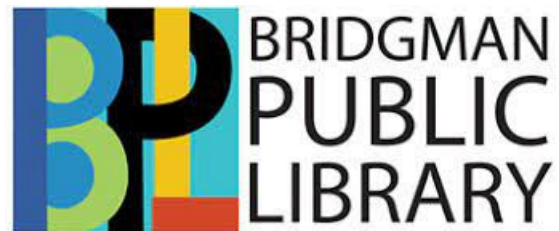


Bridgman Public Library
Berrien County, Michigan

FINANCIAL STATEMENTS

Year ended June 30, 2025



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INDEPENDENT AUDITOR'S REPORT

Members of the Library Board
Bridgman Public Library

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Bridgman Public Library (the Library) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Library, as of June 30, 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.

Correction of Error

As discussed in Note 9 to the financial statements, the method of accounting for receivables was corrected during the current year. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 and budgetary comparison information, as listed in the contents, be presented to supplement the basic financial statements. Such information, 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.

Siegfried Crandall P.C.

November 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Bridgman Public Library's (the Library) financial performance provides a narrative overview of the Library's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Library's financial statements.

FINANCIAL HIGHLIGHTS

- The Library's total net position decreased by \$21,752 as a result of this year's activities.
- Total net position of \$2,065,441 was reported, of which \$1,444,262 is invested in capital assets, and \$59,748 is restricted. This leaves the Library with unrestricted net position of \$561,431, which is available to be used at the Board's discretion, without constraints established by debt covenants, enabling legislation, or other legal requirements.

Overview of the financial statements

The Library's annual report is comprised of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Library:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Library's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Library government, reporting the Library's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how government services, like recreation and culture, were financed in the short-term, as well as what remains for future spending.

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

A comparative analysis of the government-wide financial statements for 2025 and 2024 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Library's net position and how it has changed. Net position (the difference between the Library's assets and liabilities) is one way to measure the Library's financial health, or position.

- Over time, increases or decreases in the Library's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Library, you need to consider additional nonfinancial factors, such as changes in the Library's property tax base and the condition of the Library's capital assets.

The government-wide financial statements present governmental activities. The Library's basic service, recreation and culture, is included here. Property taxes are the primary source of funding for these activities.

Fund financial statements

The fund financial statements provide more detailed information about the Library's most significant funds - not the Library as a whole. Funds are accounting devices that the Library uses to keep track of specific sources of funding and spending for particular purposes.

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Net position

Total net position at the end of the fiscal year was \$2,065,441. Of this total, \$1,444,262 represents the net investment in capital assets, and \$59,748 is restricted. Unrestricted net position was \$561,431.

Schedule 1 - Net position

	<u>Governmental activities</u>	
	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 655,472	\$ 594,083
Capital assets	<u>1,444,262</u>	<u>1,503,392</u>
Total assets	<u>2,099,734</u>	<u>2,097,475</u>
Current and other liabilities	<u>34,293</u>	<u>10,282</u>
Net position:		
Net investment in capital assets	1,444,262	1,503,392
Restricted	59,748	54,790
Unrestricted	<u>561,431</u>	<u>529,011</u>
Total net position	<u>\$2,065,441</u>	<u>\$2,087,193</u>

*See Note 9 for changes to prior year balances.

Changes in net position

The Library experienced a decrease in net position of \$21,752 during the current fiscal year compared to a \$27,285 decrease in the prior year. The decrease in net position was lower than the prior year because revenues increased by \$59,116, and expenses increased by \$53,583. Interest revenue, property taxes and charges for services accounted for the primary increases from the prior year. Approximately 38% of the Library's revenues come from property taxes and 44% come from operating contributions.

The total cost of the Library's operations amounted to \$641,424 in 2025 compared to \$587,841 in 2024.

Schedule 2 - Changes in net position

	<i>Governmental activities</i>	
	2025	2024
Program revenues:		
Charges for services	\$ 14,847	\$ 2,400
Operating contributions	269,742	275,257
General revenues:		
Property taxes	232,677	220,999
District court penal fines	41,204	42,634
State grants	4,333	4,828
Investment return	39,599	-
Other	17,270	14,438
Total revenues	619,672	560,556
Recreation and culture expenses	641,424	587,841
Changes in net position	\$ (21,752)	\$ (27,285)
Net position, end of year	\$ 2,065,441	\$ 2,087,193

*See Note 9 for changes to prior year balances.

