees hired on or after May 1, 2011 and their spouses/qualified dependents through a Retirement Health Savings Plan. The plan provides a healthcare account for employees that is portable upon separation of employment from the Library with full vesting. At March 31, 2022, there were 11 plan members.

Funding policy – The obligation to contribute and maintain the plan for these employees was established by a resolution of the Library's Board of Trustees and requires annual contribution from the Library of $2,500 to each employee's account while employed. The employees make an annual contribution of 2% of payroll while employed. Participation is mandatory. The Library made contributions of $38,077 and employees made contributions of $20,346 to the plan for the year ended March 31, 2022.

Bloomfield Township Public Library

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes				
Property taxes	$ 7,977,960	$ 7,943,041	$ 7,931,709	$ (11,332)
Penal fines	87,600	72,600	72,519	(81)
State aid	32,800	35,600	35,620	20
Circulation fines and fees	38,250	25,500	27,888	2,388
Charges for services	14,866	4,857	4,828	(29)
Investment earnings (losses)	86,500	(150,000)	(292,919)	(142,919)
Other revenue	14,566	25,231	26,610	1,379
Total revenues	8,252,542	7,956,829	7,806,255	(150,574)
Expenditures				
Personnel	4,696,338	4,655,133	4,229,701	425,432
Library services	820,170	817,708	710,592	107,116
Facilities and equipment	1,040,866	1,031,429	913,501	117,928
Other expenditures	239,126	249,031	211,822	37,209
Total general government	6,796,500	6,753,301	6,065,616	687,685
Capital outlay	3,630,775	3,670,116	2,425,931	1,244,185
Total expenditures	10,427,275	10,423,417	8,491,547	1,931,870
Excess (deficiency) of revenues over expenditures	(2,174,733)	(2,466,588)	(685,292)	1,781,296
Fund balance - beginning of year	13,071,834	13,071,834	13,071,834	-
Fund balance - end of year	$ 10,897,101	$ 10,605,246	$ 12,386,542	$ 1,781,296

Bloomfield Township Public Library
Required Supplementary Information
Budgetary Comparison Schedule
Gift Fund
For the Year Ended March 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Gift income	$ 1,850	$ 26,281	$ 26,185	$ (96)
Investment earnings (losses)	200	(200)	285	485
Total revenues	2,050	26,081	26,470	389
Expenditures				
Library services	82,164	93,959	29,477	64,482
Facilities and equipment	34,482	43,361	15,558	27,803
Other expenditures	46,899	50,656	4,430	46,226
Total expenditures	163,545	187,976	49,465	138,511
Excess (deficiency) of revenues over expenditures	(161,495)	(161,895)	(22,995)	138,900
Fund balance - beginning of year	184,562	184,562	184,562	-
Fund balance - end of year	$ 23,067	$ 22,667	$ 161,567	$ 138,900

Bloomfield Township Public Library
Required Supplementary Information
Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios
March 31, 2022

Fiscal year ended March 31,	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service cost	$ 109,420	$ 110,600	$ 104,182	$ 104,568	$ 108,515	$ 116,520	$ 108,762
Interest on the total pension liability	579,255	545,100	498,970	479,354	475,572	458,983	442,247
Changes in assumptions	(2,703)	(21,625)	249,942	(174,265)	-	-	-
Differences between expected and actual experience	64,879	19,219	30,521	2,526	160,097	67,807	251,783
Benefit payments and refunds	(527,118)	(485,287)	(442,056)	(422,907)	(407,372)	(376,909)	(350,338)
Net change in total pension liability	223,733	168,007	441,559	(10,724)	336,812	266,401	452,454
Total pension liability - beginning	8,911,309	8,743,302	8,301,743	8,312,467	7,975,655	7,709,254	7,256,800
Total pension liability - ending (a)	$ 9,135,042	$ 8,911,309	$ 8,743,302	$ 8,301,743	$ 8,312,467	$ 7,975,655	$ 7,709,254
Plan Fiduciary Net Position							
Employee contributions	$ 10,229	$ 10,682	$ 10,409	$ 10,648	$ 11,407	$ 11,942	$ 11,194
Employer contributions	198,986	174,198	127,285	134,994	-	-	-
Pension plan net investment income (loss)	156,913	1,452,989	(182,378)	176,628	363,435	521,445	(5,556)
Benefit payments and refunds	(527,118)	(485,287)	(442,056)	(422,907)	(407,372)	(376,909)	(350,338)
Pension plan administrative expense	(2,022)	(1,957)	(2,100)	(3,223)	(3,061)	(3,252)	(3,105)
Net change in plan fiduciary net position	(163,012)	1,150,625	(488,840)	(103,860)	(35,591)	153,226	(347,805)
Plan fiduciary net position - beginning	8,294,890	7,144,265	7,633,105	7,736,965	7,772,556	7,619,330	7,967,135
Plan fiduciary net position - ending (b)	$ 8,131,878	$ 8,294,890	$ 7,144,265	$ 7,633,105	$ 7,736,965	$ 7,772,556	$ 7,619,330
Net pension liability (a-b)	$ 1,003,164	$ 616,419	$ 1,599,037	$ 668,638	$ 575,502	$ 203,099	$ 89,924
Plan fiduciary net position as a percentage of total pension liability	89.02%	93.08%	81.71%	91.95%	93.08%	97.45%	98.83%
Covered payroll	$ 688,378	$ 998,529	$ 914,893	$ 948,596	$ 948,042	$ 948,042	$ 1,078,668
Net pension liability as a percentage of covered payroll	145.73%	61.73%	174.78%	70.49%	60.70%	21.42%	8.34%

