



CITY OF GROSSE POINTE WOODS
NOTICE OF MEETING AND AGENDA
COMMITTEE-OF-THE-WHOLE
Monday, May 05, 2025 at 7:15 PM

Robert E. Novitke Municipal Center - Council
Chambers/Courtroom 20025 Mack Plaza Dr., Grosse Pointe
Woods, MI 48236
(313) 343-2440

Mayor Arthur W. Bryant has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, May 5, 2025 at 7:15 PM**. The meeting will be held in the Council Chambers/Municipal Court Room of the Municipal Building, 20025 Mack Plaza Dr., Grosse Pointe Woods, MI 48236 and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

1. CALL TO ORDER

2. ROLL CALL

3. ACCEPTANCE OF AGENDA

4. ITEMS FOR DISCUSSION

A. Grosse Pointe Public Library - Woods Branch: Financial Update and Millage Renewal
Presentation by Tom Peck

- 1) Grosse Pointe Public Library Annual Financial Report with Supplemental Information FYE June 30, 2024
- 2) Signed L-4029 Form with Budget Resolution

5. NEW BUSINESS/PUBLIC COMMENT

6. ADJOURNMENT

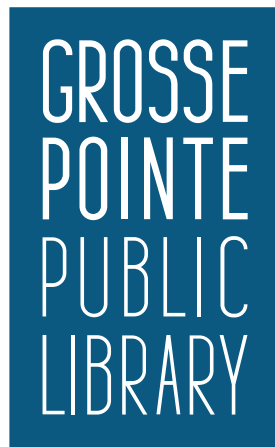
IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)
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The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440 or Telecommunications Device for the Deaf (TDD) 313 343-9249.

cc: Council - 7
City Administrator
City Attorney

Treasurer/Comptroller
City Clerk
Email Group/Media

Assistant City Administrator
Post - 4



**GROSSE POINTE PUBLIC LIBRARY
ANNUAL FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Management and the Board of Trustees
Grosse Pointe Public Library
Grosse Pointe, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Grosse Pointe Public Library (the "Library") as of and for the year ended June 30, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Library, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Grosse Pointe Public Library Foundation, the discretely presented component unit, whose statements reflect total assets of \$1,726,200 as of June 30, 2024, and total revenue of \$850,800 for the year then ended June 30, 2024. Those financial statements were audited by other auditors whose reports has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Grosse Pointe Library Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules of proportionate share of net pension and OPEB liabilities and contributions, as listed 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.



Gabridge & Company, PLC
Grand Rapids, MI
December 26, 2024

Management's Discussion and Analysis

**Grosse Pointe Public Library
Management's Discussion and Analysis
June 30, 2024**

As management of the Grosse Pointe Public Library, we offer readers of the Grosse Pointe Public Library's (the "Library" or "government") financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of this fiscal year by \$20,578,079 (shown as *net position*), representing a decrease of \$1,440,831 over the previous fiscal year.
- During the year, the Library earned \$7,882,366 in revenues and incurred \$6,441,535 in expenses, resulting in An increase in net position of \$1,440,831.
- The general fund increased its fund balance by \$438,987 during the year for an ending fund balance of \$9,110,965.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,056,064, or 122.9% of the general fund's total annual expenditures and transfers out.

Overview of the Financial Statements

The Library's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide a broad overview of the Library's financial position. They are presented using a method of accounting that is similar to a private sector business.

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Each fund is operated similar to a completely separate entity, with its own set of balancing accounts. The Library uses fund accounting to ensure compliance with finance-related legal requirements.

Governmental Funds. The Library's basic services are reported in the governmental funds. Governmental funds account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This is known as the modified accrual system of accounting. Under this reporting system, capital items, debt payments, and certain other items are treated differently than on the government-wide statements. These items are recorded in the government fund balance as expenditures. No depreciation is recorded on capital items. The balance sheet for governmental funds does not include any capital items or long-term debt. Governmental funds for the Library include the general fund as well as the debt service fund and capital projects.

The Library adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with its budget.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a complete understanding of the information provided in both the government-wide and the fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report further presents required supplementary information (RSI) that explains the information presented in the financial statements.

The component unit statement of net position and statement of activities represent the Grosse Pointe Library Foundation, a discretely presented component unit of the Library. The Foundation's financial statements are audited separately from the Library.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of overall financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,578,079 at the close of the fiscal year.

The following table illustrates the results of the various balances that combine to capture the Library's total net position.

Grosse Pointe Public Library's Net Position

ASSETS	2024	2023
<i>Current Assets</i>		
Cash and investments	\$ 10,360,396	\$ 12,595,605
Receivables	59,961	34,838
Prepaid items	94,901	98,591
<i>Total Current Assets</i>	10,515,258	12,729,034
<i>Noncurrent Assets</i>		
Capital assets, net	26,941,280	25,503,160
Net OPEB asset	3,872	-
<i>Total Assets</i>	37,460,410	38,232,194
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	238,021	285,624
Deferred pension costs	59,630	108,959
Deferred OPEB costs	12,780	21,014
<i>Total Deferred Outflows of Resources</i>	310,431	415,597
LIABILITIES		
<i>Current Liabilities</i>		
Accounts payable	144,922	748,013
Accrued salaries and wages	168,977	152,286
Accrued interest payable	85,978	111,953
Compensated absences	362,838	273,507
Current portion of long-term debt	1,495,000	1,530,000
<i>Total Current Liabilities</i>	2,257,715	2,815,759
<i>Noncurrent Liabilities</i>		
Long-term debt	14,369,801	15,981,292
Net pension liability	278,238	515,036
Net OPEB liability	-	17,208
<i>Total Noncurrent Liabilities</i>	14,648,039	16,513,536
<i>Total Liabilities</i>	16,905,754	19,329,295
DEFERRED INFLOWS OF RESOURCES		
Deferred pension cost reductions	218,321	101,855
Deferred OPEB cost reductions	68,687	79,393
<i>Total Deferred Inflows of Resources</i>	287,008	181,248
NET POSITION		
Net investment in capital assets	12,364,894	11,386,249
Unrestricted	8,213,185	7,750,999
<i>Total Net Position</i>	\$ 20,578,079	\$ 19,137,248

A portion of the Library's net position (\$12,364,894, or 60.1%) reflects its investment in capital assets (e.g., land, buildings and improvements, library materials, office furnishings, and information technology), less any related outstanding debt that was used to acquire those assets. The Library uses these capital assets to provide a variety of services to its patrons. Accordingly, these assets are not available for future spending. Although the Library's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of the Library's net position of \$8,213,185, or 39.9%, is unrestricted and may be used to meet the Library's ongoing obligations to its patrons and creditors.