FINANCIAL ANALYSIS OF THE LIBRARY'S FUND

The Library's only fund is its General Fund, which provides detailed information using the modified accrual method of accounting, which provides a short-term perspective that measures the flow of financial resources. At the end of the fiscal year, the fund balance was \$638,112, which represents 113 percent of the actual total General Fund expenditures for the current fiscal year. The fund balance increased by \$54,311, as total revenues of \$619,672 exceeded expenditures of \$565,361 in the current fiscal year.

Operating Fund budgetary highlights

The budget was amended for both revenues and expenditures during the current year due to unanticipated activity.

Actual revenues were \$6,427 higher than budgeted. Expenditures were \$37,611 greater than the amounts appropriated, primarily because personnel costs were more than planned. These and other variances resulted in a \$31,184 negative budget variance with an increase in fund balance of \$54,311, compared to a budget that anticipated an increase of \$85,495.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Library's investment in capital assets as of June 30, 2025, amounts to \$1,444,262 (net of accumulated depreciation). Capital assets consist of buildings and improvements, furniture and equipment, and books and materials. This year's major capital event consisted of the acquisition of books at a cost of \$36,427.

More detailed information about the Library's capital assets is presented in Note 4 of the notes to the basic financial statements.

Debt

The Library had no long-term debt at the beginning or end of the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Library continues to rely on property taxes and intergovernmental revenue to finance the majority of operating costs and capital acquisitions.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Library's finances to its customers and creditors and to demonstrate the Library's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to the Board President of the Library:

Bridgman Public Library
4460 Lake Street
Bridgman, MI 49106

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION*June 30, 2025***ASSETS**

Current assets:

Cash	\$ 525,098
Assets held by foundation	87,537
Accounts receivable	<u>42,837</u>

Total current assets 655,472

Noncurrent assets:

Capital assets, not being depreciated	341,706
Capital assets being depreciated, net	<u>1,102,556</u>

Total noncurrent assets 1,444,262

Total assets 2,099,734

LIABILITIES

Current liabilities:

Accounts payable	7,169
Accrued payroll	10,191
Current portion - compensated absences	<u>13,571</u>

Total current liabilities 30,931

Noncurrent liabilities - compensated absences 3,362

Total liabilities 34,293

NET POSITION

Net investment in capital assets	1,444,262
Restricted - nonspendable portion of assets held by foundation	59,748
Unrestricted	<u>561,431</u>

Total net position \$ 2,065,441

See notes to financial statements

STATEMENT OF ACTIVITIES*Year ended June 30, 2025*

PROGRAM EXPENSES

Recreation and culture:

Library services \$ 641,424**PROGRAM REVENUES**Charges for services 14,847Operating grants and contributions 269,742Total program revenues 284,589Net program expenses (356,835)**GENERAL REVENUES**Property taxes 232,677District court penal fines 41,204State grants 4,333Investment return 39,599Local community stabilization share 8,116Other 9,154Total general revenues 335,083CHANGE IN NET POSITION (21,752)NET POSITION - BEGINNING, as previously reported 2,025,178ERROR CORRECTION 62,015NET POSITION - BEGINNING, as adjusted 2,087,193NET POSITION - ENDING \$ 2,065,441*See notes to financial statements*

BALANCE SHEET - governmental funds

June 30, 2025

	<u><i>General</i></u>
ASSETS	
Cash	\$ 525,098
Assets held by foundation	87,537
Accounts receivable	<u>42,837</u>
Total assets	<u><u>\$ 655,472</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 7,169
Accrued payroll	<u>10,191</u>
Total liabilities	<u>17,360</u>
FUND BALANCE	
Restricted - nonspendable portion of assets held by foundation	59,748
Unassigned	<u>578,364</u>
Total fund balance	<u>638,112</u>
Total liabilities and fund balances	<u><u>\$ 655,472</u></u>
Reconciliation of the balance sheet to the statement of net position:	
Total fund balance - total governmental funds	\$ 638,112
Amounts reported for <i>governmental activities</i> in the statement of net position (page 9) are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the governmental funds.	1,444,262
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(16,933)</u>
Net position of <i>governmental activities</i>	<u><u>\$ 2,065,441</u></u>