*GASB Statement No. 68 was implemented for the fiscal year ended March 31, 2016 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available.

Bloomfield Township Public Library
Required Supplementary Information
Retirement System
Schedule of Employer Contributions
March 31, 2022

Actuarial Valuation Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ -	$ -	$ -	$ 1,078,668	- %
2017	-	-	-	948,042	- %
2018	-	-	-	948,042	- %
2019	134,994	134,994	-	948,596	14.23%
2020	127,285	127,285	-	914,893	13.91%
2021	174,198	174,198	-	998,529	17.45%
2022	198,986	198,986	-	688,378	28.91%

Note: GASB Statement No. 68 was implemented for the fiscal year ended March 31, 2016 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level-dollar closed
Remaining amortization period	18 years
Asset valuation method	5 years
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	6.00%
Retirement age	Age 55 with 8 years of service
Mortality	Pub-2010 with generational projection using Scale MP-2018

Bloomfield Township Public Library
Required Supplementary Information
Retirement System
Schedule of Investment Returns
March 31, 2022

Fiscal Year Ended March 31,	Annual Return % *
2016	-0.10%
2017	6.90%
2018	4.70%
2019	2.30%
2020	-2.41%
2021	20.60%
2022	2.06%

* Annual money-weighted rate of return, net of investment expenses
GASB Statement No. 68 was implemented for the fiscal year ended March 31, 2016 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available.

Bloomfield Township Public Library
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
March 31, 2022

Fiscal year ended March 31,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 85,401	$ 92,537	$ 107,417	$ 183,209	$ 225,477
Interest	276,375	318,229	325,586	249,838	239,445
Benefit payments	(242,418)	(240,593)	(277,864)	(179,825)	(166,632)
Differences between expected and actual experience	-	(405,079)	-	697,281	(30,198)
Changes in assumptions	-	(454,620)	(281,229)	(1,822,978)	-
Net change in total OPEB liability	119,358	(689,526)	(126,090)	(872,475)	268,092
Total OPEB liability - beginning	4,640,304	5,329,830	5,455,920	6,328,395	6,060,303
Total OPEB liability - ending (a)	$ 4,759,662	$ 4,640,304	$ 5,329,830	$ 5,455,920	$ 6,328,395
Plan Fiduciary Net Position					
Employer contributions	$ 242,418	$ 320,593	$ 277,864	$ 2,263,881	$ 166,632
Net investment income (loss)	80,402	835,820	(136,404)	115,668	-
Benefit payments	(242,418)	(240,593)	(277,864)	(179,825)	(166,632)
Administrative expense	(4,200)	(11,600)	(11,000)	-	-
Net change in plan fiduciary net position	76,202	904,220	(147,404)	2,199,724	-
Plan fiduciary net position - beginning	2,956,540	2,052,320	2,199,724	-	-
Plan fiduciary net position - ending (b)	$ 3,032,742	$ 2,956,540	$ 2,052,320	$ 2,199,724	$ -
Net OPEB liability (a-b)	$ 1,726,920	$ 1,683,764	$ 3,277,510	$ 3,256,196	$ 6,328,395
Plan fiduciary net position as a percentage of total OPEB liability	63.72%	63.71%	38.51%	40.32%	- %
Covered payroll	$ 926,484	$ 925,484	$ 893,666	$ 893,666	$ 1,087,983
Net OPEB liability as a percentage of covered payroll	186.40%	181.93%	366.75%	364.36%	581.66%

*GASB Statement No. 75 was implemented for the fiscal year ended March 31, 2018 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available.

