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TO: Plymouth District Library Board
RE: 2025 Financial Audit


DATE: May 8, 2026
FROM: Dana Porter, Maner
Costerisan

PLEASE SEE
PDL 2025 BOARD REPORT and
PDL 2025 FINANCIAL STATEMENTS
UNDER SEPARATE COVER



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #210,
Grand Rapids, MI 49546

 517.323.7500

May 8, 2026

To the Board of Trustees of the
Plymouth District Library
Plymouth, Michigan

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Plymouth District Library for the year ended December 31, 2025. 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 March 9, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plymouth District Library are described in Note 1 to the financial statements. As described in Note 9 to the financial statements, the entity adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*, during the year ended December 31, 2025. The implementation of GASB Statement No. 102 did not have a material impact on the Library's financial statements. We noted no transactions entered into by the Plymouth District 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 financial statements were:

Management's calculation of the depreciation/amortization expense is based on the estimated useful lives of the capital assets.

Management's calculation of the accrued compensated absences is based on current hourly rates, historical usage, and policies regarding payment of sick and vacation banks while the current and noncurrent portions of compensated absences was based on an estimate of the percentage of employees' use of compensated absences.

Management's estimate of the discount rate used for leases and subscription-based information technology arrangements, the lease/subscription term and lease/subscription payments are based on the Library's incremental borrowing rate and consideration of the noncancelable period of the lease/subscription and reasonably certain lease/subscription options.

Investments are carried at fair value, which is defined as the amount that Plymouth District Library could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller and is generally measured by quoted market prices.

The calculation of the net pension liability and related deferred outflows and inflows of resources is based on an actuarial study which utilized certain actuarial assumptions.

The calculation of the net other post-employment benefits asset and related deferred outflows and inflows of resources is based upon an actuarial study which utilized certain actuarial assumptions.

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

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. No misstatements were detected as a result of audit procedures.

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 May 8, 2026.

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 Plymouth District 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 Plymouth District 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 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 management and members of the Library Board of Trustees of the Plymouth District Library and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costeiran PC

Lansing, Michigan

**PLYMOUTH DISTRICT LIBRARY
PLYMOUTH, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)**

YEAR ENDED DECEMBER 31, 2025


TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
BASIC FINANCIAL STATEMENTS.....	8
Government-wide Financial Statements	
Statement of Net Position.....	9
Statement of Activities	10
Governmental Fund Financial Statements	
Balance Sheet	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	14
Fiduciary Fund	
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position.....	16
Notes to Financial Statements	17-40
REQUIRED SUPPLEMENTARY INFORMATION.....	41
General Fund	
Budgetary Comparison Schedule	42
Defined Benefit Pension Plan	
Schedule of Changes in Library's Net Pension Liability and Related Ratios.....	43
Schedule of Library's Pension Contributions	44
Other Post-Employment Benefits Plan	
Schedule of Changes in Library's Net OPEB Asset and Related Ratios	45
Schedule of Library's OPEB Contributions	46
Notes to Required Supplementary Information	47-48



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Plymouth District Library
Plymouth, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Plymouth District Library (the Library) as of and for the year ended December 31, 2025, 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, the major fund, and the aggregate remaining fund information of the Plymouth District Library as of December 31, 2025, 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.

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

Manes Costeiran PC

Lansing, Michigan
May 8, 2026

PLYMOUTH DISTRICT LIBRARY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Plymouth District Library (the Library), we offer this discussion and analysis of the activities of the Library for the year ended December 31, 2025.

The discussion and analysis of financial performance provides an overview of the Library's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the Library's financial statements, which immediately follow this section.

Financial Highlights

The following represents the most significant financial highlights for the year ended December 31, 2025:

- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by \$14,763,570 (net position) at the government-wide level.
- The Library's total net position increased by \$999,204 as a result of current year activity at the government-wide level.
- At the close of the fiscal year, the Library's governmental fund reported a fund balance of \$2,702,757.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (government-wide financial statements) provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view that tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Library in more detail than the government-wide financial statements by providing information about the Library's fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

**PLYMOUTH DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Library as a Whole

The following table shows, in a condensed comparative format, the net position as of December 31, 2025 and 2024.

	<u>2025</u>	<u>Restated 2024</u>
ASSETS		
Current and other assets	\$ 9,961,975	\$ 9,601,878
Capital assets, net	<u>11,810,605</u>	<u>10,684,028</u>
TOTAL ASSETS	<u>21,772,580</u>	<u>20,285,906</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>536,628</u>	<u>909,102</u>
LIABILITIES		
Current liabilities	409,506	458,686
Noncurrent liabilities	<u>1,807,987</u>	<u>2,114,687</u>
TOTAL LIABILITIES	<u>2,217,493</u>	<u>2,573,373</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,328,145</u>	<u>4,857,269</u>
NET POSITION		
Net Investment in capital assets	11,747,725	10,663,900
Restricted for OPEB	2,252,459	809,034
Unrestricted	<u>763,386</u>	<u>2,291,432</u>
TOTAL NET POSITION	<u>\$ 14,763,570</u>	<u>\$ 13,764,366</u>

As previously stated, the total net position of the Plymouth District Library at the end of this fiscal year was \$14,763,570. Of the total net position at the end of the fiscal year, \$763,386 is considered unrestricted net position (available to finance the day-to-day operations), \$2,252,459 is restricted for OPEB, and \$11,747,725 was invested in capital assets, net of related debt.

The following table shows the changes in net position in a comparative format for the year ended December 31, 2025, and the year ended December 31, 2024, respectively.

	<u>2025</u>	<u>Restated 2024</u>
REVENUES		
Program revenues		
Charges for services	\$ 12,342	\$ 15,027
Operating grants and contributions	120,944	185,992
General revenues		
Property taxes	4,302,564	4,086,150
Local community stabilization	162,514	161,871
State aid and penal fines	44,504	71,279
Investment earnings	165,428	186,025
Other	<u>11,328</u>	<u>8,985</u>
TOTAL REVENUES	<u>4,819,624</u>	<u>4,715,329</u>
EXPENSES		
Recreation and culture	3,819,024	4,739,691
Interest on long-term debt	<u>1,396</u>	<u>1,399</u>
TOTAL EXPENSES	<u>3,820,420</u>	<u>4,741,090</u>
Change in net position	<u>\$ 999,204</u>	<u>\$ (25,761)</u>

**PLYMOUTH DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Activities

The Library's governmental revenues totaled \$4,819,624 with the greatest revenue source being property taxes which encompasses approximately 89% of the total revenues. Property taxes increased approximately 5% due to increases in taxable values. Operating grants and contributions decreased \$65,048 or 35% primarily due to a reduction in donations received. Investment earnings decreased \$20,597, or 11% due to having less funds available for investment during the current year.

The Library incurred expenses of \$3,820,420 during the year. As a special purpose government entity, all of the governmental expenses incurred are associated with the library service function. Total expenses decreased \$920,670, or 19% primarily due to an adjustment for OPEB benefits.

Governmental Fund

The Library has one governmental fund: the General Fund. Operations of the General Fund are financed from local property taxes, penal fines, state aid, and other various resources.

As of the fiscal year end, the General Fund reported a fund balance of \$2,702,757, a decrease of about 31% from the prior fiscal year. A common suggested benchmark for the spendable (assigned and unassigned fund balance) is 15 to 20% of expenditures and other financing uses, or about two months of service. At \$2,573,256, the spendable fund balance in the General Fund represents 42% of annual expenditures.

The following table shows, in a condensed comparative format, the fund balance for the General Fund as of December 31, 2025 and 2024.

