

Bloomfield Township Public Library

Financial Statements

March 31, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Independent Auditors' Report

Board of Trustees and Management
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, 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, each major fund, and the aggregate remaining fund information of the Library as of March 31, 2024, 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, 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
July 11, 2024

**Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024**

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, 2024. 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) 2023/2024 ended on a very strong financial foundation. On February 27, 2024, Bloomfield Township residents voted to renew an existing library millage at the current rate of 0.5047 for 10 years by a 72% margin. This rate accounts for 27% of the Library's revenue so its passage secures the Library's future ability to carry out the goals of the 2023-2025 strategic plan. In FY 2023/2024, the Library accomplished technology and building projects as planned for in the Capital Improvements Plan (CIP). Among the major projects impacting public service were the launch of BTPL Mobile, an upgraded online catalog called Vega, and a revised reservation system for the Library's study rooms. Building projects included upgrading door access hardware and software throughout the entire building, upgrading the irrigation and alarm systems to web-based platforms, roof repairs, and other needed repairs and maintenance. We are very grateful to have funding available to complete these important and necessary projects.

The Friends of the Library continue to support programs, collections, and services that were not budgeted for and that provide special touches to the Library. The Friends provided funding for programs and collections that our patrons love, for a unique conference created by a member of staff, a cellular signal booster, and for purchasing new tools for Facility Services. Our Bloomfield community is so very generous and supportive of the Library.

**Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024**

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	2024	2023
Assets		
Current assets	\$ 17,213,106	\$ 14,843,649
Capital assets	<u>24,650,770</u>	<u>25,424,912</u>
Total assets	<u>41,863,876</u>	<u>40,268,561</u>
Deferred outflows of resources	<u>343,560</u>	<u>1,103,061</u>
Liabilities		
Current liabilities	584,828	864,188
Long-term liabilities	<u>4,087,749</u>	<u>4,856,760</u>
Total liabilities	<u>4,672,577</u>	<u>5,720,948</u>
Deferred inflows of resources	<u>151,244</u>	<u>109,110</u>
Net position		
Investment in capital assets	24,650,770	25,424,912
Gift fund balance - restricted/expendable	162,606	160,117
Unrestricted	<u>12,570,239</u>	<u>9,956,535</u>
Total net position	<u>\$ 37,383,615</u>	<u>\$ 35,541,564</u>

**Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024**

Table 2	2024	2023
Revenue		
Program revenue:		
Charges for services	\$ 38,311	\$ 38,721
Operating grants and contributions	96,663	56,564
General revenue:		
Property taxes	8,926,108	8,349,456
Penal fines	59,352	66,126
State aid - unrestricted	44,876	43,493
Investment earnings (loss)	540,041	132,977
Gain on sale of capital assets	2,068	-
Miscellaneous	56,601	43,107
Total revenue	9,764,020	8,730,444
Program Expenses		
Library services/operations	7,130,429	7,851,933
Change in net position	\$ 2,633,591	\$ 878,511

General Fund Revenues

Estimated property tax revenues when approved in March 2023 (as amended August 2023) were \$8,678,895. Our actual revenues were \$8,926,108, which was \$247,213 more than budgeted, in total.

General Fund Expenditures

Total overall expenditures were reduced over the fiscal year. Actual expenditures were \$3,829,394 less than anticipated. This decrease is primarily due to the parking lot/storm water mitigation project and some technology projects delayed to FY 2024/2025.

In the Personnel functional category, expenditures decreased over the fiscal year by \$517,263 due to vacancies that have been challenging to fill and many new staff who are currently earning the lower end of the salary ranges.

Library Services decreased overall by \$110,122 from initial estimates due to lower than anticipated expenditures.

In the Facilities and Equipment functional category, expenditures decreased by \$25,501 from initial estimates due to lower than anticipated expenditures.

Other Operating Expenditures decreased by \$28,647 from initial estimates.

**Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024**

Fund Balance

The fund balance is \$16,613,169 at year end. This is an increase of \$2,631,102 compared to the prior year-end fund balance.