Bloomfield Township Public Library
Required Supplementary Information
Other Postemployment Benefits
Schedules of Employer Contributions
March 31, 2022

Fiscal Year Ending March 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2018	$ 577,040	$ 166,632	$ 410,408	$ 1,087,983	15.32%
2019	636,780	2,263,881	(1,627,101)	893,666	253.33%
2020	383,241	277,864	105,377	893,666	31.09%
2021	328,162	320,593	7,569	926,484	34.60%
2022	328,162	242,418	85,744	926,484	26.17%

Notes to Schedule of Contributions

Valuation date:	April 1, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	18 years
Asset valuation method	Market Value
Inflation	2.50%
Healthcare cost trend rates	6.30% - 4.20% over 55 years
Salary increases	3.50%
Discount rate	6.00%

Bloomfield Township Public Library
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns
March 31, 2022

Fiscal Year Ended March 31,	Annual Return % *
2018	N/A
2019	24.12%
2020	-6.22%
2021	39.32%
2022	2.72%

* Annual money-weighted rate of return, net of investment expenses
GASB Statement No. 74 was implemented for the fiscal year ended March 31, 2018 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available.

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September 13, 2022

Board of Trustees
Bloomfield Township Public Library
Bloomfield Township, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bloomfield Township Public Library (the Library) as of and for the year ended March 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 6, 2022. Professional standards also require that we communicate to you the following information related to our audit.

We discussed these matters with various personnel in the Library during the audit including management. We would also be pleased to meet with you to discuss these matters at your convenience.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in the footnotes of the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the Library during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

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

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.

- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

- Net OPEB liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

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

Disclosures in the financial statements are neutral, consistent and clear.

We have identified, and audited, the following significant risks of material misstatement as part of our audit:

- Management override of controls
- Improper revenue recognition

Accounting Standards

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in Note 1 of the financial statements.

Cybersecurity Posture

Cybersecurity posture, an overall measure of cybersecurity strength, is more prevalent than ever as organizations continue to face cybersecurity risks. Billions of emails are sent every day, some of which contain attachments with malicious files or malicious embedded links aimed at negatively impacting unsuspecting organizations. Not only can a successful attack cost thousands of dollars and put a strain on IT resources while remediation efforts are underway, but sensitive information may be breached. Additionally, cyber insurance coverage may be difficult or costly to obtain without adequate safeguards in place within your organization.

Risk assessment is a first step in mitigating cybersecurity risks and improving your organization's overall cybersecurity posture. The National Institute of Standards and Technology published *Framework for Improving Critical Infrastructure Cybersecurity*, which "enables organizations, regardless of size, degree of cybersecurity risk, or cybersecurity sophistication, to apply the principles and best practices of risk management to improving the security and resilience of critical infrastructure." The framework is designed to cover five areas including identification, protection, detection, responsiveness and recovery. The publication can be found at www.nist.gov. Once you have performed a risk assessment, it's time to take action. A few simple solutions that are recommended to prevent cyber-attacks include:

- **Document your program** – Identify specific roles and responsibilities as well as adopting security policies and procedures for your organization to follow, is generally a good practice to have guidelines to follow in the event of an attack. Annually, risks should be reassessed, and the program should be modified to address any identified risks.
- **Offsite back up location** – Frequent data back ups are a good safeguard; but if your entire network is compromised, restoring a back up saved to the network, becomes problematic. Routinely backing up data and storing offsite, allows for your organization to get back up and running as quickly as possible, if your network is attacked.
- **Require routine password changes** – Frequently, people have a bad habit of using the same password for multiple applications. Inevitably, at some point that password will likely be compromised in one of those applications. Requiring users to change their password routinely, reduces the risk of your system being accessed with a compromised password. Requiring a complex password to be of a certain length and contain a mixture of character types, reduces your risk even further.
- **Utilizing multifactor authentication (MFA)** – knowing that people may use the same password to access multiple applications, this extra security layer makes it more difficult for attackers to gain access to your system. Microsoft claims that MFA can block over 99.9 percent of account compromise attacks.
- **Provide cybersecurity training** – Security awareness training provides a human firewall to protect your system. Training sessions and automated simulated attacks are utilized to help train people on how to spot phishing email attacks. Yeo & Yeo is able to provide security training to your employees.

Placing significant emphasis on evaluating your organization's cybersecurity posture, and channeling sufficient resources towards proper risk assessment, implementation, and education will reduce the likelihood of a cybersecurity threat and help lessen the impact of a breach.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no known misstatements detected as a result of audit procedures that were more than trivial.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

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

Other Audit Findings or Issues

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

Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Yeo & Yeo, P.C.

Auburn Hills, Michigan

YEO & YEO