	2025	2024
REVENUES		
Property taxes	\$ 4,302,564	\$ 4,086,150
State sources	207,018	199,946
Library materials fines and fees	4,000	6,764
Penal fines	-	33,204
Investment earnings	165,428	186,025
Local grants	25,838	47,150
Contributions and donations	95,106	138,842
Other	19,670	17,248
TOTAL REVENUES	4,819,624	4,715,329
EXPENDITURES		
Recreation and culture	3,937,891	3,668,720
Capital outlay	2,159,391	813,434
Debt service	26,026	33,652
TOTAL EXPENDITURES	6,123,308	4,515,806
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,303,684)	199,523
OTHER FINANCING SOURCES		
SBITA issuance	67,382	-
NET CHANGE IN FUND BALANCE	(1,236,302)	199,523
Fund balance, beginning of year	3,939,059	3,739,536
Fund balance, end of year	\$ 2,702,757	\$ 3,939,059

**PLYMOUTH DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Budgetary Highlights

The Library amended the budget at various times during the fiscal year. The total budgeted revenue and expenditures were increased by \$322,000 and \$1,097,000, respectively. The most significant budget adjustments were to increase property tax and capital outlay expenditures.

The Library's final amended budget for revenue and other financing sources was \$4,912,000 and actual revenue and other financing sources for the period was \$4,887,006, which is \$24,994 less than the final budget, primarily related to penal fines and SBITA issuance.

The Library's final amended budget for expenditures was \$7,187,000 and actual expenditures for the period were \$6,123,308, which is \$1,063,692 less than the final budget, primarily related to construction to the Library building not being completed during the fiscal year.

Capital Assets

As of December 31, 2025, the Library's investment in capital assets includes, construction in progress, land, building and improvements, equipment, books, furniture and fixtures, land improvements, right-to-use equipment, and right-to-use software. During the year the Library invested \$1,921,495 in various capital assets including construction in progress, collection materials, and furniture and fixtures. The Library also recognized \$613,687 in depreciation/amortization on capital assets in service. Refer to Note 3 of the notes to the financial statements for more detailed information related to capital assets.

The summary of capital assets below shows the net capital assets for the governmental activities as of December 31, 2025:

	<u>December 31, 2024</u>	<u>Change</u>	<u>December 31, 2025</u>
Land	\$ 765,210	\$ -	\$ 765,210
Construction in progress	-	1,270,001	1,270,001
Buildings and improvements, net	8,518,656	(364,154)	8,154,502
Equipment, net	188,983	(50,413)	138,570
Books, net	811,690	(73,380)	738,310
Furniture and fixtures, net	82,943	286,076	369,019
Land improvements, net	296,418	(11,857)	284,561
Right to use - equipment, net	20,128	(7,104)	13,024
Right to use - software, net	-	77,408	77,408
	<u> </u>	<u> </u>	<u> </u>
Capital assets, net	<u>\$ 10,684,028</u>	<u>\$ 1,126,577</u>	<u>\$ 11,810,605</u>

Long-term Obligations

During the year the Library issued \$67,382 in subscriptions payable and made scheduled debt service payments of \$24,630 on leases and subscriptions. The following is a summary of long-term obligations:

	<u>December 31, 2024</u>	<u>Change</u>	<u>December 31, 2025</u>
Direct borrowing and direct placements	\$ 20,128	\$ 42,752	\$ 62,880
Compensated absences	82,868	7,660	90,528
	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	<u>\$ 102,996</u>	<u>\$ 50,412</u>	<u>\$ 153,408</u>

**PLYMOUTH DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Economic Factors and Next Year's Budget

Tax capture remains the primary revenue source for the operation of the Plymouth District Library. Between 1985-1994 voters approved a millage of 1.7000 in perpetuity to support library services, however, Headlee Rollbacks following the Great Recession decreased the Library's 2024 millage rate to 1.4234, which determines property tax revenue to be levied and collected related to the Library's year ending December 31, 2026.

Planned improvements and repairs to the Library building are currently wrapping up. Projects to increase the Library's energy efficiency are planned for future fiscal years to make the institution less vulnerable to increasing utility costs.

Contacting the Library's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Library Director's Office at 223 S. Main St, Plymouth, MI 48170.

BASIC FINANCIAL STATEMENTS

**PLYMOUTH DISTRICT LIBRARY
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 3,342,370
Receivables	
Accounts	55,395
Property taxes	4,182,250
Prepays	<u>129,501</u>
Total current assets	<u>7,709,516</u>
Noncurrent assets	
Net other post-employment benefits asset	2,252,459
Capital assets not being depreciated/amortized	2,035,211
Capital assets, net of accumulated depreciation/amortization	<u>9,775,394</u>
Total noncurrent assets	<u>14,063,064</u>
TOTAL ASSETS	<u>21,772,580</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension	95,443
Deferred outflows of resources related to OPEB	<u>441,185</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>536,628</u>
LIABILITIES	
Current liabilities	
Accounts payable	73,433
Accrued wages	25,762
Accrued liabilities	276,574
Current portion of compensated absences	9,053
Current portion of long-term debt	<u>24,684</u>
Total current liabilities	<u>409,506</u>
Noncurrent liabilities	
Noncurrent portion of compensated absences	81,475
Noncurrent portion of long-term debt	38,196
Net pension liability	<u>1,688,316</u>
Total noncurrent liabilities	<u>1,807,987</u>
TOTAL LIABILITIES	<u>2,217,493</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for subsequent period	4,586,990
Deferred inflows of resources related to pension	321,583
Deferred inflows of resources related to OPEB	<u>419,572</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,328,145</u>
NET POSITION	
Net investment in capital assets	11,747,725
Restricted for OPEB	2,252,459
Unrestricted	<u>763,386</u>
TOTAL NET POSITION	<u>\$ 14,763,570</u>

See accompanying notes to financial statements.

**PLYMOUTH DISTRICT LIBRARY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Function/Program	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Recreation and culture	\$ 3,819,024	\$ 12,342	\$ 120,944	\$ (3,685,738)
Interest on long-term debt	1,396	-	-	(1,396)
Total governmental activities	<u>\$ 3,820,420</u>	<u>\$ 12,342</u>	<u>\$ 120,944</u>	<u>(3,687,134)</u>
General revenues				
Property taxes				4,302,564
Local community stabilization				162,514
State aid and penal fines				44,504
Investment earnings				165,428
Other				<u>11,328</u>
Total general revenues				<u>4,686,338</u>
Change in net position				999,204
Net position, beginning of year				<u>13,764,366</u>
Net position, end of year				<u>\$ 14,763,570</u>

See accompanying notes to financial statements.

**PLYMOUTH DISTRICT LIBRARY
GOVERNMENTAL FUND
BALANCE SHEET
DECEMBER 31, 2025**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 3,342,370
Receivables	
Accounts	55,395
Property taxes	4,182,250
Prepays	<u>129,501</u>
TOTAL ASSETS	<u><u>\$ 7,709,516</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 73,433
Accrued wages	25,762
Other accrued liabilities	<u>276,574</u>
TOTAL LIABILITIES	<u>375,769</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for subsequent period	4,586,990
Unavailable revenue	<u>44,000</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,630,990</u>
FUND BALANCE	
Nonspendable - prepaids	129,501
Assigned	
Unforeseen events/disasters	1,525,362
Capital improvements	700,000
Unassigned	<u>347,894</u>
TOTAL FUND BALANCE	<u>2,702,757</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCE	<u><u>\$ 7,709,516</u></u>

See accompanying notes to financial statements.