Cash and investments decreased by \$2,235,209 during the year due to a decrease in governmental fund balance of \$1,619,376 and decrease in accounts payable of \$603,091. Accounts payable decreased \$603,091 when compared to the previous year as a result of the timing of payments for capital expenditures for the Library's expansion and renovation project.

Governmental Activities. During the current fiscal year, net position increased \$1,440,831 from the prior fiscal year for an ending net position balance of \$20,578,079.

Grosse Pointe Public Library's Changes in Net Position

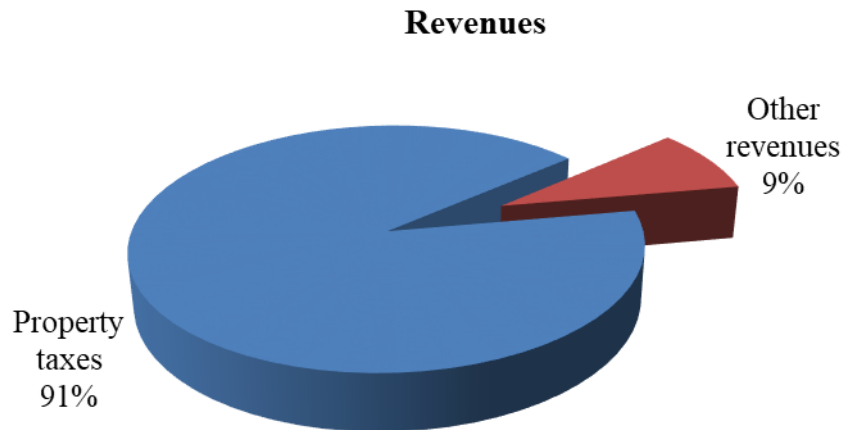
Revenues	2024	2023
<i>Program Revenues</i>		
Charges for services	\$ 151,848	\$ 117,582
Operating grants and contributions	164,307	145,693
<i>Total Program Revenues</i>	316,155	263,275
<i>General Revenues</i>		
Property taxes	7,202,944	6,782,771
Unrestricted state and county aid	69,000	52,408
Investment earnings	294,267	162,217
<i>Total General Revenues</i>	7,566,211	6,997,396
Total Revenues	7,882,366	7,260,671
Expenses		
Recreation and culture	6,165,262	5,811,983
Interest on long-term debt	276,273	334,797
Total Expenses	6,441,535	6,146,780
<i>Increase in Net Position</i>	1,440,831	1,113,891
Net Position at Beginning of Period	19,137,248	18,023,357
Net Position at End of Period	\$ 20,578,079	\$ 19,137,248

Property taxes increased by \$420,173, or just over 6%, being similar to the increase in taxable value of roughly 6%. Investment earnings increased by \$132,050 due to the largest cash and

investment balance in the prior year. Recreation and culture expenses increased by \$353,279 largely due to an increase in non-capitalized construction-related costs.

Governmental Activities

The following chart details the revenue sources for the governmental activities of the Library for the most recent fiscal year-end:



Salaries, wages, and employee benefits and depreciation expense were the largest expense for the Library. The Library spent \$3,487,638 on salaries, wages, and employees benefits and \$1,211,274 on depreciation expense which represented approximately 54.1% and 18.8%, respectively, of the total expenses the Library incurred during the year.

Financial Analysis of the Government's Funds

The Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund

The general fund is the main operating fund of the Library. The general fund increased its fund balance in this fiscal year by \$438,987, bringing the balance to \$9,110,965. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents approximately 122.9% of total general fund expenditures and transfers out. Year to year changes were detailed in an earlier section of this report.

Debt Service Fund

The debt service fund maintained no fund balance at the most recent fiscal year-end. The debt service fund was established to make principal and interest payments on the Library's debt. The

primary source of income is a transfer in from the general fund, which is equal to the annual bond principal and interest expenditures.

Capital Projects fund

The capital projects fund's fund balance is comprised entirely of the unspent portion of bond proceeds received during the year. The fund received \$75,245 of investment earnings and has expended \$2,133,608 for the related building and renovation projects.

General Fund Budgetary Highlights

Original budget compared to final budget

There were no amendments to the original estimated revenues or original estimated expenditures.

Final budget compared to actual results

The Library had the following expenditures in excess of the amounts appropriate during the year ended June 30, 2024:

Function / Department	Final Budget	Actual Amount	Negative Variance
Recreation and culture			
Salaries	\$ 2,554,500	\$ 2,580,600	\$ (26,100)
Supplies, books, and audiovisual	905,500	935,604	(30,104)

Capital Asset and Debt Administration

Capital Assets

The Library's investment in capital assets at year-end amounted to \$26,941,280 (net of accumulated depreciation). Capital assets of the Library include any items purchased that have an expected useful life of over one year and a cost of over \$5,000. The Library has invested in a broad range of capital assets. More information about the Library's capital assets can be found in the notes to the financial statements section of this document.

Long-term Debt

At the end of the current fiscal year, the Library had total debt outstanding, exclusive of compensated absences, of \$15,864,801. State statutes limit the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The Library is well under the state limit. More information on the Library's long-term debt is available in the notes to the financial statements section of this document.

Economic Factors and Next Year's Budgets and Rates

Management estimates that general fund revenues will be appropriated in the general fund in alignment with the fiscal year ended June 30, 2025 in the upcoming FY 2024-2025 budget. The Library continues to review all budget line items for opportunities to reduce expenditures when possible and the budget will be monitored during the year to identify any necessary amendments.