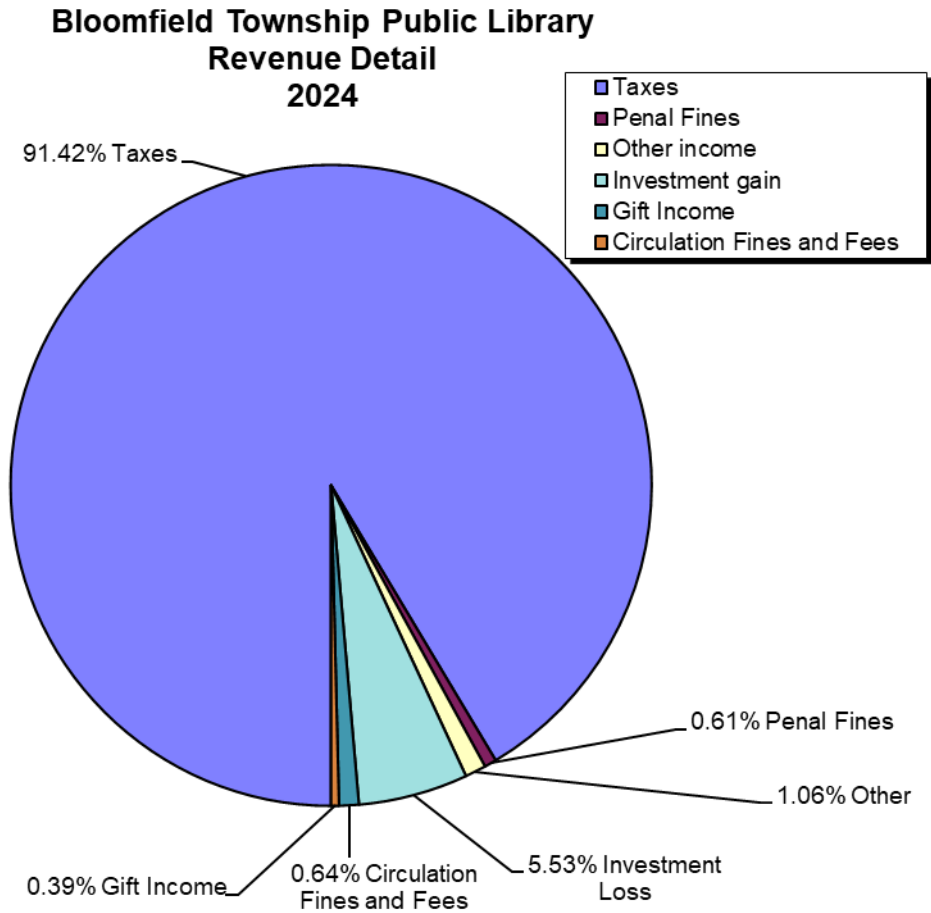
Gift Fund Estimated Budget

The Friends of the Library generously donate funds providing support for many of our popular programs such as the Chamber music concerts, book clubs, and summer reading programs, among others. The Friends' gifts also supported purchases for our various high demand and popular materials collections. The Friends held monthly used book sales throughout 2023/2024.

The Gift Fund shows an increased fund balance of \$2,489 at year-end compared to FY 2022/2023, due to an increase in library operation needs as demand for programming and collections has surged. Gifts were spent for collections, programs, grounds needs, 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 \$162,606

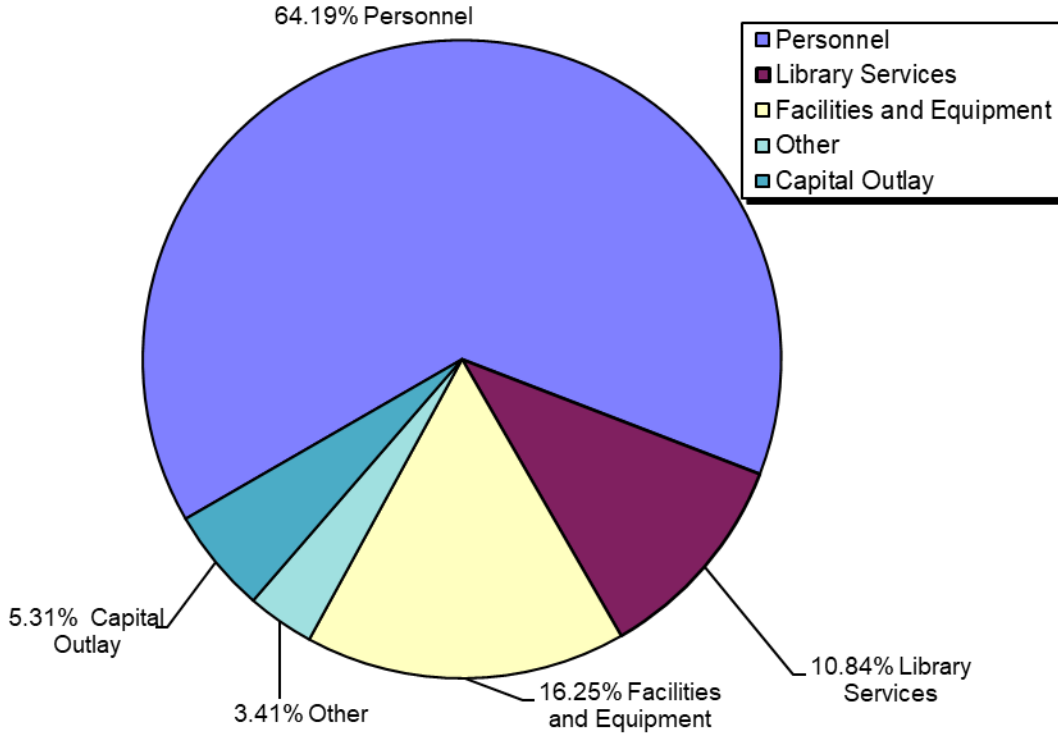
The Library's Funds

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.



**Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024**

**Bloomfield Township Public Library
Expenditure Detail
2024**



The largest use of resources during FY 2023/2024 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 2023/2024 was due to technology upgrades and building projects in the Facilities and Equipment category.

The Library's Budgetary Highlights

The Library's FY 2023/2024 budget, as approved in March 2023, included increased funding for Library collections, programs and services. The Library was also able to complete several important and necessary IT and 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 2023/2024, the Library had a net investment of \$25,424,912 in land, building and improvements, furniture and equipment, books and materials, including media. New collection items totaling \$386,056, consisting of new books and various audiovisual materials, were added to library collections this fiscal

Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024

year (this does not include subscriptions to electronic materials and services). A total of \$113,221 was spent to replace furniture and equipment. A total of \$167,700 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 \$638,737. Additionally, the Library had disposals of Furniture and Equipment in the amount of \$182,492. Our final capital asset investment for FY 2023/2024 is \$24,650,770.

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 continually 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 new strategic plan has identified a need for a review of spaces throughout the Library that are in need of refurbishment. The Library plans for continued investment into cybersecurity and maintenance on the library building specifically finding a solution to unmanageable storm water during significant weather events.

