

**OXFORD PUBLIC LIBRARY
Oakland County, Michigan**

AUDITED FINANCIAL REPORT

**For the Fiscal Year Ended
December 31, 2024**

OXFORD PUBLIC LIBRARY
For the Year Ended December 31, 2024

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements:	
Government Wide Financial Statements:	
Governmental Fund Balance Sheet/Statement of Net Position	7
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	8
Notes to Financial Statements	9-17
Required Supplementary Information:	
Individual Fund Statement:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	18

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Independent Auditor's Report

To the Board of Trustees
Oxford Public Library

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Oxford Public Library, a component unit of the Charter Township of Oxford, Michigan, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Oxford Public Library, Michigan, as of December 31, 2024, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Library and to meet our 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 these 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Respectfully,

A handwritten signature in black ink, appearing to read "PSLZ PLLC", is written over the printed name.

PSLZ PLLC
Certified Public Accountants

May 15, 2025

Management's Discussion and Analysis

As management of Oxford Public Library, readers of Oxford Public Library's financial statements are offered this narrative overview and analysis of the financial activities of Oxford Public Library for the fiscal year ended December 31, 2024.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide financial statements.

Oxford Public Library as a Whole

The Library has net position of \$3,986,483. A substantial portion of the Library's net position (73%) reflects its investment in capital assets (e.g. building and improvements, equipment, and furniture and fixtures). The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Net position increased by \$113,643, or 3% during the year ended December 31, 2024, as compared to an increase of \$59,512 in the prior year. Revenues increased by \$114,042, and expenses increased \$59,911.

The Oxford Public Library maintains a hybrid operational approach by applying a corporate business culture to more traditional government funding and spending model. By doing so, the Library preserves its Plan of Service, while enhancing its critical communications, electronic media, database collections, and its virtual services and programming platforms that have become more and more popular in recent years. Additionally, an aging infrastructure has created a need for significant investments in plant operations and capital improvements. Because of this, the Library has decreased its fund balance by \$458,514 in 2024 for capital improvements.

The Library continues to address its critical infrastructure needs that are projected in its 3 to 5-year strategic investment plan for facilities and grounds. Installation of an emergency backup generator was completed. Replacement of leaking circulation lobby windows are still awaiting framing fabrication before the new glass can be installed. Ongoing leaks in the building's roofing structure will need to be scheduled for full replacement, most likely in the 5-year plan. Likewise, renovation to the building's public restrooms will require budgeting and consideration in the 2026 building improvement plan. By and large, the building's infrastructure and plant operations have been fully updated and are in very good working order. Reengineering and expansion to the Library's parking lot will need to be considered before any future expansion to the Youth Services Department can take place. It is likely that this would happen

simultaneously and be covered under the umbrella of a municipal bond requiring approval of the taxpayers.

Governmental Activities

Unlike the private (corporate) sector, the Library does not have many options to increase revenue. The Library's total revenues were \$1,732,457 this year. Property taxes were \$1,428,636 or 82% of the total revenues. Property tax increases are controlled by various State laws (e.g., Headlee Amendment) that restrict the increase in taxable values to amounts at or below the rate of inflation. State aid and penal fine revenue were \$5,306,767 or 3% of total governmental revenue. The remaining 15% of revenue is comprised of grants, contributions, fines, fees and investment income. The Library's budget is expended largely on salaries and benefits with expenditures of \$906,595 or 41%, and utilities, maintenance, and insurance on its facilities of \$209,869 or 10%. The remaining budget is dedicated to other functions such as Library programs, operating supplies and interlibrary automated services.