Contacting the Library's Management

This financial report is designed to provide the wide variety of users of this document with a general overview of the Library's finances and demonstrate the Library's accountability for the money entrusted to it. If you have any questions regarding this report or need additional financial information, please direct your requests to:

Jessica Keyser, Library Director
Grosse Pointe Public Library
10 Kercheval Avenue
Grosse Pointe Farms, MI 48236
(313) 343-2074

Basic Financial Statements

Grosse Pointe Public Library
Statement of Net Position
June 30, 2024

	Primary Governmental Activities	Component Unit
ASSETS		
<i>Current Assets</i>		
Cash and investments	\$ 10,360,396	\$ 1,707,700
Receivables	59,961	18,500
Prepaid items	94,901	--
Total Current Assets	10,515,258	1,726,200
<i>Noncurrent Assets</i>		
Capital assets not being depreciated	11,056,361	--
Capital assets being depreciated	15,884,919	--
Net OPEB asset	3,872	--
Total Assets	37,460,410	1,726,200
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	238,021	--
Deferred pension costs	59,630	--
Deferred OPEB costs	12,780	--
Total Deferred Outflows of Resources	310,431	--
LIABILITIES		
<i>Current Liabilities</i>		
Accounts payable	144,922	--
Accrued salaries and wages	168,977	1,131
Accrued interest payable	85,978	--
Compensated absences	362,838	--
Current portion of long-term debt	1,495,000	--
Total Current Liabilities	2,257,715	1,131
<i>Noncurrent Liabilities</i>		
Bonds payable	14,369,801	--
Net pension liability	278,238	--
Total Liabilities	16,905,754	1,131
DEFERRED INFLOWS OF RESOURCES		
Deferred pension cost reductions	218,321	--
Deferred OPEB cost reductions	68,687	--
Total Deferred Inflows of Resources	287,008	--
NET POSITION		
Net investment in capital assets	12,364,894	--
<i>Restricted for:</i>		
Commemorative gift program	--	50,050
<i>Unrestricted</i>	8,213,185	1,675,019
Total Net Position	\$ 20,578,079	\$ 1,725,069

The Notes to the Financial Statements are an integral part of these Financial Statements

Grosse Pointe Public Library
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue Primary Governmental Activities	
Primary Government						
Governmental Activities:						
Recreation and culture	\$ 6,165,262	\$ 151,848	\$ 164,307	\$ --	\$ (5,849,107)	\$ --
Interest on long-term debt	276,273	--	--	--	(276,273)	--
Total Primary Government	\$ 6,441,535	\$ 151,848	\$ 164,307	\$ --	\$ (6,125,380)	--
Component Unit						
Grosse Pointe Public Library Foundation	\$ 186,655	\$ --	\$ 724,408	\$ --	--	537,753
Total Component Units	\$ 186,655	\$ --	\$ 724,408	\$ --	--	537,753
General Purpose Revenues:						
Property taxes					7,202,944	--
Unrestricted state and county aid					69,000	126,392
Investment earnings					294,267	--
Total General Revenues					7,566,211	126,392
Change in Net Position					1,440,831	664,145
<i>Net Position at Beginning of Period (Restated, Note 12)</i>					19,137,248	1,060,924
Net Position at End of Period					\$ 20,578,079	\$ 1,725,069

The Notes to the Financial Statements are an integral part of these Financial Statements

Grosse Pointe Public Library
Balance Sheet
Governmental Funds
June 30, 2024

		<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 9,236,937	\$ --	\$ 1,123,459	\$ 10,360,396
Receivables	59,961	--	--	59,961
Prepaid items	54,901	--	--	54,901
Total Assets	<u>\$ 9,351,799</u>	<u>\$ --</u>	<u>\$ 1,123,459</u>	<u>\$ 10,475,258</u>
LIABILITIES				
Accounts payable	\$ 71,857	\$ --	\$ 73,065	\$ 144,922
Accrued salaries and wages	168,977	--	--	168,977
Total Liabilities	<u>240,834</u>	<u>--</u>	<u>73,065</u>	<u>313,899</u>
FUND BALANCE				
Nonspendable	54,901	--	--	54,901
Restricted	--	--	1,050,394	1,050,394
Unassigned	9,056,064	--	--	9,056,064
Total Fund Balance	<u>9,110,965</u>	<u>--</u>	<u>1,050,394</u>	<u>10,161,359</u>
Total Liabilities and Fund Balance	<u>\$ 9,351,799</u>	<u>\$ --</u>	<u>\$ 1,123,459</u>	<u>\$ 10,475,258</u>

Grosse Pointe Public Library
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds	\$ 10,161,359
Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.	(85,978)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(362,838)
General government capital assets of \$39,908,945, net of accumulated depreciation of \$12,967,665, are not financial resources and, accordingly, are not reported in the funds.	26,941,280
Long-term liabilities, including premium on bonds, are not due and payable in the current period and, therefore, are not reported in the funds.	(15,579,177)
Net pension liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.	(436,929)
Other postemployment benefit liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.	(52,035)
Governmental funds report long-term prepaid expenses as expenditures in the period paid, whereas in the statement of activities, these costs are allocated over their estimated useful lives.	40,000
Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.	(47,603)
Total Net Position - Governmental Activities	\$ <u>20,578,079</u>

Grosse Pointe Public Library
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

		<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 7,202,944	\$ --	\$ --	\$ 7,202,944
State and county aid	82,085	--	--	82,085
Fines, rentals, and other	60,670	--	--	60,670
Investment earnings (loss)	219,022	--	75,245	294,267
Gifts	168,250	--	--	168,250
Other income	74,150	--	--	74,150
Total Revenues	7,807,121	--	75,245	7,882,366
Expenditures				
Salaries	2,580,600	--	--	2,580,600
Employee benefits	907,038	--	--	907,038
Purchased services	896,010	--	--	896,010
Supplies, books, and audiovisual	935,604	--	--	935,604
Other	23,687	--	--	23,687
Capital outlay	124,059	--	2,133,608	2,257,667
Debt service - principal	--	1,530,000	--	1,530,000
Debt service - interest and fiscal charges	--	371,136	--	371,136
Total Expenditures	5,466,998	1,901,136	2,133,608	9,501,742
Excess of Revenues Over (Under) Expenditures	2,340,123	(1,901,136)	(2,058,363)	(1,619,376)
Other Financing Sources (Uses)				
Transfers in	--	1,901,136	--	1,901,136
Transfers out	(1,901,136)	--	--	(1,901,136)
Net Other Financing Sources (Uses)	(1,901,136)	1,901,136	--	--
Net Change in Fund Balance	438,987	--	(2,058,363)	(1,619,376)
Fund Balance at Beginning of Period	8,671,978	--	3,108,757	11,780,735
Fund Balance at End of Period	\$ 9,110,965	\$ --	\$ 1,050,394	\$ 10,161,359

The Notes to the Financial Statements are an integral part of these Financial Statements

Grosse Pointe Public Library
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$	(1,619,376)
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In the statement of activities, interest and bond discounts and premiums are accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. This represents the current year change in accrued interest and amortization of bond premiums and discounts. In addition, the amortization of the deferred charge on bond refundings is included.		94,863
--	--	--------

The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.		71,003
--	--	--------

Changes to compensated absences are not shown in the fund financial statements. This amounts represents the changes in compensated absences during the current year.		(89,331)
--	--	----------

Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.		1,530,000
---	--	-----------

This represents the current year decrease in prepaid items.		(8,000)
---	--	---------

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$2,655,898 exceeds depreciation expense of \$1,211,274 and net disposal of capital assets of \$6,504 in the current period.		1,438,120
--	--	-----------

The statement of activities reports changes to net OPEB liability and OPEB related deferrals as OPEB expense; however, the expenditures recorded on the governmental funds equals actual OPEB contributions.		23,552
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Changes in Net Position - Governmental Activities	\$	<u>1,440,831</u>
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Notes to the Financial Statements

Grosse Pointe Public Library

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Grosse Pointe Public Library (the “Library” or “government”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the Library’s significant accounting policies.