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
governmental funds**

Year ended June 30, 2025

	<u>General</u>
REVENUES	
Property taxes	\$ 232,677
Penal fines	41,204
Intergovernmental:	
Lake Township	159,257
Chikaming Township	97,347
State grants	12,449
Charges for services	13,458
Fines and forfeitures	1,389
Interest and rentals	19,611
Unrealized gain (loss) on assets held at foundation	19,988
Other	<u>22,292</u>
Total revenues	<u>619,672</u>
EXPENDITURES	
Current - recreation and culture	<u>565,361</u>
NET CHANGES IN FUND BALANCES	54,311
FUND BALANCES - BEGINNING, as previously reported	521,786
ERROR CORRECTION	<u>62,015</u>
FUND BALANCES - BEGINNING, as adjusted	583,801
FUND BALANCES - ENDING	<u><u>\$ 638,112</u></u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:	
Net change in fund balance - total governmental funds	\$ 54,311
Amounts reported for <i>governmental activities</i> in the statement of activities (page 10) are different because:	
Capital assets:	
Assets acquired	41,245
Provision for depreciation	(100,375)
Net change in compensated absences	<u>(16,933)</u>
Change in net position of <i>governmental activities</i>	<u><u>\$ (21,752)</u></u>

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Bridgman Public Library (the Library) conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

As required by generally accepted accounting principles, these financial statements present only the Library (located in Berrien County), as management has determined that there are no other entities for which the Library is financially accountable.

Government-wide and fund financial statements:

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

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

Measurement focus, basis of accounting, and financial statement presentation:

The statement of net position and the statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Library reports a single major governmental fund, the General Fund, which accounts for all financial resources of the Library. Revenues are primarily derived from property taxes and contributions from two local units of government.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Assets, liabilities, deferred inflows of resources, and equity:*

Cash - Cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables - No allowance for uncollectible accounts has been recorded, as the Library considers all receivables to be fully collectible. The Library's receivables consist of an amount due from another governmental unit.

Capital assets - Capital assets, which include library books and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received.

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

Buildings	40 years
Land improvements	15 years
Furniture and equipment	5-10 years
Books and materials	5-10 years

Compensated absences - Compensated absences represent the estimated liability to be paid to employees under the Library's vacation/sick pay policy. Under the vacation/sick policy, employees earn vacation/sick time based on time of service with the Library.

Net position - Net position represents the difference between assets and liabilities. The Library reports two categories of net position, as follows: (1) *Investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations; (2) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Library.

Net position flow assumption - Sometimes, the Library will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund equity - The Library Board retains the authority to assign fund balance. Unassigned fund balance is the residual classification for the General Fund. When the Library incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Library's policy to use the restricted fund balance first, followed by committed fund balance, then assigned fund balance, and, finally, unassigned fund balance.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - The annual budget is adopted on a basis consistent with generally accepted accounting principles. The budget document presents information by function, activity, and line-item. The legal level of budgetary control adopted by the Board is the activity level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth reportable budget variances:

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
General	Recreation and culture	Library	\$ 527,750	\$ 565,361	\$ 37,611

NOTE 3 - CASH

Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Library's investment policy authorize the Library to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Library's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Library will not be able to recover its deposits. The Library's investment policy does not specifically address custodial credit risk for deposits. At June 30, 2025, none of the Library's bank balances of \$531,886 was exposed to custodial credit risk.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 341,706	\$ -	\$ -	\$ 341,706
Capital assets being depreciated:				
Buildings	\$ 2,020,017	\$ -	\$ -	\$ 2,020,017
Land improvements	159,362	-	-	159,362
Furniture and equipment	500,445	4,998	-	505,443
Books and materials	759,163	36,247	-	795,410
Subtotal	3,438,987	41,245	-	3,480,232
Less accumulated depreciation for:				
Buildings	(1,126,245)	(52,778)	-	(1,179,023)
Land improvements	(157,698)	(1,664)	-	(159,362)
Furniture and equipment	(360,752)	(22,848)	-	(383,600)
Books and materials	(632,606)	(23,085)	-	(655,691)
Subtotal	(2,277,301)	(100,375)	-	(2,377,676)
Total capital assets being depreciated, net	1,161,686	(59,130)	-	1,102,556
Governmental activities capital assets, net	\$ 1,503,392	\$ (59,130)	\$ -	\$ 1,444,262

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION

The Library has a beneficial interest in assets held by the Berrien Community Foundation totaling \$87,537 as of June 30, 2025. These funds are held in an endowment account established to support the Library's operations and programs. Although the Foundation maintains variance power over the assets, the Library is the named beneficiary and expects to receive future distributions from the fund.