**PLYMOUTH DISTRICT LIBRARY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025**

Total Fund Balance - Governmental Fund \$ 2,702,757

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund.

The cost of capital assets is	\$ 21,824,224	
Accumulated depreciation/amortization is	<u>(10,013,619)</u>	
Capital assets, net		11,810,605

Long-term receivables are not available to pay for current period expenditures and, therefore, are considered unavailable in the funds. These consist of:

Unavailable revenue		44,000
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Governmental funds report actual pension/OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability/net OPEB asset as of the measurement date. Resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Net pension liability	(1,688,316)	
Net other post-employment benefits asset	2,252,459	
Deferred outflows of resources related to pension	95,443	
Deferred inflows of resources related to pension	(321,583)	
Deferred outflows of resources related to OPEB	441,185	
Deferred inflows of resources related to OPEB	<u>(419,572)</u>	
		359,616

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund balance sheet. Long-term liabilities at year-end consist of:

Compensated absences	(90,528)	
Long-term debt	<u>(62,880)</u>	
		<u>(153,408)</u>

Net Position of Governmental Activities \$ 14,763,570

**PLYMOUTH DISTRICT LIBRARY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025**

	General Fund
REVENUES	
Property taxes	\$ 4,302,564
State sources	207,018
Library materials fines and fees	4,000
Investment earnings	165,428
Local grants	25,838
Contributions and donations	95,106
Other	19,670
TOTAL REVENUES	4,819,624
EXPENDITURES	
Current	
Recreation and culture	
Salaries and wages	2,353,872
Employee benefits	718,318
Supplies	74,351
Contracted services	307,472
Communications	20,019
Insurance	72,515
Repairs and maintenance	120,085
Utilities	148,850
Travel and training	26,295
Community promotion	94,225
Other	1,889
Capital outlay	
Collections	463,793
Library improvements	1,695,598
Debt service	
Principal	24,630
Interest	1,396
TOTAL EXPENDITURES	6,123,308
EXCESS OF REVENUES (UNDER) EXPENDITURES	(1,303,684)
OTHER FINANCING SOURCES	
SBITA issuance	67,382
NET CHANGE IN FUND BALANCE	(1,236,302)
Fund balance, beginning of year	3,939,059
Fund balance, end of year	\$ 2,702,757

See accompanying notes to financial statements.

**PLYMOUTH DISTRICT LIBRARY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Net Change in Fund Balance - Governmental Fund \$ (1,236,302)

Amounts reported for the governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. In the current period, these amounts are:

Capital outlay	\$ 1,921,495
Net book value of disposed capital assets	(181,231)
Depreciation/amortization expense	<u>(613,687)</u>

Excess of capital outlay over depreciation/amortization expense and other items 1,126,577

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Increase in unavailable revenue 44,000

Repayments of long-term debt issuance of long-term debt are reported as expenditures or other financing sources/uses in governmental funds, but the repayments decrease long-term liabilities and borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Issuance of debt	(67,382)
Principal retirement	<u>24,630</u>

(42,752)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These activities consist of:

(Increase) in accrued compensated absences	(7,660)
Decrease in net pension liability	338,766
Increase in net other post-employment benefits asset	1,443,425
(Decrease) in deferred outflows of resources related to pension	(249,101)
(Increase) in deferred inflows of resources related to pension	(96,279)
(Decrease) in deferred outflows of resources related to OPEB	(123,373)
(Increase) in deferred inflows of resources related to OPEB	<u>(198,097)</u>

1,107,681

Change in Net Position of Governmental Activities \$ 999,204

See accompanying notes to financial statements.

**PLYMOUTH DISTRICT LIBRARY
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025**

	VEBA Trust
ASSETS	
Cash and cash equivalents	\$ 71,429
Investments	3,364,658
TOTAL ASSETS	3,436,087
LIABILITIES	-
NET POSITION	
Restricted	
Other post-employment benefits	\$ 3,436,087

See accompanying notes to financial statements.

**PLYMOUTH DISTRICT LIBRARY
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025**

	<u>VEBA Trust</u>
ADDITIONS	
Employer contributions	\$ 1,560
Interest and dividends	88,813
Unrealized gains on securities	<u>397,301</u>
TOTAL ADDITIONS	<u>487,674</u>
DEDUCTIONS	
Benefit payments	89,560
Administrative expenses	<u>19,475</u>
TOTAL DEDUCTIONS	<u>109,035</u>
NET CHANGE IN FIDUCIARY NET POSITION	378,639
Net Position, beginning of year	<u>3,057,448</u>
Net Position, end of year	<u><u>\$ 3,436,087</u></u>

See accompanying notes to financial statements.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Plymouth District Library (the Library) was created in 1986, through a resolution put before voters calling for the establishment of a library under provisions of state law. Public Act 24 defines the Library's legal status as "an Authority under Section 6 of Article IX of the State Constitution of 1963" thereby classifying the Library as a Michigan Municipal Corporation. The Library's governmental participants collect and distribute property taxes that are levied by the Library.

The Library is governed by a seven-member Board of Trustees; who are elected by the citizens of the library district, which consists of Plymouth Township and the City of Plymouth.

The financial statements of the Library have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The Library's more significant accounting policies are described below.

Reporting Entity

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

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the Library as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements).

The statement of activities presents the direct functional expenses of the Library and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State aid payments and other general revenues and shows how governmental functions are either self-financing or supported by the general revenues of the Library.

FUND FINANCIAL STATEMENTS

The fund financial statements present the Library's individual major fund. Separate financial statements are provided for the governmental fund and the fiduciary fund, even though the latter are excluded from the government-wide financial statements. The General Fund is the general operating fund of the Library. It is used to account for all financial resources used to provide library services. General Fund activities are financed by revenue from general property taxes, penal fines, state aid, and other sources. The VEBA Trust Fund accounts for the assets held in trust to fund future medical insurance for eligible retirees and their beneficiaries.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

The government-wide and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as receivable and unavailable revenue. Significant revenues susceptible to accrual are leases, taxes, certain intergovernmental revenues, and charges for services. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

The governmental-wide and fiduciary fund financial statements are reported using the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the Library to disburse fiduciary resources.

Budgets and Budgetary Accounting

The budget shown as required supplementary information to the financial statements was prepared on a basis consistent with U.S. generally accepted accounting principles and the basis used to reflect actual results. The Library does not maintain a formalized encumbrance accounting system. All annual appropriations lapse at fiscal year-end.

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to December 1, the Library Director prepares the proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and resources to finance them.
- b. Prior to incurring significant expenditures, the budget is legally enacted through Library Board action.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting (continued)

- c. The budget is legally adopted at the functional level; however, it is maintained at the account level for control purposes.
- d. Budgeted amounts are reported as originally adopted or amended by the Library Board during the year.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of checking, savings, and money market accounts, and short-term investments with original maturity of less than 90 days. Investments consist of mutual funds. Cash equivalents and investments are stated at fair value.

In accordance with Michigan Compiled Laws, the Library is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or Federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.
- g. Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables

Receivables, when applicable, consist of amounts due for contributions, book fines, and taxes.

Prepays

Prepaid expenditures in the governmental fund, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by the nonspendable fund balance, which indicates they do not constitute “available spendable resources” even though they are a component of fund balance.