Reporting Entity

Grosse Pointe Public Library services the Grosse Pointe communities and a portion of Harper Woods. The Library provides services from three branch locations. The Library is governed by a seven-member board of trustees and managed by a library director. The accompanying financial statements present the Library and its component unit, an entity for which the Library is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the Library.

Discretely Presented Component Unit

Grosse Pointe Public Library Foundation - The board of trustees of the Library established a private foundation, the Grosse Pointe Public Library Foundation (the "Foundation"), to serve as a fundraising and communication arm on behalf of the Library. The Foundation is a privately held 501(c)(3) with its own 13-member board of directors. The Foundation solicits and administers funds for capital, endowment, and special projects. During the year, the Foundation conducted various activities on behalf of the Library, including fundraising and donor relations. There are three common board members between the Library and the Foundation. Complete financial reports can be obtained at the Library's office.

Basis of Presentation - Government-wide and Fund Financial Statements

The government-wide financial statements (e.g., the statement of position and the statement of activities) report information on all of the non-fiduciary activities of the Library.

The *statement of activities* demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: 1) charges to Library patrons 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 meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly not included among program revenues and are reported instead as general revenue.

The *statement of net position* includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library’s net position is reported in three parts: 1) net investment in capital assets, 2) restricted net position, and 3) unrestricted net position.

Separate financial statements are provided for governmental funds. Major individual funds are reported as separate columns in the fund financial statements.

Grosse Pointe Public Library

Notes to the 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. Revenues susceptible to accrual are property taxes, state and county aid, charges for services, and interest income and, accordingly, have been recognized as revenues of the current fiscal year. Other revenues are recognized when received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The Library reports the following major governmental funds:

The ***general fund*** is the Library's primary operating fund. It accounts for all financial resources used to provide government services other than those specifically assigned to another fund.

The ***debt service fund*** was established to make principal and interest payments on the Library's debt.

The ***capital projects fund*** was established to collect proceeds from a bond issuance and to account for the related construction costs for the Library's expansion and renovation projects.

Interfund Activity

During the course of operations, the Library has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

Grosse Pointe Public Library

Notes to the Financial Statements

Property Tax Revenue

Property taxes are levied on each December 1st and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 1st. Taxes are considered delinquent on February 14th of the following year, at which time penalties and interest are assessed.

The Library's property tax revenue was levied and collectible on December 1, 2023 and is recognized as revenue in the year ended June 30, 2024 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2023 taxable valuation of the Library totaled approximately \$3.44 billion, on which taxes levied consisted of 2.097 mills for operating purposes. This resulted in approximately \$7.20 million for operating purposes and is recognized in the general fund financial statements as tax revenue.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity/Net Position

Deposits and Investments

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

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

The Library does not have any specified financial institutions for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all items of the state statutory authority, as listed above. The Library's deposits and investments are in accordance with statutory authority.

Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Grosse Pointe Public Library

Notes to the Financial Statements

Capital Assets

Capital assets, which include buildings, equipment, and library materials, are reported in the net position column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Description	Asset Life
Buildings and improvements	7 - 50 years
Library books and audiovisual materials	5 - 10 years
Furniture and equipment	5 - 20 years

Compensated Absences (Vacation and Sick Leave)

It is the Library's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when incurred. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bonds payables are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension

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 Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee

Grosse Pointe Public Library

Notes to the Financial Statements

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions

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 Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. 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.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Library has three items that qualify for reporting in this category. They are the pension and other postemployment benefits related items reporting in the government-wide statement of net position. Deferred outflows are recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

The Library also reports deferred outflows of resources related to deferred charges on advance bond refunding.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Library has two items that qualify for reporting in this category. They are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The *nonspendable fund balance* component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. *Restricted fund balance* represents amounts that are legally

Grosse Pointe Public Library

Notes to the Financial Statements

restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The Library itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

Fund Balance Flow Assumption

The Library will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Library's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position

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

Net Position Flow Assumption

The Library will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and

Grosse Pointe Public LibraryNotes to the Financial Statements

unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Library's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through December 26, 2024. Management is not aware of any subsequent events that would have a significant impact on the financial condition of the Library.

Note 2 - Stewardship, Compliance, and Accountability***Budgetary Information***

The annual budget is prepared by the Library's management and adopted by the Board of Trustees; subsequent amendments are approved by the Board of Trustees. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with generally accepted accounting principles. The budget statement (statement of revenues, expenditures and change in fund balance – budget and actual - general fund) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on a categorical level; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budget as adopted by the Board is included in the financial statements.

Grosse Pointe Public Library

Notes to the Financial Statements

Excess of Expenditures Over Budget Appropriations in Budgetary Funds

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The Library had the following expenditures in excess of the amounts appropriated during the year ended June 30, 2024:

Function / Department	Final Budget	Actual Amount	Negative Variance
Recreation and culture			
Salaries	\$ 2,554,500	\$ 2,580,600	\$ (26,100)
Supplies, books, and audiovisual	905,500	935,604	(30,104)

Note 3 - Deposits and Investments

Following is a reconciliation of deposit and investment balances as of June 30, 2024:

	Primary Government	Component Unit	Total
Statement of Net Position			
Cash and investments	\$ 10,360,396	\$ 1,707,700	\$ 12,068,096
Less Separately Audited Unit			
Grosse Pointe Library Foundation	-	(1,707,700)	(1,707,700)
Cash and Investments Managed by the Library	<u>\$ 10,360,396</u>	<u>\$ -</u>	<u>\$ 10,360,396</u>
Deposits and Investments			
Bank deposits (checking and savings accounts)			\$ 6,639,078
Investments, brokerage accounts			3,721,318
Total Deposits and Investments			<u>\$ 10,360,396</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Library's deposits might not be returned. State law does not require, and the Library does not have a policy for deposit custodial credit risk. As of year-end, \$6,153,693 of the Library's bank balance of \$6,653,693 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the Library believes it is impractical to insure all bank deposits. As a result, the Library evaluates each financial institution with which it deposits Library funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. For an investment, custodial credit risk 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. In order to minimize this risk, Library policy limits the types of investments and pre-qualifies financial institutions. As of June 30, 2024, none of the Library's investments were exposed to risk since the securities are held in the Library's name by the counterparty. Following is a summary of the Library's investments as of June 30, 2024:

Grosse Pointe Public Library

Notes to the Financial Statements

Investment	Amount
U.S. government agency securities	\$ 329,643
Other government securities	566,592
Other investments	2,799,707
Cash equivalents	25,377
Total Investments	\$ 3,721,318

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Library's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

Rating Agency	Rating	Fair Market Value
Moody's	Aaa	\$ 3,513,090
N/A	Not rated	208,228
Total Investments		\$ 3,721,318

Interest Rate Risk. Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Library's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturity dates for investments held at year-end are summarized as follows:

Maturity	Amount
No maturity	\$ 25,377
Less than 1 year	420,784
1 to 5 years	272,930
6 to 10 years	3,002,227
Total Investments	\$ 3,721,318

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The Library's investment policy does not limit

Grosse Pointe Public Library

Notes to the Financial Statements

investments in a single financial institution of a single security type (with the exception of U.S. treasuries and agencies and authorized pools) to a percentage of the total investment portfolio. At June 30, 2024, the Library maintained significant investments in the Federal Farm Credit Banks Funding Corporation (7%), Federal Home Loan Mortgage Corporation (6%), Tennessee Valley Authority (9%), and U.S. Treasury Notes (70%).

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable and minimize the use of unobservable inputs.

There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect the organization's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

As of June 30, 2024, \$3,695,941 of the Library's investments were valued using Level 1 inputs and \$25,377 were not included in the fair value measurement disclosure because they were held directly in the Library's name.

Note 4 - Prepaid Operating Lease

The Library has an operating lease with the City of Grosse Pointe Park, Michigan for the use of parking spaces through March 15, 2030. The Library prepaid the lease payments for the term of the lease, which amount to \$200,000, in the 2006 fiscal year. The payments were recorded as an expenditure on a fund-level basis in the general fund in the year paid. A long-term asset, amortized over the life of the lease, has been recorded on the government-wide basis. The balance as of June 30, 2024 was \$40,000.

Grosse Pointe Public Library

Notes to the Financial Statements

Note 5 - Capital Assets

A summary of changes in capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 607,130	\$ -	\$ -	\$ 607,130
Construction in progress	8,434,308	2,060,543	(45,620)	10,449,231
<i>Subtotal</i>	<u>9,041,438</u>	<u>2,060,543</u>	<u>(45,620)</u>	<u>11,056,361</u>
Capital assets being depreciated:				
Buildings and improvements	20,563,974	-	(214,965)	20,349,009
Library books and audiovisual materials	4,536,228	512,301	-	5,048,529
Furniture and equipment	3,490,692	128,674	(164,320)	3,455,046
<i>Subtotal</i>	<u>28,590,894</u>	<u>640,975</u>	<u>(379,285)</u>	<u>28,852,584</u>
Less accumulated depreciation:				
Buildings and improvements	(7,616,054)	(530,552)	208,461	(7,938,145)
Library books and audiovisual materials	(2,607,076)	(402,512)	-	(3,009,588)
Furniture and equipment	(1,906,042)	(278,210)	164,320	(2,019,932)
<i>Subtotal</i>	<u>(12,129,172)</u>	<u>(1,211,274)</u>	<u>372,781</u>	<u>(12,967,665)</u>
Capital assets being depreciated, net	<u>16,461,722</u>	<u>(570,299)</u>	<u>(6,504)</u>	<u>15,884,919</u>
Capital asset, net	<u>\$ 25,503,160</u>	<u>\$ 1,490,244</u>	<u>\$ (52,124)</u>	<u>\$ 26,941,280</u>

The entire balance of the Library's depreciation expense of \$1,211,274 for the year ended June 30, 2024 was applied to the library services function (recreation and culture).

Note 6 - Long-term Obligations

The Library issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the Library. Long-term debt descriptions were as follows:

2021 Library Refunding Bonds (Limited Tax General Obligation Bonds)

On April 7, 2021, the Library issued refunding bonds for \$7,445,000 known as the 2021 Refunding Bonds (General Obligation – Unlimited Tax). The proceeds were used to retire \$7,070,000 of the 2012 refunding bonds, which were callable annually through April 1, 2022. The refunding is expected to save the Library approximately \$416,600 over the course of the 2021 refunding bonds life with an economic gain of approximately \$395,735.

Defeased Debt

During 2021, the Library advance refunded \$7,070,000 of the 2012 refunding bonds to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds

Grosse Pointe Public Library

Notes to the Financial Statements

was removed from the statement of net position. As of June 30, 2024, \$5,070,000 remains in escrow for the payment of these bonds on April 1, 2024. Therefore, the bonds in the amount of \$5,070,000 are considered defeased at year-end.

2021 Library Building and Site Bonds (Limited Tax General Obligation Bonds)

On November 23, 2021, the Library issued bonds for \$10,490,000 known as the 2021 Bonds (General Obligation – Unlimited Tax) for the purpose of renovating, furnishing, and equipping the existing facilities, including all related site improvements. Interest is payable semi-annually at a rate of 4.00% and the bonds will mature on April 1, 2042.

The following is a summary of long-term obligations transactions of the Library for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct placement bonds payable					
2021 library refunding bonds	\$ 6,215,000	\$ -	\$ 1,145,000	\$ 5,070,000	\$ 1,095,000
2021 library building and site bonds	10,120,000	-	385,000	9,735,000	400,000
<i>Total direct placement bonds</i>	<u>\$ 16,335,000</u>	<u>\$ -</u>	<u>\$ 1,530,000</u>	<u>\$ 14,805,000</u>	<u>\$ 1,495,000</u>
Bond premiums					
Unamortized bond premiums	\$ 1,176,292	\$ -	\$ 116,491	\$ 1,059,801	\$ -
Deferred charges on bond refundings					
Deferred charge on 2012 refunding bonds	\$ 108,529	\$ -	\$ 18,087	\$ 90,442	\$ -
Deferred charge on 2021 refunding bonds	177,095	-	29,516	147,579	-
<i>Total deferred charges on bond refundings</i>	<u>\$ 285,624</u>	<u>\$ -</u>	<u>\$ 47,603</u>	<u>\$ 238,021</u>	<u>\$ -</u>
Compensated absences	<u>\$ 273,507</u>	<u>\$ 267,297</u>	<u>\$ (177,966)</u>	<u>\$ 362,838</u>	<u>\$ 362,838</u>

Compensated absences are typically paid out of the general fund.