In accordance with GASB Statement No. 33 and No. 72, the beneficial interest is reported at fair value. Of the total amount, \$59,748 is classified as nonspendable fund balance in the General Fund, representing the principal portion of the endowment that is not available for expenditure. The remaining balance is considered spendable and may be used for operating purposes.

The Foundation retains administrative control and investment management responsibilities. The Library does not have direct access to the assets but is entitled to distributions in accordance with the Foundation's spending policy.

NOTE 6 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Library has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 7 - COMPENSATED ABSENCES

Changes in the liability for compensated absences for the year ended June 30, 2025, were as follows:

<i>Beginning balance</i>	<i>Net change</i>	<i>Ending balance</i>	<i>Amounts due within one year</i>
<u>\$ -</u>	<u>\$ 16,933</u>	<u>\$ 16,933</u>	<u>\$ 13,571</u>

NOTE 8 - TAX REVENUE

The 2024 taxable valuation of the Library approximated \$139,504,000, on which ad valorem taxes levied consisted of 1.6697 mills for operating purposes raising approximately \$232,000 for library operations. These amounts are recognized in the fund financial statements as property tax revenue.

NOTE 9 - CORRECTION OF AN ERROR

During the current fiscal year, the Library identified an error in the prior year's financial statements related to the understatement of receivables that resulted in a restatement of opening fund balance in the General Fund, and a restatement of the opening net position of the governmental activities in the statement of net position. Restated balances are presented below:

	<i>Fund Balance</i>	<i>Net position</i>
	<i>General</i>	<i>Governmental</i>
	<i>fund</i>	<i>activities</i>
Beginning of year, as previously reported	\$ 521,786	\$ 2,025,178
Error correction	<u>62,015</u>	<u>62,015</u>
Beginning of year, as adjusted	<u>\$ 583,801</u>	<u>\$ 2,087,193</u>

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements," in April 2024. This statement is effective for fiscal years beginning after June 15, 2025. The requirements of this statement will enhance the financial reporting model by improving key components to provide essential information for decision-making and assessing accountability. Management's Discussion and Analysis (MD&A) will continue to be required as required supplementary information (RSI), and the presentation of proprietary fund statements will be updated.

The Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets," in September 2024. This statement is effective for fiscal years beginning after June 15, 2025. The requirements of this statement will enhance the financial reporting model by providing users of government financial statements with essential information about certain types of capital assets. This includes separate disclosure of lease assets, intangible right-to-use assets, subscription-based IT assets, and other intangible assets by major class. Additionally, capital assets held for sale must be evaluated each reporting period and disclosed separately.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended June 30, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 222,000	\$ 267,000	\$ 232,677	\$ (34,323)
Penal fines	42,000	42,600	41,204	(1,396)
Intergovernmental:				
Lake Township	145,000	159,200	159,257	57
Chikaming Township	90,000	97,000	97,347	347
State grants	4,500	4,200	12,449	8,249
Charges for services	5,500	12,900	13,458	558
Fines and forfeitures	1,000	1,300	1,389	89
Interest and rentals	10,000	16,050	19,611	3,561
Unrealized gain (loss) on assets held at foundation	-	-	19,988	19,988
Other	8,700	12,995	22,292	9,297
Total revenues	528,700	613,245	619,672	6,427
EXPENDITURES				
Recreation and culture:				
Personnel costs	370,100	346,325	375,813	(29,488)
Insurance	8,000	8,200	8,166	34
Supplies	30,000	38,000	39,600	(1,600)
Professional services and dues	10,500	11,000	10,206	794
Community promotion	6,000	4,550	4,442	108
Utilities	17,000	22,200	23,909	(1,709)
Repairs and maintenance	35,000	43,200	46,788	(3,588)
Books and materials	35,000	36,600	36,717	(117)
Personal development	3,500	3,550	4,361	(811)
Program services	11,000	12,000	12,267	(267)
Miscellaneous	2,600	2,125	3,092	(967)
Total recreation and culture	528,700	527,750	565,361	(37,611)
NET CHANGES IN FUND BALANCES	-	85,495	54,311	(31,184)
FUND BALANCES - BEGINNING, as previously reported	521,786	521,786	521,786	-
ERROR CORRECTION	62,015	62,015	62,015	-
FUND BALANCES - BEGINNING, as adjusted	583,801	583,801	583,801	-
FUND BALANCES - ENDING	\$ 583,801	\$ 669,296	\$ 638,112	\$ (31,184)