Capital Assets

Capital assets are recorded (net of accumulated depreciation) in the government-wide financial statements. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental fund. Instead, capital acquisition and construction are reflected as expenditures in the governmental fund and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Land and construction in progress are not depreciated. Right-to-use assets are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Depreciation/amortization is computed using the straight-line method over the following useful lives:

Buildings and improvements	10 - 50 years
Equipment	5 - 10 years
Books	10 years
Furniture and fixtures	3 - 20 years
Land improvements	20 years
Right-to-use - equipment	5 years
Right-to-use - software	3 years

Net Other Post-Employment Benefits Asset

The Library offers other post-employment benefits (OPEB) for retiree healthcare and benefits to its employees. The Library records a net OPEB asset for the difference between the total OPEB liability calculated by the actuary and the OPEB plan’s fiduciary net position. For the purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows 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 and so will not be recognized as an outflow of resources (expense) until that time.

In addition to liabilities, the statement of net position and the balance sheet, 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/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Library reports deferred outflows of resources and deferred inflows of resources which correspond to the Library's net pension liability and net OPEB asset and are related to differences between expected and actual experience, changes in assumptions, and differences between projected and actual plan investment earnings. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply.

The Library also reports deferred inflows of resources which arise only under a modified accrual basis of accounting and qualify for reporting in this category. Accordingly, unavailable revenue is reported on the governmental fund balance sheet for revenues collected subsequent to 60 days after year end. These amounts are recognized as an inflow of resources in the period in which the amounts become available.

Lastly, the Library reports deferred inflows of resources related to the deferral of property taxes that have been levied on December 1 to support the following year's budget and will be recognized in the following year. These amounts are reported on the governmental fund balance sheet and full accrual statement of net position and recognized as an inflow of resources in the period in which the amounts become available.

Long-term Obligations

Long-term obligations are recognized as a liability in the government-wide financial statements when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term obligations are recognized as a liability of a governmental fund when due or when resources have been accumulated for a payment early in the following year. 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.

Compensated Absences

The Library recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during, or upon separation from, employment. The liability for compensated absences, including salary-related benefits (if applicable), is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental fund only if the liability has matured because of employee resignations or retirements.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases and Subscription-based Information Technology Arrangements (SBITA)

The Library is a lessee/subscriber for noncancelable leases of equipment and subscription of cloud-based software. The Library recognizes lease/SBITA liabilities and intangible right-to-use assets in the government-wide financial statements. The Library recognizes lease/SBITA liabilities that are considered material and have an initial, individual value that the Library would recognize as a capital asset.

At the commencement of the lease/subscription, the Library initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of lease/SBITA payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before the lease/SBITA commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over the shorter of the lease/SBITA period or the estimated useful life.

Key estimates and judgements related to leases/SBITA include how the Library determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

- a. The Library uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Library generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITA.
- b. The lease/SBITA term includes the noncancelable period of the lease/SBITA. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the Library is reasonably certain to exercise.

The Library monitors changes in circumstances that would require a remeasurement of its leases/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations on the statement of net position.

Net Pension Liability

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

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes

The municipalities within the Library's jurisdictional territory levy taxes each December 1 and collect property taxes for the Library annually. As the Library tax is collected, it is remitted by the Township and City Treasurers. At March 1 each year the Townships and City settle their delinquent taxes with the County Treasurer and the unpaid real property tax is remitted to the Library by the County Treasurer in Wayne County. Delinquent personal property taxes are retained by the Township and City Treasurers for subsequent collection. The Library is permitted to levy up to \$1.4280 per \$1,000 of assessed valuation on property within the District. For the year ended December 31, 2025, the Library levied 1.4280 mills. The total taxable value for the 2024 levy on the property within the District was \$3,088,577,599.

Although the Library's 2025 tax is levied and collectible on December 1, 2025, it is the Library's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of the levy are budgeted and made available for the financing of Library operations.

Tax Abatements

The Library's tax revenues have been reduced by tax abatements. Management has determined the amount of any tax abatements to be immaterial to the financial statements.

Fund Balance Classifications

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF LIBRARY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classification Policies and Procedures

For committed fund balance, the Library’s highest level of decision-making authority is the Library Board of Trustees. Formal action that is required to be taken to establish a fund balance commitment is a resolution of the Library Board.

For assigned fund balance, the Library Board of Trustees has delegated the authority to assign amounts to the Library Director.

The Library has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first, therefore, restricted resources will be used first, then unrestricted if they are needed.

Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate restrictions imposed by the funding source or some other outside source which preclude their use for unrestricted purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The deposits and investments referred to below have been reported in either the cash and cash equivalents and/or investment captions on the financial statements, based upon criteria disclosed in Note 1. The following summarizes the categories of these amounts as of December 31, 2025.

	Governmental Activities	Fiduciary Fund	Reporting Entity
Cash and cash equivalents	\$ 3,342,370	\$ 71,429	\$ 3,413,799
Investments	-	3,364,658	3,364,658
	\$ 3,342,370	\$ 3,436,087	\$ 6,778,457

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

As of December 31, 2025, the Library had deposits and investments summarized by the following categorization:

Deposits	
Checking and savings	\$ 318,500
Money market	536,087
Petty cash	710
Investments	<u>5,923,160</u>
 Total	 <u><u>\$ 6,778,457</u></u>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. As of December 31, 2025, \$208,576 of the Library's bank balance of \$837,500 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library will minimize custodial credit risk, by diversifying its investments by institution to ensure that potential losses on individual securities do not exceed the income generated by the remainder of the portfolio.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of December 31, 2025, the Library's investment in Michigan CLASS investment pool was rated AAAM by S&P Global Ratings.

Interest Rate Risk

The Library will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Library's cash requirements. As of December 31, 2025, the Library's investment in the Michigan CLASS investment pool had a weighted average maturity of 40 days.

Concentration of Credit Risk

The Library will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Library's investment in a single issuer, by diversifying the investment portfolio either by security type or institution to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

The Library is not authorized to invest in investments which have this type of risk.

Fair Value Measurement

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 inputs 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 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).

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy.

As of December 31, 2025, the carrying amount and fair values for the investments are as follows:

Investment Type	Level 1	Level 2	Level 3	Total
Bond mutual funds	\$ 945,185	-	-	\$ 945,185
Equity mutual funds	1,935,095	-	-	1,935,095
International mutual funds	484,378	-	-	484,378
	<u>\$ 3,364,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,364,658</u>

Investments in Entities that Calculate Net Asset Value per Share

The Library holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value per Share (continued)

At December 31, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Michigan CLASS investment pool	\$ 2,558,502	\$ -	No restrictions	None

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

	<u>Restated Balance January 1, 2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2025</u>
Capital assets not being depreciated				
Land	\$ 765,210	\$ -	\$ -	\$ 765,210
Construction in progress	-	1,270,001	-	1,270,001
Subtotal	<u>765,210</u>	<u>1,270,001</u>	<u>-</u>	<u>2,035,211</u>
Capital assets being depreciated/amortized				
Buildings and improvements	14,889,385	-	(1,827)	14,887,558
Equipment	719,000	25,472	(146,000)	598,472
Books	2,086,700	226,660	(584,068)	1,729,292
Furniture and fixtures	1,946,379	304,752	(103,988)	2,147,143
Land improvements	296,418	-	-	296,418
Right-to-use - equipment	35,520	-	-	35,520
Right-to-use - software	-	94,610	-	94,610
Subtotal	<u>19,973,402</u>	<u>651,494</u>	<u>(835,883)</u>	<u>19,789,013</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(6,370,729)	(363,849)	1,522	(6,733,056)
Equipment	(530,017)	(75,885)	146,000	(459,902)
Books	(1,275,010)	(121,885)	405,913	(990,982)
Furniture and Fixtures	(1,863,436)	(15,905)	101,217	(1,778,124)
Land improvements	-	(11,857)	-	(11,857)
Right-to-use - equipment	(15,392)	(7,104)	-	(22,496)
Right-to-use - software	-	(17,202)	-	(17,202)
Subtotal	<u>(10,054,584)</u>	<u>(613,687)</u>	<u>654,652</u>	<u>(10,013,619)</u>
Net capital assets being depreciated/amortized	<u>9,918,818</u>	<u>37,807</u>	<u>(181,231)</u>	<u>9,775,394</u>
Capital assets, net	<u>\$ 10,684,028</u>	<u>\$ 1,307,808</u>	<u>\$ (181,231)</u>	<u>\$ 11,810,605</u>