The annual requirements to amortize all debt outstanding (excluding compensated absences) are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,495,000	\$ 343,908	\$ 1,838,908
2026	1,475,000	323,473	1,798,473
2027	1,555,000	294,439	1,849,439
2028	1,635,000	260,564	1,895,564
2029	1,080,000	222,762	1,302,762
2030-2034	2,620,000	775,263	3,395,263
2035-2039	2,995,000	401,513	3,396,513
2040-2042	1,950,000	87,631	2,037,631
<i>Totals:</i>	<u>\$ 14,805,000</u>	<u>\$ 2,709,553</u>	<u>\$ 17,514,553</u>

Grosse Pointe Public Library

Notes to the Financial Statements

Note 7 - Interfund Activity

For the year ended June 30, 2024, the general fund transferred \$1,901,136 to the debt service fund to provide for scheduled debt service payments.

Note 8 - Defined Contribution Pension Plan

The Grosse Pointe Public Library Defined Contribution Pension Plan, which is administered by the Library, provides an option for all union employees, nonunion full-time or part-time employees (20 hours or more), and administrative employees to participate in a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Through contractual obligations, the Library will provide a dollar-for-dollar match of employee contributions (by payroll deduction) up to a maximum payment by the Library of 9% of base salary of the employee. In accordance with these requirements, the Library contributed \$163,031 and the employees contributed \$229,277 during the year ended June 30, 2024.

Note 9 - MPSERS Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System ("System" or "MPSERS") is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan and a fiduciary component unit of the State of Michigan ("State") originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public Library employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services ("ORS") within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at Michigan.gov/ORSSchools.

Grosse Pointe Public Library

Notes to the Financial Statements

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public Library employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022, valuation will be amortized over a 16-year period beginning Oct. 1, 2022 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2023:

<u>Benefit Structure</u>	<u>Member</u>	<u>Non-Universities</u>
Basic	0.0 - 4.0%	20.16%
Member Investment Plan	3.0 - 7.0%	20.16%
Pension Plus	3.0 - 6.4%	17.24%
Pension Plus 2	6.2%	19.95%
Defined Contribution	0.0%	13.75%

Required contributions to the pension plan from the Library were \$30,983 for the year ended September 30, 2023.

Grosse Pointe Public Library

Notes to the Financial Statements

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

At June 30, 2024, the Library reported a liability of \$278,238 for its proportionate share of the MPERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. The Library's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the Library's proportion was 0.00086 percent, which was a decrease of 0.00051 percent from its proportion measured as of September 30, 2022.

For the year ending June 30, 2024, the Library recognized pension expense of (\$31,457). At June 30, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 8,783	\$ 426
Changes of assumptions	37,703	21,738
Net difference between projected and actual earnings on pension plan investments	-	5,694
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	190,463
Employer contributions subsequent to the measurement date	13,144	-
Total	\$ 59,630	\$ 218,321

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year Ended September 30,	Amount:
2024	\$ (59,631)
2025	(58,489)
2026	(33,981)
2027	(19,734)

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan

Grosse Pointe Public Library

Notes to the Financial Statements

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
- MIP and Basic Plans:	6.00%, net of investment expenses
- Pension Plus Plan:	6.00%, net of investment expenses
- Pension Plus 2 Plan:	6.00%, net of investment expenses
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3.00% Annual Non-compounded for MIP Members
Mortality:	
Retirees:	PubT-2010 Male and Female Healthy Annuitant Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes:

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 4.4406 for non-university employers.

Recognition period for assets in years is 5.0000.

Grosse Pointe Public Library

Notes to the Financial Statements

Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at Michigan.gov/ORSSchools.

Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity pools	25.0%	5.8%
Private equity pools	16.0	9.6
International equity pools	15.0	6.8
Fixed income pools	13.0	1.3
Real estate and infrastructure pools	10.0	6.4
Absolute return pools	9.0	4.8
Real return/opportunistic pools	10.0	7.3
Short-term investment pools	2.0	0.3
Total	100.0%	

*Long-term rates of return are net of administrative expenses and 2.70% inflation.

Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan).

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Notes to the Financial Statements

The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Sensitivity of the Library's proportionate share of the net pension liability to changes in the discount rate

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Decrease (Non-Hybrid/Hybrid)	Current Single Discount Rate Assumption (Non-Hybrid/Hybrid)	1% Increase (Non-Hybrid/Hybrid)
5.00%	6.00%	7.00%
\$375,899	\$278,238	\$196,932

Michigan Public Schools Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS ACFR, available on the ORS website at Michigan.gov/ORSSchools.

Note 10 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the

Grosse Pointe Public Library

Notes to the Financial Statements

investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by

Grosse Pointe Public Library

Notes to the Financial Statements

State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2023.

<u>Benefit Structure</u>	<u>Member</u>	<u>Non-Universities</u>
Premium Subsidy	3.00%	8.07%
Personal Healthcare Fund (PHF)	0.00%	7.21%

Required contributions to the OPEB plan from the Library were \$5,332 for the year ended September 30, 2023.

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

At June 30, 2024, the Library reported a liability (asset) of (\$3,872) for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020. The Library's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, the Library's proportion was 0.00068 percent, which was a decrease of 0.00013 percent from its proportion measured as of Oct. 1, 2022.