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

Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024

(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.

**Bloomfield Township Public Library
Management's Discussion and Analysis
For the Year Ended March 31, 2024**

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, 2024

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 1,277,019
Investments	15,925,469
Prepaid items	<u>10,618</u>
Total current assets	<u>17,213,106</u>
Noncurrent assets	
Capital assets not being depreciated	131,015
Capital assets, net of accumulated depreciation	<u>24,519,755</u>
Total noncurrent assets	<u>24,650,770</u>
Total assets	<u>41,863,876</u>
Deferred outflows of resources	
Pension related	107,785
OPEB related	<u>235,775</u>
Total deferred outflows of resources	<u>343,560</u>

Bloomfield Township Public Library
Statement of Net Position
March 31, 2024

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	\$ 398,801
Due to Charter Township of Bloomfield	3,216
Current portion of compensated absences	182,811
Total current liabilities	584,828
Noncurrent liabilities	
Noncurrent portion of compensated absences	303,433
Net pension liability	1,309,654
Net OPEB liability	2,439,348
Insurance claims payable	35,314
Total noncurrent liabilities	4,087,749
Total liabilities	4,672,577
Deferred inflows of resources	
Pension related	4,279
OPEB related	146,965
Total deferred inflows of resources	151,244
Net position	
Net investment in capital assets	24,650,770
Restricted for	
Gift fund	162,606
Unrestricted	12,570,239
Total net position	\$ 37,383,615

Bloomfield Township Public Library
Statement of Activities
For the Year Ended March 31, 2024

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Recreation and culture	\$ 7,919,901	\$ 97,663	\$ 96,663	\$ (7,725,575)
General revenues				
Property taxes				8,926,108
Unrestricted state aid				44,876
Unrestricted investment earnings				540,041
Miscellaneous				56,601
Total general revenues				<u>9,567,626</u>
Change in net position				1,842,051
Net position - beginning of year				<u>35,541,564</u>
Net position - end of year				<u>\$ 37,383,615</u>

See Accompanying Notes to the Financial Statements

Bloomfield Township Public Library
Governmental Funds
Balance Sheet
March 31, 2024

	<u>General</u>	<u>Gift</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 1,077,662	\$ 164,043	\$ 1,241,705
Investments	15,925,469	-	15,925,469
Prepaid items	<u>9,651</u>	<u>967</u>	<u>10,618</u>
Total assets	<u>\$ 17,012,782</u>	<u>\$ 165,010</u>	<u>\$ 17,177,792</u>
Liabilities			
Accounts payable	\$ 396,397	\$ 2,404	\$ 398,801
Due to Charter Township of Bloomfield	<u>3,216</u>	<u>-</u>	<u>3,216</u>
Total liabilities	<u>399,613</u>	<u>2,404</u>	<u>402,017</u>
Fund balances			
Non-spendable			
Prepaid items	9,651	967	10,618
Restricted	-	161,639	161,639
Committed for cash flow	4,890,069	-	4,890,069
Assigned for OPEB, compensated absences, and capital improvements	6,650,000	-	6,650,000
Unassigned	<u>5,063,449</u>	<u>-</u>	<u>5,063,449</u>
Total fund balances	<u>16,613,169</u>	<u>162,606</u>	<u>16,775,775</u>
 Total liabilities and fund balances	 <u>\$ 17,012,782</u>	 <u>\$ 165,010</u>	 <u>\$ 17,177,792</u>

Bloomfield Township Public Library
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2024

Total fund balances for governmental funds	\$ 16,775,775
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.	
Capital assets not being depreciated	131,015
Capital assets, net of accumulated depreciation	24,519,755
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability	107,785
Deferred outflows of resources resulting from net OPEB liability	235,775
Deferred inflows of resources resulting from net pension liability	(4,279)
Deferred inflows of resources resulting from net OPEB liability	(146,965)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Compensated absences	(486,244)
Net pension liability	(1,309,654)
Net OPEB liability	<u>(2,439,348)</u>
Net position of governmental activities	<u>\$ 37,383,615</u>

Bloomfield Township Public Library
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2024

	General	Gift	Total Governmental Funds
Revenues			
Property taxes	\$ 8,926,108	\$ -	\$ 8,926,108
Penal Fines	59,352	-	59,352
State aid	44,876	-	44,876
Circulation fines and fees	25,208	-	25,208
Charges for services	13,103	-	13,103
Gift income	-	96,663	96,663
Investment income	536,192	3,849	540,041
Gain on sale of capital assets	2,068	-	2,068
Other revenue	56,601	-	56,601
Total revenues	<u>9,663,508</u>	<u>100,512</u>	<u>9,764,020</u>
Expenditures			
Current			
Personnel	4,576,976	-	4,576,976
Library services	720,838	51,904	772,742
Facilities and equipment	1,127,097	31,490	1,158,587
Other expenditures	228,659	14,629	243,288
Capital outlay	<u>378,836</u>	<u>-</u>	<u>378,836</u>
Total expenditures	<u>7,032,406</u>	<u>98,023</u>	<u>7,130,429</u>
Net change in fund balances	2,631,102	2,489	2,633,591
Fund balances - beginning of year	<u>13,982,067</u>	<u>160,117</u>	<u>14,142,184</u>
Fund balances - end of year	<u>\$ 16,613,169</u>	<u>\$ 162,606</u>	<u>\$ 16,775,775</u>