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Library for the year ended December 31, 2025:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025	Due Within One Year
Direct borrowings/placements					
Subscription payable	\$ -	\$ 67,382	\$ (17,526)	\$ 49,856	\$ 17,580
Lease payable	20,128	-	(7,104)	13,024	7,104
Other long-term obligations					
Compensated absences*	82,868	7,660	-	90,528	9,053
	<u>\$ 102,996</u>	<u>\$ 75,042</u>	<u>\$ (24,630)</u>	<u>\$ 153,408</u>	<u>\$ 33,737</u>

*The change in compensated absences liability is presented as a net change

The Library's outstanding notes from direct borrowings and direct placements related to governmental activities, contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentations is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

Significant details regarding outstanding long-term obligations (including current portion) are presented below:

\$35,520 Lease payable for copier equipment dated November 2022, due in monthly installments of \$592 through October 22, 2027.	\$ 13,024
\$67,382 Subscription-based information technology arrangement for software dated May 2025, due in annual installments ranging from \$17,580 to \$17,691 through December 31, 2028, including interest of 3.99%, payable monthly.	<u>49,856</u>
	<u>\$ 62,880</u>

The following is a summary of annual debt service requirements to maturity for the above obligations:

Year Ending December 31,	Direct Borrowing/Placements		
	Principal	Interest	Total
2026	\$ 24,684	\$ 1,414	\$ 26,098
2027	23,555	749	24,304
2028	14,641	59	14,700
	<u>\$ 62,880</u>	<u>\$ 2,222</u>	<u>\$ 65,102</u>

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Compensated Absences

The Library recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, multiple types of leave qualify for recognition as a compensated absences liability. This liability, including salary related benefits, has been accrued on the government-wide financial statements.

NOTE 5 - ASSETS HELD AT THE COMMUNITY FOUNDATION

There are two endowment funds administered by the Community Foundation for Southeast Michigan (CFSEM) for the benefit of the Library. The CFSEM is a public charity that is funded through donations by a large number of contributors. Although the Library does not control the assets held at the CFSEM, by agreement, the purpose of the endowment funds is to provide support and furtherance of programs and activities of Plymouth District Library. Accordingly, the Library has not recorded these assets in its financial statements. Revenue is recorded when distributions are received from the CFSEM.

A summary of changes in assets held at the CFSEM are as follows:

Balance at December 31, 2024	\$ 1,149,208
Contributions	1,910
Investment earnings, net of fees	155,026
Distributions	<u>(48,537)</u>
Balance at December 31, 2025	<u>\$ 1,257,607</u>

Each year, the Library can withdraw 4.5% of the average of the prior twelve quarters-end market value through June 30 of the previous year. As of December 31, 2025, the amount available to draw in 2026 approximated \$49,020.

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN

Plan Description

The Library participates in the Municipal Employees' Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing MERS website at www.mersofmich.com.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Summary of Significant Accounting Policies

For the 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 Municipal Employees' Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

Benefits Provided

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

Retirement benefits for employees are calculated as 2.00% of the employee's five-year final average compensation times the employee's years of service with no maximum. Normal retirement age is 60 with an unreduced benefit at age 55 with 25 years of service, a reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service. Deferred retirement benefits vest after 8 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 6 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Library Board of Trustees.

At the December 31, 2024, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees or beneficiaries entitled to but not yet receiving benefits	5
Active employees	10
Total employees covered by MERS	31

Contributions

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

The Library contributes a flat monthly rate for the closed division. Active covered employees are not required to make contributions. For the year ended December 31, 2025, the Library contributed \$247,212.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Payable to the Pension Plan

At December 31, 2025, there were no amounts outstanding by the Library for contributions to the pension plan required for the year ended December 31, 2025.

Net Pension Liability

The Library's net pension liability was measured as of December 31, 2025, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2024.

Actuarial Assumptions

The total pension liability in the December 31, 2024, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.18%, net of investment and administrative expenses, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3.00% - 4.00%.

Mortality rates were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study of 2019-2023.

Projected Cash Flows

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

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

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Projected Cash Flows (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-term Expected Real Rate of Return
Global Equity	60.00%	4.50%	2.70%
Global Fixed Income	20.00%	2.15%	0.43%
Private Investments	20.00%	6.50%	1.30%
	<u>100.00%</u>		4.43%
Inflation			2.50%
Assumed investment rate of return			6.93%
Administrative expenses netted above			0.25%
Investment rate of return (discount rate)			<u>7.18%</u>

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Changes in Net Pension Liability

The Library's net pension liability was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2024. Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2024	\$ 6,242,257	\$ 4,215,175	\$ 2,027,082
Service cost	80,953	-	80,953
Interest on total pension liability	435,590	-	435,590
Difference between expected and actual experience	56,413	-	56,413
Changes of assumptions	(35,616)	-	(35,616)
Employer contributions	-	247,212	(247,212)
Net investment income	-	639,330	(639,330)
Benefit payments, including employee refunds	(432,028)	(432,028)	-
Administrative expense	-	(8,415)	8,415
Other changes	2,021	-	2,021
Net changes	107,333	446,099	(338,766)
Balances at December 31, 2025	\$ 6,349,590	\$ 4,661,274	\$ 1,688,316

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

The following presents the net pension liability of the Library, calculated using the discount rate of 7.18%, as well as what the Library's net pension liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability of the Library	\$ 2,361,737	\$ 1,688,316	\$ 1,117,202

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

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

For the year ended December 31, 2025, the Library recognized a pension expense of \$253,824. The Library reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 80,126	\$ 112,652
Changes in assumptions	15,317	23,744
Net difference between projected and actual earnings on pension plan investments	-	185,187
Total	\$ 95,443	\$ 321,583

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

Year Ending December 31,	Pension Expense (Benefit)
2026	\$ 6,898
2027	(93,134)
2028	(71,179)
2029	(68,725)
	\$ (226,140)

Changes in Assumptions

Adopted the results of an experience study covering the period of January 1, 2019 through December 31, 2023.

Changes in Benefits

There were no changes in benefit terms during plan year 2025.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Plymouth District Library Voluntary Employees Beneficiary Association (VEBA) Plan is a single-employer defined benefit post-employment healthcare plan established by Plymouth District Library to provide medical and healthcare benefits for retirees and their beneficiaries. Eligible participants include any retirees who receive pension benefits under the Plymouth District Library’s pension plan. Plan provisions are established and may be amended by the Plymouth District Library Board of Trustees. The Plan is funded by a trust agreement established pursuant to Section 501(c)(9) of the Internal Revenue Code which allows for the formation of a VEBA. The plan is closed to employees hired after July 1, 2025.

Benefits Provided

Benefits eligibility - Retiree has obtained age 55 and has completed at least 10 years of credited service with the Library before July 1, 2025.