For the year ending June 30, 2024, the Library recognized OPEB expense of (\$17,754). At June 30, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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Notes to the Financial Statements

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 29,259
Changes of assumptions	8,620	1,038
Net difference between projected and actual earnings on pension plan investments	12	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,886	38,390
Employer contributions subsequent to the measurement date	2,262	-
Total	\$ 12,780	\$ 68,687

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

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

Plan Year Ended September 30,	Amount:
2024	\$ (15,091)
2025	(14,742)
2026	(11,061)
2027	(11,247)
2028	(4,594)
Thereafter	(1,434)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Grosse Pointe Public Library

Notes to the Financial Statements

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00%, net of investment expenses
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Healthcare Cost Trend Rate:	Pre-65: 7.75% Year 1 graded to 3.50% Year 15 Post-65: 5.25% Year 1 graded to 3.50% Year 15
Mortality:	
Retirees:	PubT-2010 Male and Female Healthy Annuitant Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Other Assumptions:	
Opt-Out Assumption	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 6.5099
- Recognition period for assets in years: 5.0000
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Grosse Pointe Public Library

Notes to the Financial Statements

Long-term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity pools	25.0%	5.8%
Private equity pools	16.0	9.6
International equity pools	15.0	6.8
Fixed income pools	13.0	1.3
Real estate and infrastructure pools	10.0	6.4
Absolute return pools	9.0	4.8
Real return/opportunistic pools	10.0	7.3
Short-term investment pools	2.0	0.3
Total	100.0%	

*Long-term rates of return are net of administrative expenses and 2.70% inflation.

Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 7.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Grosse Pointe Public Library

Notes to the Financial Statements

Sensitivity of the Library's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Library's proportionate share of the net OPEB liability calculated using the discount rate of 6.00%, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Decrease	Current Discount Rate	1% Increase
5.00%	6.00%	7.00%
\$4,014	(\$3,872)	(\$10,649)

Sensitivity of the Library's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

The following presents the Library's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the Library's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
(\$10,666)	(\$3,872)	\$3,482

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 MPSERS ACFR, available on the ORS website at www.michigan.gov/orsschools.

Note 11 - Risk Management

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

Note 12 – Prior Period Adjustment

The City has identified errors in the recording of certain transactions in prior years that required adjustments.

Governmental Activities:

Adjustments were made to correct prior year balances for capital assets:

Grosse Pointe Public Library

Notes to the Financial Statements

- Construction in progress (CIP) activity of \$676,528 and books and audiovisual assets of \$454,359 were not recorded in prior years.

All adjustments impacted the beginning net position and had a corresponding effect on the change in net position for the prior period.

	Net Position as Previously Reported	Capital Assets Restatement	Net Position as Restated
Governmental Activities			
Total Net Position	\$ 18,006,361	\$ 1,130,887	\$ 19,137,248

Required Supplementary Information

Grosse Pointe Public Library
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Property taxes	\$ 7,319,228	\$ 7,319,228	\$ 7,202,944	\$ (116,284)
State and county aid	65,000	65,000	82,085	17,085
Fines, rentals, and other	40,000	40,000	60,670	20,670
Investment earnings	75,000	75,000	219,022	144,022
Gifts	165,000	165,000	168,250	3,250
Other income	65,000	65,000	74,150	9,150
Total Revenues	7,729,228	7,729,228	7,807,121	77,893
Expenditures				
Salaries	2,554,500	2,554,500	2,580,600	(26,100)
Employee benefits	993,000	993,000	907,038	85,962
Purchased services	919,967	919,967	896,010	23,957
Supplies, books, and audiovisual	905,500	905,500	935,604	(30,104)
Other	30,000	30,000	23,687	6,313
Capital outlay	425,124	425,124	124,059	301,065
Total Expenditures	5,828,091	5,828,091	5,466,998	361,093
Other Financing Uses				
Transfers out	1,901,137	1,901,137	1,901,136	1
Total Expenditures and Other Financing Uses	7,729,228	7,729,228	7,368,134	361,094
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	--	--	438,987	438,987
Net Change in Fund Balance	--	--	438,987	438,987
Fund Balance at Beginning of Period	8,671,978	8,671,978	8,671,978	--
Fund Balance at End of Period	\$ 8,671,978	\$ 8,671,978	\$ 9,110,965	\$ 438,987

Notes to the Required Supplementary Information:

The budgetary comparison schedules are presented as required supplementary information (RSI) and compare the original and final budget with actual amounts. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).

Grosse Pointe Public Library
Schedule of the Library's Proportionate Share of Net Pension Liability
Michigan Public School Employee Retirement Plan
Last Nine Fiscal Years (Amounts were determined as of September 30 of each fiscal year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Library's Portion of Net Pension Liability (%)	0.00086%	0.00137%	0.00177%	0.00178%	0.00186%	0.00178%	0.00186%	0.00253%	0.00260%
Library's Proportionate Share of Net Pension Liability	\$ 278,238	\$ 515,036	\$ 418,292	\$ 610,563	\$ 616,085	\$ 536,351	\$ 481,360	\$ 631,566	\$ 634,325
Library's Covered Payroll	\$ 66,071	\$ 76,497	\$ 144,250	\$ 140,731	\$ 137,530	\$ 133,611	\$ 128,489	\$ 136,794	\$ 214,963
Library's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	421.12%	673.28%	289.98%	433.85%	447.96%	401.43%	374.63%	461.69%	295.09%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	63.96%	63.01%	62.92%

Notes to the Required Supplementary Information:

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

Changes of benefit terms: There were no changes of benefit terms in FY 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in FY 2023.

Grosse Pointe Public Library
Schedule of the Library's Pension Contributions
Michigan Public School Employee Retirement Plan
Last Ten Fiscal Years (Amounts determined as of June 30 of each year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	\$ 30,983	\$ 46,611	\$ 53,050	\$ 48,846	\$ 49,421	\$ 48,583	\$ 33,758	\$ 56,844	\$ 44,787	\$ 38,757
Contributions in Relation to Statutorily Required Contributions	<u>30,983</u>	<u>46,611</u>	<u>53,050</u>	<u>48,846</u>	<u>49,421</u>	<u>48,583</u>	<u>33,758</u>	<u>51,328</u>	<u>48,350</u>	<u>47,092</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,516	\$ (3,563)	\$ (8,335)
Library's Covered Payroll	\$ 67,270	\$ 65,630	\$ 92,752	\$ 143,423	\$ 139,924	\$ 136,743	\$ 132,075	\$ 136,794	\$ 224,159	\$ 215,154
Contributions as a Percentage of Covered Payroll	46.06%	71.02%	57.20%	34.06%	35.32%	35.53%	25.56%	37.52%	21.57%	21.89%

Grosse Pointe Public Library
Schedule of the Library's Proportionate Share of Net OPEB Liability
Michigan Public School Employee Retirement Plan
Last Six Fiscal Years (Amounts were determined as of September 30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018
Library's Portion of Net OPEB Liability (Asset) (%)	0.00068%	0.08124%	0.00164%	0.00161%	0.00159%	0.00158%	0.00189%
Library's Proportionate Share of Net OPEB Liability (Asset)	\$ (3,872)	\$ 17,208	\$ 25,003	\$ 86,329	\$ 114,003	\$ 125,497	\$ 167,291
Library's Covered Payroll	\$ 66,071	\$ 76,497	\$ 144,250	\$ 140,731	\$ 137,530	\$ 133,611	\$ 128,489
Library's Proportionate Share of Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-5.86%	22.49%	17.33%	61.34%	82.89%	93.93%	130.20%
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.53%

Notes to the Required Supplementary Information:

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

Changes of benefit terms: There were no changes of benefit terms in FY 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in FY 2023.