In a condensed format, the following table shows Net Position and Change in Net Position as of December 31, 2024 and 2023:

	2024	2023
Current and Other Assets	\$ 2,646,131	\$ 3,001,493
Capital Assets	2,915,214	2,343,994
Total Assets	5,561,345	5,345,487
Long-term Liabilities	45,246	46,183
Deferred Inflows	1,529,616	1,426,464
Total Liabilities and Deferred Inflows	1,574,862	1,472,647
Net Position:		
Net Investment in Capital Assets	2,915,214	2,343,994
Unrestricted	1,071,269	1,528,846
Total Net Position	\$ 3,986,483	\$ 3,872,840
	2024	2023
Revenues:		
Property Taxes	\$ 1,428,636	\$ 1,323,755
State Reimbursement	82,909	78,661
State Shared Revenue	22,880	29,092
Grants and Donations	57,902	23,267
Penal Fines	30,796	30,073
Fines and Fees	2,101	1,735
Interest Income	98,125	92,036
Other	9,108	39,796
Total Revenues	1,732,457	1,618,415
Program Expenses:		
Public Library	1,618,814	1,558,903
Change in Net Position	\$ 113,643	\$ 59,512

Library revenues increased 7% over the prior year, with a 7.9% increase in property tax revenues due to increases in taxable values but experienced

a decrease in millage rates resulting from Headlee amendment rollbacks. The Library did receive \$82,909 from the State in reimbursement for the phase out of the personal property tax revenues.

General Fund

The fund financial statement provides a more detailed analysis of the Library operations, which is focused primarily on the current use of available resources.

The General Fund relates to the general governmental activities of the Library, which are financed by property tax levies, by distribution of State shared revenues, penal fines and fees charged. The General Fund's fund balance decreased \$458,514 as compared to a \$13,307 decrease in the prior year. Total expenditures in the General Fund were \$2,190,971 in the current year, including salaries and benefits of \$906,595 or 41%, and books and related materials of \$103,480 or 5%.

General Fund Budgetary Highlights

Oxford Public Library adopts an annual appropriated budget for its general fund, and a budget to actual comparison statement has been provided to demonstrate compliance with this budget. Budget amendments approved during the year resulted in a \$172,969 increase in final budgeted revenues and a \$309,940 increase in final budgeted expenditures mostly for capital improvements and building repairs and maintenance.

Capital Assets

Oxford Public Library's investment in capital assets as of December 31, 2024, amounted to \$2,915,214 (net of accumulated depreciation). This investment in capital assets includes building and improvements, furniture and fixtures, and equipment. For the fiscal year ended December 31, 2024, the Library's additions to capital assets of \$766,458 included major building renovations, new furniture, and the installation of a new generator. Depreciation expense for 2024 was \$195,238.

Economic Factors and Next Year's Budgets and Rates

The Oxford Public Library places an emphasis on implementing and maintaining cost-saving measures that assures its financial future will be long-term versus reactionary. Any future vulnerability in operational revenue reductions could adversely impact end-user programs and services unless the Library Board continues to recognize the use of the Fund Balance as a means of curbing reductions in operational revenue whenever necessary, something the Library has been fortunate to forego in more recent years.

A more viable and sustainable solution would be to ascertain the consensus of its taxpayers to approve a Headlee override. The Library currently operates on two perpetual millages approved by the voters in 1984 and 1995 respectively. There have been no voter-approved increases to the Library's funding in 30 years. A Headlee Override would restore its existing operational millage rate back to 1.85 mills and generate

an additional \$733,000 in estimated revenues based on the 2025 forecasted taxable values of the Charter Township of Oxford.

Instability in financial markets, coupled with inflationary implications, supply chain issues, threats to Federal funding and unknown variables stemming from multiple global conflicts and political uncertainties continue to have an adverse reaction on the market, property values, and interest rates, each impeding the Library's future operational budget. There is reasonable speculation that these economic uncertainties could bring reductions to some, if not all, of the Library's more vulnerable revenue sources, such as Personal Property Tax Reimbursements and Penal Fine Revenue, along with the Library's Real Ad Valorem Property Tax income which makes up most of the Library's operational revenue.

State Revenue, or State Aid to Libraries as it is often referred to, makes up less than 1% of Oxford Public Library's total operating budget. At the present time there continues to be no known immediate threat to State Aid to Libraries. As it is currently defined by law, State Aid to Libraries is distributed on a per capita basis and is directly reflected on the population numbers within the Library's legal service area. Both the Michigan House and Senate have budgeted for an increase to State Aid to Libraries in more recent years. However, the latest State Budget forecasts do not include any increases to this line item. The 2025-2026 draft State Budget forecasts appear to be flat for libraries.