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, 2024

Net change in fund balances - total governmental funds	\$ 2,633,591
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 and amortization expense.	
Depreciation and expense	(1,357,238)
Capital outlay	666,977
Sale of capital assets (net book value)	(83,881)
Expenses are recorded when incurred in the statement of activities.	
Compensated absences	(3,273)
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 the net pension liability	404,439
Net change in the deferred outflow of resources related to the net pension liability	(340,961)
Net change in the deferred inflow of resources related to the net pension liability	3,691
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 the net OPEB liability	383,071
Net change in the deferred outflow of resources related to the net OPEB liability	(418,540)
Net change in the deferred inflow of resources related to the net OPEB liability	<u>(45,825)</u>
Change in net position of governmental activities	<u>\$ 1,842,051</u>

Bloomfield Township Public Library
Proprietary Fund
Statement of Net Position
March 31, 2024

Internal Service
Fund

Assets

Current assets

 Cash and cash equivalents

\$ 35,314

Liabilities

Noncurrent liabilities

 Insurance claims payable

35,314

Net position

Unrestricted

\$ -

Bloomfield Township Public Library
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended March 31, 2024

	Internal Service Fund
Operating revenue	
User charges	\$ 459,088
Operating expenses	
Claims	459,088
Change in net position	-
Net position - beginning of year	-
Net position - end of year	\$ -

Bloomfield Township Public Library
Proprietary Fund
Statement of Cash Flows
For the Year Ended March 31, 2024

	Internal Service Fund
Cash flows from operating activities	
Receipts from interfund users	\$ 459,088
Payments to suppliers	<u>(444,735)</u>
Net cash provided (used) by operating activities	14,353
Cash and cash equivalents - beginning of year	<u>20,961</u>
Cash and cash equivalents - end of year	<u><u>\$ 35,314</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ -
Adjustments to reconcile operating income to net cash from operating activities	
Changes in assets and liabilities	
Claims payable	<u>14,353</u>
Net cash provided (used) by operating activities	<u><u>\$ 14,353</u></u>

Bloomfield Township Public Library
Fiduciary Fund
Statement of Fiduciary Net Position
March 31, 2024

	<u>Other Employee Benefit Trust Fund</u>
Assets	
Investments	\$ 3,354,699
Liabilities	
	<u>-</u>
Net position	
Restricted - held in trust for other postemployment benefits	<u>\$ 3,354,699</u>

Bloomfield Township Public Library
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended March 31, 2024

	<u>Other Employee Benefit Trust Fund</u>
Investment earnings	
Net change in fair value of investments	\$ 473,914
Deductions	
Administrative expense	<u>7,753</u>
Change in net position	466,161
Net position - beginning of year	<u>2,888,538</u>
Net position - end of year	<u><u>\$ 3,354,699</u></u>

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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.

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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 2023 taxable valuation of the property subject to the Library's millage totaled \$4,790,060,281 on which ad valorem taxes consisted of 1.8653 mills for operating purposes. This resulted in \$8,926,108 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

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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 represents a consumption of net assets by the Library that applies to future periods. The Library may report deferred outflows of resources as a result of the following:

- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Pension and OPEB contributions made after the measurement date. This amount will reduce the net pension liability and net OPEB liability in the following year.
- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

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

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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 represents an acquisition of net assets by the Library that applies to future periods. The Library may report deferred inflows of resources as a result of the following:

- Unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.
- Lease revenue related to leases receivable which is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease.
- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and OPEB liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

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.

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

The amounts included in assigned fund balance are as follows:

Compensated absences liability	\$ 486,244
OPEB obligation	2,439,348
Capital improvements	<u>3,724,408</u>
	<u>\$ 6,650,000</u>

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.

Adoption of New Accounting Standards

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor’s IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

Upcoming Accounting and Reporting Changes

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending March 31, 2025.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending March 31, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization’s vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending March 31, 2026.

The Library is evaluating the impact that the above GASB statements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The Library is subject to the budgetary control requirements of the Uniform Budgeting and Accounting Act (P.A. 2 of 1968, 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.

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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	\$ 1,277,019	\$ 15,925,469	\$ 17,202,488
Fiduciary fund	-	3,354,699	3,354,699
Total	<u>\$ 1,277,019</u>	<u>\$ 19,280,168</u>	<u>\$ 20,557,187</u>

The breakdown between deposits and investments is as follows:

	Government Activities	Fiduciary Fund	Total
Bank deposits (checking and savings accounts and certificates of deposit)	\$ 1,273,019	\$ -	\$ 1,273,019
Investments in securities, mutual funds and similar vehicles	15,925,469	3,354,699	19,280,168
Petty cash and cash on hand	4,000	-	4,000
	<u>\$ 17,202,488</u>	<u>\$ 3,354,699</u>	<u>\$ 20,557,187</u>

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

Investment	Carrying Value	Maturities	Rating	Rating Organization
U.S. Treasury notes	\$ 5,689,896	< 1 Year	AAA	Moody's
U.S. Treasury notes	4,647,400	1 - 5 Years	AAA	Moody's
	<u>\$ 10,337,296</u>			

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

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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, \$521,917 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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, 2024 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. Investments that are measured at fair values using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

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, 2024:

Investment Type	Fair Value Measurements		
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Total
	Level 1	Level 2	
U.S. Treasury notes	\$ -	\$ 10,337,296	\$ 10,337,296
Fixed income	1,267,727	-	1,267,727
Equities	2,086,972	-	2,086,972
	\$ 3,354,699	\$ 10,337,296	13,691,995
 Investments carried at net asset value			
Federated Hermes Government Reserves			3,830,434
Vanguard Money Market Reserves			1,757,739
Total market portfolio			5,588,173
 Total investments			 \$ 19,280,168