Benefits - Medical, prescription drugs, dental, and vision are provided to eligible retirees and their spouses until the member and spouse have reached Medicare eligibility.

Summary of Plan Participants

At the December 31, 2025, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	14
Active employees	<u>3</u>
	<u><u>17</u></u>

Contributions

The Library has no obligation to make contributions in advance of when the premiums are due for payments (i.e. may be financed on a “pay-as-you-go” basis). The Plan’s funding policy is for the Library to make monthly contributions of \$200 to the VEBA Trust. For the year ended December 31, 2025, the Library contributed \$1,560 in addition to its portion of premium payments.

Net OPEB Asset

The net OPEB asset of the Library was measured as of December 31, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined through an actuarial valuation as of December 31, 2025.

Payable to the OPEB Plan

At December 31, 2025, there were no amounts outstanding of contributions to be made to the OPEB plan by the Library.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

The total OPEB liability in the December 31, 2025 valuation was determined using the following assumptions applied to all periods included in the measurement:

Inflation: 2.50% (included in the rate of return)

Salary increases: 3.75% (for purposes of allocating liability)

Investment rate of return: 5.74% (including inflation)

20-year Aa municipal bond rate: 4.43%

Mortality: Public General 2016 Employee and Healthy Retiree, Headcount weighted

Improvement Scale: IRS 2024 Adjusted Scale MP-2021

The assumptions used in the December 31, 2025, valuation was determined by the Library's management as of December 31, 2025.

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of retirement 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 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 retirement plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Large-cap	45.90%	6.00%
Domestic Equity Small-cap	10.50%	6.30%
International Equity	14.10%	6.90%
Investment-grade bonds	27.50%	4.70%
Cash & Money Market Funds	2.10%	3.30%

The sum of each target allocation times its long-term expected real rate, plus inflation, is 5.74%.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.74%. The projection of cash flows used to determine the discount rate assumed that the Library will make no further contributions to the trust. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the single equivalent discount rate was calculated to be equivalent to the investment rate of return. This discount rate is used to determine the total OPEB liability. As of December 31, 2025, the discount rate used to value OPEB liabilities was 6.10%.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Change in Net OPEB Asset

The change in the net OPEB asset for the year ended December 31, 2025, is as follows:

Changes in Net Pension Asset	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a)-(b)
Balances at December 31, 2024	\$ 2,248,414	\$ 3,057,448	\$ (809,034)
Service cost	131,733	-	131,733
Interest on total pension liability	142,457	-	142,457
Changes of benefit terms	(513,513)	-	(513,513)
Difference between expected and actual experience	(761,423)	-	(761,423)
Changes of assumptions	25,520	-	25,520
Employer contributions	-	1,560	(1,560)
Net investment income	-	486,114	(486,114)
Benefit payments, including employee refunds	(89,560)	(89,560)	-
Administrative expense	-	(19,475)	19,475
Net changes	(1,064,786)	378,639	(1,443,425)
Balances at December 31, 2025	\$ 1,183,628	\$ 3,436,087	\$ (2,252,459)

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

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

	1% Decrease	Discount Rate	1% Increase
Net OPEB Asset	\$ (2,165,035)	\$ (2,252,459)	\$ (2,329,582)

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of the Library, as well as what the Library's net OPEB asset would be if it were calculated using healthcare cost trends rates that are 1% lower or 1% higher than the current healthcare cost trend rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Asset	\$ (2,288,291)	\$ (2,252,459)	\$ (2,212,683)

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

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

For the year ended December 31, 2025, the Library recognized an OPEB benefit of \$1,118,883. At December 31, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 193,390	\$ 43,437
Changes of assumptions	247,795	41,133
Investment earnings (gains)/losses	-	335,002
Total	\$ 441,185	\$ 419,572

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

Year Ending December 31,	OPEB Expense (Benefit)
2026	\$ 69,715
2027	(65,443)
2028	3,601
2029	10,737
2030	3,003
	\$ 21,613

Changes in Assumptions

- Discount rate was lowered from 6.10% to 5.74%.
- Salary Scale increased from 3.50% to 3.75%.
- Mortality updated from Public General 2010 Employee and Healthy Retiree, Headcount weighted to Public General 2016 Employee and Healthy Retiree, Headcount weighted.
- Pre-65 trend rates updated such that second-year trend increases by 0.25% rather than decreasing by the anticipated 0.25%.
- Trend rates no longer apply on post-65 costs.
- Actual marital status now used for active records.
- Removed termination rates.

Changes in Benefits

- Active employees with fewer than ten years of service as of July 1, 2025 are no longer eligible for benefits.

PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - RISK MANAGEMENT

The Library participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Library has not been informed of any special assessments being required in any of the past three fiscal years.

The Library also participates in a State pool, the Michigan Municipal League Liability and Property Pool, with other municipalities for property, liability, auto, and crime. The pool is organized under Public Act 138 of 1982, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Library has not been informed of any special assessments being required in any of the past three fiscal years.

NOTE 9 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2025, the Library implemented the following new pronouncement: GASB Statement No. 102, *Certain Risk Disclosures*. The following is a summary of the new pronouncement:

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact.

There was no material impact on the Library's financial statements as a result of adopting GASB Statement No. 102.

**PLYMOUTH DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Library is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The Library is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The Library is currently evaluating the impact this standard will have on the financial statements when adopted during the 2027 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**PLYMOUTH DISTRICT LIBRARY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 4,150,000	\$ 4,300,000	\$ 4,302,564	\$ 2,564
State sources	196,000	200,000	207,018	7,018
Library materials fines and fees	5,000	5,000	4,000	(1,000)
Penal fines	22,000	22,000	-	(22,000)
Investment earning	110,000	110,000	165,428	55,428
Local grants	20,000	25,000	25,838	838
Contributions and donations	80,000	90,000	95,106	5,106
Other	7,000	15,000	19,670	4,670
TOTAL REVENUES	<u>4,590,000</u>	<u>4,767,000</u>	<u>4,819,624</u>	<u>52,624</u>
EXPENDITURES				
Current				
Recreation and culture				
Salaries and wages	2,360,000	2,403,000	2,353,872	49,128
Employee benefits	793,000	748,000	718,318	29,682
Supplies	80,000	79,000	74,351	4,649
Contracted services	184,000	415,000	307,472	107,528
Communications	25,000	25,000	20,019	4,981
Insurance	67,000	73,000	72,515	485
Repairs and maintenance	130,000	135,000	120,085	14,915
Utilities	180,000	160,000	148,850	11,150
Travel and training	37,000	28,000	26,295	1,705
Community promotion	95,000	107,000	94,225	12,775
Other	2,000	277,000	1,889	275,111
Capital outlay				
Collections	487,000	487,000	463,793	23,207
Library improvements	1,623,974	2,223,974	1,695,598	528,376
Debt service				
Principal	24,630	24,630	24,630	-
Interest	1,396	1,396	1,396	-
TOTAL EXPENDITURES	<u>6,090,000</u>	<u>7,187,000</u>	<u>6,123,308</u>	<u>1,063,692</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(1,500,000)</u>	<u>(2,420,000)</u>	<u>(1,303,684)</u>	<u>1,116,316</u>
OTHER FINANCING SOURCES				
SBITA issuance	-	145,000	67,382	(77,618)
NET CHANGE IN FUND BALANCE	<u>\$ (1,500,000)</u>	<u>\$ (2,275,000)</u>	(1,236,302)	<u>\$ 1,038,698</u>
Fund balance, beginning of year			<u>3,939,059</u>	
Fund balance, end of year			<u>\$ 2,702,757</u>	