On-going local tax abatements and local tax captures create an environment where Oxford Public Library has become more dependent on its Fund Balance, grants, and other charitable contributions to offset the difference between slow-growing revenues and significant increases in expenditures. Relief in this area came with the passage of a series of bills which were subsequently signed into law by the Governor. These bills were designed to protect libraries from future tax abatements and capture. This was a monumental and historic achievement for the library community throughout the State of Michigan. Albeit a significant improvement, Oxford Public Library is still subject to a current tax capture by the Oxford Downtown Development Authority (DDA). Under current law, the Library must continue to allow the Oxford DDA to capture a portion of its two perpetual millages that are levied for operations until the year 2028, or such time as the DDA's current outstanding debt bond obligations are satisfied, whichever comes first.

Requests for Information

This financial report is designed to provide a general overview of Oxford Public Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Bryan J. Cloutier, Library Director & CEO
Oxford Public Library
530 Pontiac Road
Oxford, Michigan, 48371

BASIC FINANCIAL STATEMENTS

OXFORD PUBLIC LIBRARY
Governmental Fund Balance Sheet/Statement of Net Position
December 31, 2024

	Governmental Fund	Reconciling Items	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 1,116,515	\$ -	\$ 1,116,515
Property Taxes Receivable	1,529,616	-	1,529,616
Capital Assets (net of accumulated depreciation)	-	2,915,214	(a) 2,915,214
Total Assets	\$ <u>2,646,131</u>	\$ <u>2,915,214</u>	<u>5,561,345</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>			
Liabilities:			
Accrued Compensated Absences	\$ -	\$ 45,246	(b) 45,246
Deferred Inflows of Resources:			
Property Taxes Levied for the following year	1,529,616	-	1,529,616
Total Liabilities and Deferred Inflows	<u>1,529,616</u>	\$ <u>45,246</u>	<u>1,574,862</u>
Fund Balance:			
Unassigned	<u>1,116,515</u>		
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ <u>2,646,131</u>		
<u>NET POSITION:</u>			
Net Investment in Capital Assets			2,915,214
Unrestricted			1,071,269
Total Net Position			\$ <u>3,986,483</u>

- (a) Capital assets are expensed in governmental fund financial statements; the acquired assets are capitalized and depreciated in the government-wide statement of net position.
- (b) Certain liabilities, including amounts due for compensated absences, are not due and payable in the current period and therefore are not reported in the governmental fund.

OXFORD PUBLIC LIBRARY
Statement of Governmental Revenues, Expenditures, and
Changes in Fund Balance/Statement of Activities
For the Year Ended December 31, 2024

	Governmental Fund	Reconciling Items	Statement of Activities
<u>Revenues</u>			
Property Taxes	\$ 1,428,636	\$ -	\$ 1,428,636
State Reimbursement	82,909	-	82,909
State Shared Revenue	22,880	-	22,880
Grants and Donations	57,902	-	57,902
Penal Fines	30,796	-	30,796
Fines and Fees	2,101	-	2,101
Interest Income	98,125	-	98,125
Miscellaneous	9,108	-	9,108
Total Revenues	<u>1,732,457</u>	<u>-</u>	<u>1,732,457</u>
<u>Expenditures</u>			
Current:			
Cultural - Library Operations	1,410,793	(937) (b)	1,409,856
Capital Outlay	780,178	(571,220) (a)	208,958
Total Expenditures	<u>2,190,971</u>	<u>(572,157)</u>	<u>1,618,814</u>
Change in Fund Balance/Net Position	(458,514)	572,157	113,643
Fund Balance/Net Position - Beginning	<u>1,575,029</u>	<u>2,297,811</u>	<u>3,872,840</u>
Fund Balance/Net Position - Ending	<u>\$ 1,116,515</u>	<u>\$ 2,869,968</u>	<u>\$ 3,986,483</u>

(a) Capital outlays are expensed in governmental fund financial statements; the acquired assets are capitalized and depreciated in the statement of activities. Capital outlay for the year ended December 31, 2024 was \$766,458 and depreciation expense was \$195,238.