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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, 2023	\$ 46,624	\$ 32,882	\$ 35,695	\$ 15,283	\$ 17,911	\$ 20,629	\$ 169,024
Distributions	(1,808)	(1,452)	(1,808)	(721)	-	-	(5,789)
Investment earnings	5,096	3,696	4,321	1,708	2,086	2,403	19,310
Balance - December 31, 2023	<u>\$ 49,912</u>	<u>\$ 35,126</u>	<u>\$ 38,208</u>	<u>\$ 16,270</u>	<u>\$ 19,997</u>	<u>\$ 23,032</u>	<u>\$ 182,545</u>

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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
Capital assets being depreciated				
Buildings and improvements	32,082,451	167,700	-	32,250,151
Furniture and equipment	5,596,366	113,221	182,492	5,527,095
Library books and materials	4,104,494	386,056	638,737	3,851,813
Total capital assets being depreciated	41,783,311	666,977	821,229	41,629,059
Less accumulated depreciation for				
Buildings and improvements	9,195,245	704,152	-	9,899,397
Furniture and equipment	4,739,333	143,530	177,002	4,705,861
Library books and materials	2,554,836	509,556	560,346	2,504,046
Total accumulated depreciation	16,489,414	1,357,238	737,348	17,109,304
Net capital assets being depreciated	25,293,897	(690,261)	83,881	24,519,755
Governmental activities net capital assets	\$ 25,424,912	\$ (690,261)	\$ 83,881	\$ 24,650,770

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	\$ 482,971	\$ 186,084	\$ 182,811	\$ 486,244	\$ 182,811

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 2.57% to 3.77%. The committed principal and interest balance of \$1,956,019 is payable through May 1, 2032, with \$218,594 being due in the 2025 fiscal year at the current rate of 2.57%. 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.

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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, 2024 and 2023 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
March 31, 2023	\$ 26,645	\$ 626,797	\$ 632,481	\$ 20,961
March 31, 2024	20,961	459,088	444,735	35,314

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, 2024, there were 20 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 \$111,227 for the year ended March 31, 2024.

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 Library reports a proportionate share of the net pension liability and related deferred amounts, currently 3.90%. 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, 2023 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to, but not yet receiving benefits	2
Active employees	<u>6</u>
	<u><u>26</u></u>

Contributions – The obligation to contribute to and maintain the system for these employees was established by

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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, 2024 was \$370,500 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, 2024 (measurement date) and the actuarial valuation was performed as of January 1, 2023 (valuation date).

Actuarial assumptions – The total pension liability in the January 1, 2023 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 per MP-2021 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US core fixed income	30.00%	2.13%
US large cap equity	24.50%	4.09%
US small & mid cap equity	17.50%	4.10%
Foreign developed equity	17.50%	5.15%
Private real estate property	7.00%	3.70%
Private equity	3.50%	6.54%

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.

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of March 31, 2023	\$ 9,408,588	\$ 7,694,495	\$ 1,714,093
Changes for the year			
Service cost	99,688	-	99,688
Interest on total pension liability	601,024	-	601,024
Experience differences	(35,255)	-	(35,255)
Employer contributions	-	370,500	(370,500)
Employee contributions	-	7,929	(7,929)
Net investment income (loss)	-	693,535	(693,535)
Benefit payments and refunds	(568,004)	(568,004)	-
Administrative expense	-	(2,068)	2,068
Net changes	97,453	501,892	(404,439)
Balances as of March 31, 2024	\$ 9,506,041	\$ 8,196,387	\$ 1,309,654

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
\$ 2,580,186	\$ 1,309,654	\$ 254,133

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended March 31, 2024, the employer recognized pension expense was \$301,770. 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	\$ -	\$ (4,279)	(4,279)
Net difference between projected and actual earning on plan investments	107,785	-	107,785
Total	\$ 107,785	\$ (4,279)	\$ 103,506

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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

<u>Year ended March 31,</u>	
2025	\$ (22,463)
2026	226,509
2027	155,321
2028	<u>(255,861)</u>
	<u>\$ 103,506</u>

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, 2022 valuation date, the plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	18
Active employees	<u>9</u>
	<u>27</u>

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, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2022. The components of the net OPEB liability as of March 31, 2024 were as follows:

Total OPEB liability	\$ 5,794,047
Plan fiduciary net position	<u>(3,354,699)</u>
Net OPEB liability	<u>\$ 2,439,348</u>

Plan fiduciary net position as a percentage of total OPEB liability is 57.90 percent.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of April 1, 2022, 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	5.20% - 4.20% over 52 years

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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, 2024 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%	2.13%
US broad equity market	45.00%	4.10%
Non-US equity	15.00%	5.81%

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.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of March 31, 2023	\$ 5,710,957	\$ 2,888,538	\$ 2,822,419
Changes for the year			
Service cost	68,164	-	68,164
Interest on total OPEB liability	337,219	-	337,219
Employer contributions	-	322,293	(322,293)
Net investment income (loss)	-	466,161	(466,161)
Benefit payments and refunds	(322,293)	(322,293)	-
Net changes	83,090	466,161	(383,071)
Balances as of March 31, 2024	\$ 5,794,047	\$ 3,354,699	\$ 2,439,348

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
\$ 3,123,344	\$ 2,439,348	\$ 1,865,507

Bloomfield Township Public Library
Notes to the Financial Statements
March 31, 2024

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:

<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
<u>\$ 1,796,596</u>	<u>\$ 2,439,348</u>	<u>\$ 3,217,295</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended March 31, 2024, the employer recognized OPEB expense of \$403,587. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 228,473	\$ -	\$ 228,473
Differences in assumptions	7,302	-	7,302
Net difference between projected and actual earning on plan investments	-	(146,965)	(146,965)
Total	\$ 235,775	\$ (146,965)	\$ 88,810

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

<u>Year ended March 31,</u>	
2025	\$ 118,016
2026	24,367
2027	4,997
2028	(58,570)
	\$ 88,810

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, 2024, there were 21 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 which is vested after 3 full years of employment; 0-5 years \$3,000 annually, 5-15 years \$4,500 annually, 15 years or more \$6,000 annually. The employees make an annual contribution of 3% of payroll while employed which is immediately vested. Participation is mandatory. The Library made contributions of \$59,828 and employees made contributions of \$35,295 to the plan for the year ended March 31, 2024.

Bloomfield Township Public Library
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes				
Property taxes	\$ 8,578,936	\$ 8,678,895	\$ 8,926,108	\$ 247,213
Penal fines	71,695	71,695	59,352	(12,343)
State aid	40,800	40,800	44,876	4,076
Circulation fines and fees	25,500	25,500	25,208	(292)
Charges for services	14,866	14,866	13,103	(1,763)
Investment income	50,000	50,000	536,192	486,192
Gain on sale of capital assets	-	2,068	2,068	-
Other revenue	34,566	34,566	56,601	22,035
Total revenues	<u>8,816,363</u>	<u>8,918,390</u>	<u>9,663,508</u>	<u>745,118</u>
Expenditures				
General government				
Personnel	4,977,239	5,094,239	4,576,976	(517,263)
Library services	823,669	830,960	720,838	(110,122)
Facilities and Equipment	1,058,879	1,152,598	1,127,097	(25,501)
Other expenditures	251,306	257,306	228,659	(28,647)
Total general government	<u>7,111,093</u>	<u>7,335,103</u>	<u>6,653,570</u>	<u>(681,533)</u>
Capital outlay	<u>3,517,916</u>	<u>3,526,697</u>	<u>378,836</u>	<u>(3,147,861)</u>
Total expenditures	<u>10,629,009</u>	<u>10,861,800</u>	<u>7,032,406</u>	<u>(3,829,394)</u>
Excess (deficiency) of revenues over expenditures	(1,812,646)	(1,943,410)	2,631,102	4,574,512
Fund balance - beginning of year	<u>13,982,067</u>	<u>13,982,067</u>	<u>13,982,067</u>	<u>-</u>
Fund balance - end of year	<u>\$ 12,169,421</u>	<u>\$ 12,038,657</u>	<u>\$ 16,613,169</u>	<u>\$ 4,574,512</u>

See Accompanying Notes to Required Supplementary Information

Bloomfield Township Public Library
Required Supplementary Information
Budgetary Comparison Schedule
Gift Fund
For the Year Ended March 31, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Gift income	\$ 2,100	\$ 93,407	\$ 96,663	\$ 3,256
Investment earnings	200	3,360	3,849	489
Total revenues	<u>2,300</u>	<u>96,767</u>	<u>100,512</u>	<u>3,745</u>
Expenditures				
General government				
Library services	80,914	133,323	51,904	(81,419)
Facilities and equipment	34,382	65,752	31,490	(34,262)
Other expenditures	48,499	62,827	14,629	(48,198)
Total expenditures	<u>163,795</u>	<u>261,902</u>	<u>98,023</u>	<u>163,879</u>
Excess (deficiency) of revenues over expenditures	(161,495)	(165,135)	2,489	167,624
Fund balance - beginning of year	<u>160,117</u>	<u>160,117</u>	<u>160,117</u>	<u>-</u>
Fund balance - end of year	<u>\$ (1,378)</u>	<u>\$ (5,018)</u>	<u>\$ 162,606</u>	<u>\$ 167,624</u>

See Accompanying Notes to Required Supplementary Information

Bloomfield Township Public Library
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended March 31, 2024

Fiscal year ended March 31,	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 99,688	\$ 105,740	\$ 109,420	\$ 110,600	\$ 104,182
Interest	601,024	591,691	579,255	545,100	498,970
Experience differences	(35,255)	(16,083)	64,879	19,219	30,521
Changes in assumptions	-	145,259	(2,703)	(21,625)	249,942
Benefit payments and refunds	(568,004)	(553,061)	(527,118)	(485,287)	(442,056)
Net change in total pension liability	97,453	273,546	223,733	168,007	441,559
Total pension liability - beginning	9,408,588	9,135,042	8,911,309	8,743,302	8,301,743
Total pension liability - ending (a)	<u>\$ 9,506,041</u>	<u>\$ 9,408,588</u>	<u>\$ 9,135,042</u>	<u>\$ 8,911,309</u>	<u>\$ 8,743,302</u>
Plan fiduciary net position					
Employer contributions	\$ 370,500	\$ 199,947	\$ 198,986	\$ 174,198	\$ 127,285
Employee contributions	7,929	9,142	10,229	10,682	10,409
Net investment income (loss)	693,535	(91,410)	156,913	1,452,989	(182,378)
Benefit payments and refunds	(568,004)	(553,061)	(527,118)	(485,287)	(442,056)
Administrative expense	(2,068)	(2,001)	(2,022)	(1,957)	(2,100)
Net change in plan fiduciary net position	501,892	(437,383)	(163,012)	1,150,625	(488,840)
Plan fiduciary net position - beginning	7,694,495	8,131,878	8,294,890	7,144,265	7,633,105
Plan fiduciary net position - ending (b)	<u>\$ 8,196,387</u>	<u>\$ 7,694,495</u>	<u>\$ 8,131,878</u>	<u>\$ 8,294,890</u>	<u>\$ 7,144,265</u>
Net pension liability (a-b)	<u>\$ 1,309,654</u>	<u>\$ 1,714,093</u>	<u>\$ 1,003,164</u>	<u>\$ 616,419</u>	<u>\$ 1,599,037</u>
Plan fiduciary net position as a percentage of total pension liability	86.22%	81.78%	89.02%	93.08%	81.71%
Covered payroll	\$ 466,539	\$ 466,539	\$ 688,378	\$ 998,529	\$ 914,893
Net pension liability as a percentage of covered payroll	280.72%	367.41%	145.73%	61.73%	174.78%