PLYMOUTH DISTRICT LIBRARY
SCHEDULE OF CHANGES IN LIBRARY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT YEARS
(AMOUNTS WERE DETERMINED AS OF DECEMBER 31 OF EACH PLAN YEAR)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 80,953	\$ 93,944	\$ 105,693	\$ 105,374	\$ 104,921	\$ 106,073	\$ 94,263	\$ 95,461	\$ 103,754	\$ 87,225
Interest	435,590	464,173	444,867	437,110	412,418	379,351	381,705	352,390	318,554	298,067
Changes of benefit terms	-	(168,356)	(27,953)	(70)	-	-	-	-	-	15,055
Difference between expected and actual experience	56,413	(337,956)	170,070	49,656	85,658	136,432	-	92,664	115,236	57,284
Changes of assumptions	(35,616)	45,951	-	217,780	405,366	133,564	-	-	-	239,342
Benefit payments, including employee refunds	(432,028)	(421,822)	(419,206)	(431,509)	(377,776)	(346,897)	(339,602)	(317,251)	(270,055)	(261,838)
Other	2,021	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	107,333	(324,066)	273,471	378,341	630,587	408,523	136,366	223,264	267,489	435,135
Total Pension Liability, beginning	6,242,257	6,566,323	6,292,852	5,914,511	5,283,924	4,875,401	4,739,035	4,515,771	4,248,282	3,813,147
Total Pension Liability, ending	<u>\$ 6,349,590</u>	<u>\$ 6,242,257</u>	<u>\$ 6,566,323</u>	<u>\$ 6,292,852</u>	<u>\$ 5,914,511</u>	<u>\$ 5,283,924</u>	<u>\$ 4,875,401</u>	<u>\$ 4,739,035</u>	<u>\$ 4,515,771</u>	<u>\$ 4,248,282</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 247,212	\$ 272,508	\$ 336,329	\$ 302,081	\$ 199,138	\$ 191,925	\$ 190,014	\$ 154,875	\$ 174,414	\$ 124,389
Net investment income (loss)	639,330	301,744	413,002	(449,814)	550,802	455,563	452,712	(140,294)	438,524	353,258
Benefit payments, including employee refunds	(432,028)	(421,822)	(419,206)	(431,509)	(377,776)	(346,897)	(339,602)	(317,251)	(270,055)	(261,838)
Administrative expenses	(8,415)	(8,939)	(8,740)	(7,938)	(6,319)	(7,300)	(7,797)	(7,065)	(6,950)	(6,977)
Net Change in Plan Fiduciary Net Position	446,099	143,491	321,385	(587,180)	365,845	293,291	295,327	(309,735)	335,933	208,832
Plan Fiduciary Net Position, beginning	4,215,175	4,071,684	3,750,299	4,337,479	3,971,634	3,678,343	3,383,016	3,692,751	3,356,818	3,147,986
Plan Fiduciary Net Position, ending	<u>\$ 4,661,274</u>	<u>\$ 4,215,175</u>	<u>\$ 4,071,684</u>	<u>\$ 3,750,299</u>	<u>\$ 4,337,479</u>	<u>\$ 3,971,634</u>	<u>\$ 3,678,343</u>	<u>\$ 3,383,016</u>	<u>\$ 3,692,751</u>	<u>\$ 3,356,818</u>
Library's Net Pension Liability	<u>\$ 1,688,316</u>	<u>\$ 2,027,082</u>	<u>\$ 2,494,639</u>	<u>\$ 2,542,553</u>	<u>\$ 1,577,032</u>	<u>\$ 1,312,290</u>	<u>\$ 1,197,058</u>	<u>\$ 1,356,019</u>	<u>\$ 823,020</u>	<u>\$ 891,464</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.4%	67.5%	62.0%	59.6%	73.3%	75.2%	75.4%	71.4%	81.8%	79.0%
Covered payroll	\$ 759,495	\$ 780,625	\$ 881,681	\$ 899,777	\$ 894,338	\$ 934,547	\$ 822,228	\$ 831,923	\$ 913,279	\$ 836,285
Library's Net Pension Liability as a percentage of covered payroll	222.3%	259.7%	282.9%	282.6%	176.3%	140.4%	145.6%	163.0%	90.1%	106.6%

**PLYMOUTH DISTRICT LIBRARY
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS DETERMINED AS OF DECEMBER 31 OF EACH FISCAL YEAR)**

	<u>2025</u>	<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>
Actuarial determined contributions ⁽¹⁾	\$ 247,212	\$ 272,508	\$ 288,876	\$ 288,840	\$ 219,798	\$ 191,925	\$ 185,912	\$ 154,875	\$ 136,414	\$ 124,389
Contributions in relation to the actuarially determined contribution	<u>247,212</u>	<u>272,508</u>	<u>336,329</u>	<u>302,081</u>	<u>219,798</u>	<u>191,925</u>	<u>185,912</u>	<u>154,875</u>	<u>174,414</u>	<u>124,389</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,453)</u>	<u>\$ (13,241)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,000)</u>	<u>\$ -</u>
Covered payroll	\$ 726,006	\$ 780,625	\$ 881,681	\$ 899,777	\$ 907,883	\$ 894,338	\$ 885,305	\$ 828,650	\$ 913,279	\$ 836,285
Contributions as a percentage of covered payroll	34.1%	34.9%	38.1%	33.6%	24.2%	21.5%	21.0%	18.7%	19.1%	14.9%

⁽¹⁾ The actuarial determined contribution was calculated based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarial determined contribution has been expressed above as a percentage of actual payroll.