(b) Increase in non-current liability for compensated absences payable is an expense in the statement of activities but is not an expenditure in the governmental funds.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Library provides public library services to the residents of the Charter Township of Oxford, Michigan, as is governed by a six member elected board. As required by generally accepted accounting principles, these financial statements present the Oxford Public Library, which is a component unit of the Charter Township of Oxford.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units.

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

C. 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*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

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 if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library.

Governmental Funds

The Library reports the following major governmental funds:

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

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Library's policy to use unrestricted resources first, then restricted resources as needed.

Estimates

The preparation of financial statements in conformity with 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.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Library to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

2. Capital Assets

Capital assets, which include books and related materials, property and equipment, are defined by the Library as assets with an initial individual cost of more than \$1,000 and an estimated useful life of two years. Computers or property and equipment purchased in groups are combined for the purpose of the capital threshold amount. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the Oxford Public Library are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	10-40
Furniture & Fixtures	7-15
Equipment	5-15

3. Compensated Absences

The Library's policy is to permit the Library Director to accumulate earned but unused sick pay benefits. Accumulated unpaid sick pay amounts are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due for payment. The total liability is recorded in the Statement of Net Position. Management has determined that the total liability at December 31, 2024 is \$45,246.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

4. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

5. Fund Equity

In the fund financial statements, governmental funds report the following components of fund balance:

Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by the Library Board for use for a specific purpose. Commitments are made and can be rescinded only via resolution of the Board.

Assigned – Intent to spend resources on specific purposes expressed by the Library Board.

Unassigned – This is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Library is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The annual budget is prepared by the Library Director and adopted by the Library Board. Subsequent amendments are approved by the Library Board. Unexpended appropriations lapse at year end. During the current year, budget amendments were made and are reflected in the financial statements.

The General Fund budget is adopted at the activity level for the Library activity in total, and on a basis consistent with generally accepted accounting principles.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

The Library has no funds with accumulated fund balance deficits.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

During the year ended December 31, 2024, the Library did not incur expenditures in excess of the amounts appropriated.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law the Library is permitted to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Library is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature 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.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

The Library's cash and investments are subject to several types of risk, which are detailed below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be recovered. The Library does not have a deposit policy for custodial credit risk. As of December 31, 2024 the Library had \$224,030 of bank deposits that were FDIC insured.

Interest Rate Risk

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

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Michigan CLASS Fund	\$ 962,279	81 days
Government Investment Pool	218	312 days

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Library's investment policy does not further limit its investment choices. As of year end, the credit quality ratings of debt securities are as follows:

	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Michigan CLASS Fund	\$ 962,279	AAAm	S&P
Government Investment Pool	218	N/A	N/A

Concentration of Credit Risk

The Library places no limit on the amount it may invest in any one issuer. Approximately 81 percent of the Oxford Public Library's cash and investments are in the Michigan CLASS Fund. The fair value position in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized costs.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

Fair Value Measurements

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Library's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Library holds shares in investment pools whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent). As of December 31, 2024, the Library's investments in the Michigan CLASS Fund (\$962,279) and the Oakland County LGIP (\$218) are measured at net asset value (NAV), and do not require a redemption notice period. The Oakland County Investment Pool is a portfolio combining investments in U.S. government securities, certificates of deposit, and cash equivalents. These investments are made in conformance with PA 20 of 1943 and the Oakland County Investment Policy. This investment policy demands three standards for investing safety of principal, liquidity of investment, and return on investment.