See Accompanying Notes to Required Supplementary Information

Bloomfield Township Public Library
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended March 31, 2024

Fiscal year ended March 31,	2019	2018	2017	2016
Total pension liability				
Service cost	\$ 104,568	\$ 108,515	\$ 116,520	\$ 108,762
Interest	479,354	475,572	458,983	442,247
Experience differences	2,526	160,097	67,807	251,783
Changes in assumptions	(174,265)	-	-	-
Benefit payments and refunds	(422,907)	(407,372)	(376,909)	(350,338)
Net change in total pension liability	(10,724)	336,812	266,401	452,454
Total pension liability - beginning	8,312,467	7,975,655	7,709,254	7,256,800
Total pension liability - ending (a)	<u>\$ 8,301,743</u>	<u>\$ 8,312,467</u>	<u>\$ 7,975,655</u>	<u>\$ 7,709,254</u>
Plan fiduciary net position				
Employer contributions	\$ 134,994	\$ -	\$ -	\$ -
Employee contributions	10,648	11,407	11,942	11,194
Net investment income (loss)	176,628	363,435	521,445	(5,556)
Benefit payments and refunds	(422,907)	(407,372)	(376,909)	(350,338)
Administrative expense	(3,223)	(3,061)	(3,252)	(3,105)
Net change in plan fiduciary net position	(103,860)	(35,591)	153,226	(347,805)
Plan fiduciary net position - beginning	7,736,965	7,772,556	7,619,330	7,967,135
Plan fiduciary net position - ending (b)	<u>\$ 7,633,105</u>	<u>\$ 7,736,965</u>	<u>\$ 7,772,556</u>	<u>\$ 7,619,330</u>
Net pension liability (a-b)	<u>\$ 668,638</u>	<u>\$ 575,502</u>	<u>\$ 203,099</u>	<u>\$ 89,924</u>
Plan fiduciary net position as a percentage of total pension liability	91.95%	93.08%	97.45%	98.83%
Covered payroll	\$ 948,596	\$ 948,042	\$ 948,042	\$ 1,078,668
Net pension liability as a percentage of covered payroll	70.49%	60.70%	21.42%	8.34%

See Accompanying Notes to Required Supplementary Information

Bloomfield Township Public Library
Required Supplementary Information
Retirement System
Schedule of Employer Contributions
For the Year Ended March 31, 2024

Fiscal Year Ended	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%
2023	199,947	199,947	-	466,539	42.86%
2024	370,500	370,500	-	466,539	79.41%

See Accompanying Notes to Required Supplementary Information

Bloomfield Township Public Library
Required Supplementary Information
Retirement System
Schedule of Investment Returns
March 31, 2024

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%
2023	-1.03%
2024	8.14%

Bloomfield Township Public Library
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended March 31, 2024

Fiscal year ended March 31,	2024	2023	2022	2021	2020
Total OPEB liability					
Service cost	\$ 68,164	\$ 67,228	\$ 85,401	\$ 92,537	\$ 107,417
Interest	337,219	280,570	276,375	318,229	325,586
Experience differences	-	881,253	-	(405,079)	-
Changes in assumptions	-	28,162	-	(454,620)	(281,229)
Benefit payments and refunds	<u>(322,293)</u>	<u>(305,918)</u>	<u>(242,418)</u>	<u>(240,593)</u>	<u>(277,864)</u>
Net change in total OPEB liability	83,090	951,295	119,358	(689,526)	(126,090)
Total OPEB liability - beginning	<u>5,710,957</u>	<u>4,759,662</u>	<u>4,640,304</u>	<u>5,329,830</u>	<u>5,455,920</u>
Total OPEB liability - ending (a)	<u>\$ 5,794,047</u>	<u>\$ 5,710,957</u>	<u>\$ 4,759,662</u>	<u>\$ 4,640,304</u>	<u>\$ 5,329,830</u>
Plan fiduciary net position					
Employer contributions	\$ 322,293	\$ 305,918	\$ 242,418	\$ 320,593	\$ 277,864
Net investment income (loss)	466,161	(136,104)	80,402	835,820	(136,404)
Benefit payments and refunds	(322,293)	(305,918)	(242,418)	(240,593)	(277,864)
Administrative expense	<u>-</u>	<u>(8,100)</u>	<u>(4,200)</u>	<u>(11,600)</u>	<u>(11,000)</u>
Net change in plan fiduciary net position	466,161	(144,204)	76,202	904,220	(147,404)
Plan fiduciary net position - beginning	<u>2,888,538</u>	<u>3,032,742</u>	<u>2,956,540</u>	<u>2,052,320</u>	<u>2,199,724</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,354,699</u>	<u>\$ 2,888,538</u>	<u>\$ 3,032,742</u>	<u>\$ 2,956,540</u>	<u>\$ 2,052,320</u>
Net OPEB liability (a-b)	<u>\$ 2,439,348</u>	<u>\$ 2,822,419</u>	<u>\$ 1,726,920</u>	<u>\$ 1,683,764</u>	<u>\$ 3,277,510</u>
Plan fiduciary net position as a percentage of total OPEB liability	57.90%	50.58%	63.72%	63.71%	38.51%
Covered payroll	\$ 675,168	\$ 675,168	\$ 926,484	\$ 925,484	\$ 893,666
Net OPEB liability as a percentage of covered payroll	361.29%	418.03%	186.40%	181.93%	366.75%

Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended March 31, 2024

Fiscal year ended March 31,	2019	2018
Total OPEB liability		
Service cost	\$ 183,209	\$ 225,477
Interest	249,838	239,445
Experience differences	697,281	(30,198)
Changes in assumptions	(1,822,978)	-
Benefit payments and refunds	(179,825)	(166,632)
Net change in total OPEB liability	(872,475)	268,092
Total OPEB liability - beginning	6,328,395	6,060,303
Total OPEB liability - ending (a)	<u>\$ 5,455,920</u>	<u>\$ 6,328,395</u>
Plan fiduciary net position		
Employer contributions	\$ 2,263,881	\$ 166,632
Net investment income (loss)	115,668	-
Benefit payments and refunds	(179,825)	(166,632)
Administrative expense	-	-
Net change in plan fiduciary net position	2,199,724	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u>\$ 2,199,724</u>	<u>\$ -</u>
Net OPEB liability (a-b)	<u>\$ 3,256,196</u>	<u>\$ 6,328,395</u>
Plan fiduciary net position as a percentage of total OPEB liability	40.32%	- %
Covered payroll	\$ 893,666	\$ 1,087,983
Net OPEB liability as a percentage of covered payroll	364.36%	581.66%

See Accompanying Notes to Required Supplementary Information

Bloomfield Township Public Library
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions
For the Year Ended March 31, 2024

Fiscal Year Ending March 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual 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	383,241	320,593	62,648	926,484	34.60%
2022	328,162	242,418	85,744	926,484	26.17%
2023	328,162	305,918	22,244	675,168	45.31%
2024	329,513	322,293	7,220	675,168	47.74%

See Accompanying Notes to Required Supplementary Information

Bloomfield Township Public Library
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns
March 31, 2024

Fiscal Year Ended March 31,	Annual Return %
2019	24.12%
2020	-6.22%
2021	39.32%
2022	2.72%
2023	-4.49%
2024	16.14%

Bloomfield Township Public Library
Notes to the Required Supplementary Information
March 31, 2024

Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios – Township of Bloomfield Retirement Income Plan

There were no significant changes in assumptions for the year ended March 31, 2024.

Notes to the Schedule of Employer Contributions – Township of Bloomfield Retirement Income Plan

- Valuation date: January 1, 2023
- Actuarially determined contribution rates are calculated as of March 31, 2024

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal level percent of pay
- Amortization method: Level dollar, closed
- Remaining amortization period: 15 years
- Asset valuation method: Market value of assets
- Inflation: 2.50 percent
- Salary increase: 3.50 percent
- Investment rate of return: 6 percent net of pension plan investment expense, including inflation
- Mortality rates: Pub-2010 Mortality Table with generational projection per MP-2021 with PUBS-2010 for public safety groups and PubG-2010 for all others.

OPEB Information

Notes to the Schedule of Changes in Net OPEB and Related Ratios – Bloomfield Township Public Library Other Post-Employment Benefits Program

There were no significant changes in assumptions for the year ended March 31, 2024

Notes to the Schedule of Employer Contributions – Bloomfield Township Public Library Other Post-Employment Benefits Program

- Valuation date: April 1, 2022
- Actuarially determined contribution rates are calculated as of March 31, 2024

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal level percent of pay
- Amortization method: Level dollar, closed
- Remaining amortization period: 16 years
- Asset valuation method: Market value of assets
- Healthcare cost trend rates: 5.20 - 4.20 percent over 52 years
- Inflation: 2.50 percent
- Salary increase: 3.50 percent
- Investment rate of return: 6.0 percent net of pension plan investment expense, including inflation

July 11, 2024

Board of Trustees and Management
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, 2024. 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 March 8, 2024. 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. The Library has adopted the following Governmental Accounting Standards Board Statements effective April 1, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements* is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

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 statements in the proper period.

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

- 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 other postemployment benefits (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 the following significant risks of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition

Accounting Standards and Regulatory Updates

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

Implementation Guide No 2021-1, *Implementation Guidance Update-2021* has an amended response related to the capitalization of assets purchased as a group. Under the amended guidance, governments *should* capitalize individual items when the purchase in the aggregate is considered significant, even if the individual items are less than the capitalization threshold of the government. The effective date for implementation is for reporting periods beginning after June 15, 2023 (effectively, for the first year ended March 31, 2025 or later) and requires retroactive implementation.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Management has determined that the effects of the uncorrected misstatement summarized below is immaterial both individually and, in the aggregate, to the financial statements taken as a whole. The uncorrected misstatement or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatement is immaterial to the financial statements under audit.

Management has passed on the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which would have resulted in recognizing right to use assets and subscription liabilities of approximately \$95,000 in the governmental activities.

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 auditors' 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 auditors' 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