Grosse Pointe Public Library
Schedule of the Library's OPEB Contributions
Michigan Public School Employee Retirement Plan
Last Six Fiscal Years (Amounts determined as of June 30 of each year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contributions	\$ 5,332	\$ 6,189	\$ 12,160	\$ 11,385	\$ 10,905	\$ 10,248	\$ 21,871
Contributions in Relation to Statutorily Required Contributions	<u>5,332</u>	<u>6,189</u>	<u>12,160</u>	<u>11,385</u>	<u>10,905</u>	<u>10,248</u>	<u>21,871</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's Covered Payroll	\$ 67,270	\$ 65,630	\$ 92,752	\$ 143,423	\$ 139,924	\$ 136,743	\$ 132,075
Contributions as a Percentage of Covered Payroll	7.93%	9.43%	13.11%	7.94%	7.79%	7.49%	16.56%

Notes to the Required Supplementary Information:

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

December 26, 2024

To the Board of Trustees
Grosse Pointe Public Library

We have audited the accompanying financial statements of the governmental activities and each major fund of the Grosse Pointe Public Library (the “Library”) for the year ended June 30, 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 letter to you dated November 22, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in Note 1 to the financial statements. There were no new accounting policies adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2024. We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management’s estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management’s estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of vacation banks.
- The assumptions used in the actuarial valuation of the pension and other post-employment benefits are based on historical trends and industry standards.

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

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 26, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and the schedules for the defined benefit pension plan and defined benefit other post-employment plan, which are required supplementary information (RSI) 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 use of the Library 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.

Very truly yours,

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand clearly visible.

Gabridge & Company, PLC
Grand Rapids, MI

2024 Tax Rate Request (This form must be completed and submitted on or before September 30, 2024)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory. Penalty applies.

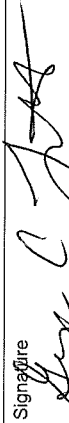

County(ies) Where the Local Government Unit Levies Taxes Wayne	2024 Taxable Value of ALL Properties in the Unit as of 5-28-2024 3,662,232,191
Local Government Unit Requesting Millage Levy Grosse Pointe Public Library	For LOCAL School Districts: 2024 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2024 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Charter, etc.	(5) ** 2023 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2024 Current Year "Headlee" Millage Reduction Fraction	(7) 2024 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Voted Millage	Operating		1.7000	1.4422	0.9925	1.4313	1.0000	1.4313	N/A	1.4313	N/A
Voted Millage	Operating		0.6847	0.6548	0.9925	0.6498	1.0000	0.6498	N/A	0.6498	12/31/27

Prepared by Jessica Keysre	Telephone Number (313) 343-2325	Title of Preparer Director	Date 06/20/2024
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CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature	Print Name	Date
<input checked="" type="checkbox"/> Secretary		George Lapastora	06/20/2024
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President		Megan Conrad	06/20/2024

* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

IMPORTANT: See instructions on page 2 regarding where to find the millage rate used in column (5).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2024 for instructions on completing this section.

Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag., Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	

The Grosse Pointe Public Library
County of Wayne, Michigan
Resolution Approving Budget and
Certifying Tax Levies

Minutes of a regular meeting of the Board of Trustees of The Grosse Pointe Public Library, County of Wayne, State of Michigan, held in Grosse Pointe Woods MI, on the 20th day of June 2024 at 6:30 p.m., prevailing Eastern Time.

PRESENT: Bob Allen, Megan Conrad, George Lapastora, Susan Larsen, Tom Peck

ABSENT: Sandra Ambrozy, Prudence Cole

The following preamble and resolution were offered by and supported by :
WHEREAS, in accordance with the Truth in Budgeting Act, there has been presented to the Board of Trustees of The Grosse Pointe Public Library (the "District Library") the proposed budget for fiscal year 2024-2025; and

WHEREAS, a public hearing on the budget has been held in accordance with the provisions of Act 43 of 1963, as amended, after notice of the hearing was duly given; and

WHEREAS, the notice of hearing on the budget included the following statement printed in 11-point bold faced type:

The property tax millage rate proposed to be levied to support the proposed budget will be the subject of this hearing.

WHEREAS, in accordance with its budget for fiscal year 2024-2025, the District Library determines that it is necessary for the health, safety and welfare of The Grosse Pointe Public Library District and its residents to levy a tax of 1.4313 mill(s) and an additional millage of 0.6498 in fiscal year 2024-2025 for library purposes.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. That the budget for the Grosse Pointe Public Library for the 2024-2025 fiscal year, in the form which is before the Board, is hereby adopted and approved and that the tax resolution declaring a millage rate of 1.4313 mill(s) and 0.6498 mills shall be levied in The Grosse Pointe Public Library District for fiscal year 2024-2025 for the purpose of providing library funds for the operations of the District Library.

2. The Secretary of the District Library is authorized and directed to submit this Resolution and a Tax Rate Request form (L-4029) to the clerks of the Cities of Grosse Pointe, Grosse Pointe Park, Grosse Pointe Farms, Grosse Pointe

Shores, Grosse Pointe Woods, Harper Woods, the County of Wayne, and to the County Equalization Department of the County of Wayne.

3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Bob Allen, Megan Conrad, George Lapastora, Susan Larsen, Tom Peck

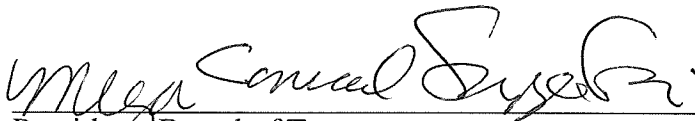
NAYES: None

RESOLUTION DECLARED ADOPTED.



President, Board of Trustees
The Grosse Pointe Public Library
County of Wayne, Michigan

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Trustees of The Grosse Pointe Public Library, County of Wayne, Michigan, at a regular meeting held on June 20, 2024, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



President, Board of Trustees
The Grosse Pointe Public Library
County of Wayne, Michigan