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, being depreciated:				
Building and Improvements	\$ 4,872,267	\$ 201,613	\$ -	\$ 5,073,880
Furniture and Fixtures	1,000,613	238,325	-	1,238,938
Equipment	225,677	326,520	-	552,197
	<u>6,098,557</u>	<u>766,458</u>	<u>-</u>	<u>6,865,015</u>
Less: Accumulated Depreciation:				
Building and Improvements	(2,791,348)	(143,523)	-	(2,934,871)
Furniture and Fixtures	(861,671)	(44,022)	-	(905,693)
Equipment	(101,544)	(7,693)	-	(109,237)
	<u>(3,754,563)</u>	<u>(195,238)</u>	<u>-</u>	<u>(3,949,801)</u>
Governmental Activities Capital Assets, net	<u>\$ 2,343,994</u>	<u>\$ 571,220</u>	<u>\$ -</u>	<u>\$ 2,915,214</u>

Total Depreciation Expense charged to the Statement of Activities
for the fiscal year ended December 31, 2024 is \$195,238.

C. Long-Term Debt

The following is a summary of long-term debt transactions of the Library for the
year ended December 31, 2024:

	<u>Balance Jan. 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2024</u>
Compensated Absences	\$ <u>46,183</u>	\$ <u>-</u>	\$ <u>937</u>	\$ <u>45,246</u>

OXFORD PUBLIC LIBRARY
Notes to Financial Statements
December 31, 2024

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Property Taxes

Property taxes are assessed as of each December 31. The Library tax levy is billed on December 1 of the following year. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The Library was originally authorized to levy 1.8500 mills which has been rolled back to a maximum authorized operating levy of 1.2962 mills for the 2023 tax roll.

IV. OTHER INFORMATION

A. Defined Contribution Retirement Plan

The Library contributes to a defined contribution retirement plan which covers all full time employees. A defined contribution plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to a participant's account and the returns on investments of these contributions. Contributions made by the Library vest immediately. The Library contributes 5% of the full time employees gross earnings to the plan. The Plan is held by American Funds and there are 13 participants in the plan. In accordance with these requirements, the Library contributed \$49,380 for the fiscal year ended December 31, 2024.

B. Risk Management

The Library is a member of the Michigan Township Participating Plan for its property and casualty insurance coverage and maintains commercial insurance coverage for workers compensation, and accidental death, dismemberment and disability liabilities. The Library believes such coverage is sufficient to preclude any significant uninsured losses to the Library. Settled claims have not exceeded this coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

OXFORD PUBLIC LIBRARY
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
Property Taxes	\$ 1,410,000	\$ 1,428,636	\$ 1,428,636	\$ -
State Reimbursement	60,000	82,909	82,909	-
State Aid	21,000	22,800	22,880	80
Grants and Donations	8,000	57,902	57,902	-
Penal Fines	25,000	30,796	30,796	-
Fines and Fees	2,000	1,800	2,101	301
Interest Income	25,000	94,298	98,125	3,827
Other	4,001	8,829	9,108	279
Total Revenues	<u>1,555,001</u>	<u>1,727,970</u>	<u>1,732,457</u>	<u>4,487</u>
Expenditures:				
Salaries & Wages	785,000	745,000	749,087	(4,087)
Fringe Benefits	181,500	162,744	157,508	5,236
Supplies	17,500	12,000	11,551	449
Collection Development	147,000	117,656	103,480	14,176
Cooperative Services	43,096	43,152	41,597	1,555
Memberships and Dues	2,700	2,107	2,107	-
Public Relations/Marketing	35,000	33,000	31,382	1,618
Programming	17,000	24,400	24,493	(93)
Operating Expense	10,000	8,500	8,315	185
Repairs and Maintenance	102,000	108,000	105,958	2,042
Professional Fees	4,000	4,500	4,500	-
Insurance	23,000	25,002	25,002	-
Transportation	2,500	1,200	957	243
Utilities	93,500	85,374	78,909	6,465
Technology	60,000	67,000	65,666	1,334
Miscellaneous	28,421	306	281	25
Capital Outlay	377,784	800,000	780,178	19,822
Total Expenditures	<u>1,930,001</u>	<u>2,239,941</u>	<u>2,190,971</u>	<u>48,970</u>
Net Change in Fund Balance	(375,000)	(511,971)	(458,514)	53,457
Fund Balance - Beginning	<u>1,575,029</u>	<u>1,575,029</u>	<u>1,575,029</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,200,029</u>	<u>\$ 1,063,058</u>	<u>\$ 1,116,515</u>	<u>\$ 53,457</u>