PLYMOUTH DISTRICT LIBRARY
SCHEDULE OF CHANGES IN LIBRARY'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
LAST NINE FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
(AMOUNTS DETERMINED AS OF DECEMBER 31 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability									
Service cost	\$ 131,733	\$ 124,515	\$ 66,418	\$ 72,848	\$ 53,832	\$ 52,549	\$ 75,405	\$ 94,042	\$ 97,344
Interest	142,457	128,682	105,933	96,879	102,602	95,954	103,600	92,131	85,860
Change in benefit terms	(513,513)	-	(30,816)	-	-	-	-	-	(148,180)
Difference between expected and actual experience	(761,423)	69,684	209,841	80,758	(140,832)	43,964	(257,855)	(11,433)	(13,595)
Changes in assumptions	25,520	83,247	354,715	(80,019)	(27,209)	-	(194,336)	(438,433)	133,476
Benefit payments	(89,560)	(151,572)	(116,515)	(138,938)	(80,457)	(91,210)	(40,593)	(24,539)	(19,003)
Net change in total OPEB liability	(1,064,786)	254,556	589,576	31,528	(92,064)	101,257	(313,779)	(288,232)	135,902
Total OPEB liability, beginning	2,248,414	1,993,858	1,404,282	1,372,754	1,464,818	1,363,561	1,677,340	1,965,572	1,829,670
Total OPEB liability, ending	<u>\$ 1,183,628</u>	<u>\$ 2,248,414</u>	<u>\$ 1,993,858</u>	<u>\$ 1,404,282</u>	<u>\$ 1,372,754</u>	<u>\$ 1,464,818</u>	<u>\$ 1,363,561</u>	<u>\$ 1,677,340</u>	<u>\$ 1,965,572</u>
Plan fiduciary net position									
Contributions - employer	\$ 1,560	\$ 91,572	\$ 58,515	\$ 50,243	\$ -	\$ 62,723	\$ 117,100	\$ 118,216	\$ 38,000
Benefits paid from general operating funds	-	-	-	-	-	47,391	-	-	-
Net investment income (loss)	486,114	389,277	423,943	(466,460)	413,689	321,137	400,655	(91,637)	245,450
Benefit payments including employee refunds	(89,560)	(151,572)	(116,515)	(138,938)	(22,304)	(91,210)	(40,593)	(24,539)	(19,003)
Administrative expenses	(19,475)	(16,085)	(15,013)	(15,136)	(15,575)	(13,545)	(12,814)	(11,321)	(11,207)
Net change in plan fiduciary net position	378,639	313,192	350,930	(570,291)	375,810	326,496	464,348	(9,281)	253,240
Plan fiduciary net position, beginning	3,057,448	2,744,256	2,393,326	2,963,617	2,587,807	2,261,311	1,796,963	1,806,244	1,553,004
Plan fiduciary net position, ending	<u>\$ 3,436,087</u>	<u>\$ 3,057,448</u>	<u>\$ 2,744,256</u>	<u>\$ 2,393,326</u>	<u>\$ 2,963,617</u>	<u>\$ 2,587,807</u>	<u>\$ 2,261,311</u>	<u>\$ 1,796,963</u>	<u>\$ 1,806,244</u>
Library's net OPEB liability (asset)	<u>\$ (2,252,459)</u>	<u>\$ (809,034)</u>	<u>\$ (750,398)</u>	<u>\$ (989,044)</u>	<u>\$ (1,590,863)</u>	<u>\$ (1,122,989)</u>	<u>\$ (897,750)</u>	<u>\$ (119,623)</u>	<u>\$ 159,328</u>
Plan fiduciary net position as a percentage of the total OPEB liability	290.3%	136.0%	137.6%	170.4%	215.9%	176.7%	165.8%	107.1%	91.9%
Covered payroll	\$ 291,434	\$ 1,530,964	\$ 780,417	N/A	N/A	\$ 1,680,051	\$ 924,565	N/A	N/A
Library's net OPEB liability (asset) as a percentage of covered payroll	772.9%	52.8%	96.2%	N/A	N/A	66.8%	97.1%	N/A	N/A

**PLYMOUTH DISTRICT LIBRARY
SCHEDULE OF LIBRARY'S OPEB CONTRIBUTIONS
LAST NINE FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
(AMOUNTS DETERMINED AS OF DECEMBER 31 OF EACH FISCAL YEAR)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contributions	\$ 34,658	\$ 42,675	\$ -	\$ -	\$ -	\$ -	\$ 62,723	\$ 118,615	\$ 131,652
Contributions in relation to the actuarially determined contribution	<u>1,560</u>	<u>91,572</u>	<u>58,515</u>	<u>50,243</u>	<u>58,153</u>	<u>62,723</u>	<u>117,100</u>	<u>118,216</u>	<u>38,000</u>
Contribution deficiency (excess)	<u>\$ 33,098</u>	<u>\$ (48,897)</u>	<u>\$ (58,515)</u>	<u>\$ (50,243)</u>	<u>\$ (58,153)</u>	<u>\$ (62,723)</u>	<u>\$ (54,377)</u>	<u>\$ 399</u>	<u>\$ 93,652</u>
Covered payroll	\$ 291,434	\$ 1,530,964	\$ 780,417	N/A	N/A	\$ 1,680,051	\$ 924,565	N/A	N/A
Contributions as a percentage of covered payroll	0.5%	6.0%	7.5%	N/A	N/A	3.7%	12.7%	N/A	N/A

**PLYMOUTH DISTRICT LIBRARY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

NOTE 1 - PENSION PLAN

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2024
Measurement date	December 31, 2025

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Asset valuation method	5-year smoothing
Remaining amortization period	14 years
Investment rate of return	7.18% (net of investment expenses, including inflation)
Discount rate	7.18%
Salary increases	3.00% in the long-term plus merit and longevity
Inflation rate	2.50%
Mortality	Pub-2010 and fully generational MP-2021

Changes in assumptions

Plan Year

2025	Adopted the results of an experience study covering the period of January 1, 2019 through December 31, 2023.
2024	The discount rate was lowered from 7.25% to 7.18%. Investment rate of return was lowered from 7.00% to 6.93%, net of administrative and investment expenses.
2022	The discount rate was lowered from 7.60% to 7.25% Investment rate of return was lowered from 7.35% to 7.00%, net of administrative and investment expenses. Mortality rates were updated to be based on the Pub-2010 mortality tables.
2021	Increases in merit and longevity pay assumptions.
2020	Salary increase was decreased from 3.75% to 3.00%. Discount rate was lowered from 8.00% to 7.60%. Investment rate of return was lowered from 7.75% to 7.35%, net of administrative investment expenses. Adopted the results of an experience study covering the period January 1, 2014 through December 31, 2018.
2016	Mortality rates were updated to be based on the Pub-2014 group mortality tables. Salary increase was decreased from 4.50% to 3.75%. Discount rate was lowered from 8.25% to 8.00%. Investment rate of return was lowered from 8.00% to 7.75%, net of administrative and investment expenses.

Changes in benefits

Plan Year

2024	Library implemented non-accelerated Amortization
2023	Change in base wages
2022	Library implemented FMLA - Service Granted
2016	Service credit purchase estimates

**PLYMOUTH DISTRICT LIBRARY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLAN

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2025
Measurement date	December 31, 2025

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of compensation, closed
Asset valuation method	Market value
Remaining amortization period	9 years
Inflation	2.5% (included in the rate of return)
Salary increases	3.75%
Investment rate of return	5.74% (including inflation)
Utilization	100% of future retirees at the valuation date will elect coverage at retirement
20-year Aa Municipal bond rate	4.43% (S&P Municipal Bond 20-Year High Grade Rate Index)
Health care trend rate(s)	Pre-Medicare: 7.25% graded down to 4.50% by 0.25% per year Post-Medicare: None
Mortality	Dental and Vision: 3% annual increases Public General and Public Safety 2016 Employee and Healthy Retiree, Headcount weighted with IRS 2024 adjusted MP-2021 improvement scale

Changes in assumptions

Plan Year

2025	Discount rate was lowered from 6.10% to 5.74% Salary Scale increased from 3.50% to 3.75% Mortality updated from Public General 2010 Employee and Healthy Retiree, Headcount weighted to Public General 2016 Employee and Healthy Retiree, Headcount weighted. Pre-65 trend rates updated such that second year trend increases by 0.25% rather than decreasing by the anticipated 0.25%. Trend rates no longer apply on post-65 costs. Actual marital status now used for active records. Removed termination rates.
2024	Discount rate was lowered from 6.30% to 6.10%.
2023	Discount rate was lowered from 7.50% to 6.30%. Mortality Improvement Scale updated to the IRS 2024 Adjusted Scale MP-2021. Salary scale updated from 3.0% to 3.5%.
2022	Data for this period was not available from source as of the date of the audit report.
2021	Mortality Improvement Scale updated from 2019 to 2012. Salary scale updated from 3.50% to 3.00%. Discount rate increased from 7.00% to 7.04%.
2019	Discount rate increased from 4.50% to 5.98%.
2018	Data for this period was not available from source as of the date of the audit report.
2017	Discount rate lowered from 6.25% to 4.50%.

Changes in benefits

Plan Year

2025	Active employees with fewer than ten years of service as of July 1, 2025 are no longer eligible for benefits.
2023	Two participants began payments earlier than expected
2017	For retirees with 20 years of service, the retiree premium contribution has increased from 0.00% to 10.00%