BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

LENOX TOWNSHIP LIBRARY

New Haven, Michigan

FINANCIAL REPORT

June 30, 2025

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
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BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

INDEPENDENT AUDITOR'S REPORT

December 5, 2025

Board of Trustees
Lenox Township Library
New Haven, Michigan 48048

Honorable Members:

Opinions

We have audited the accompanying financial statements of Lenox Township 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 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 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.

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 judgement made by a reasonable user based on the financial statements.

Using this Annual Report

This annual report consists of three parts - *Management's discussion and analysis* (this section), the *basic financial statements*, and *required supplemental information*. The basic financial statements include information that presents two different views of the Library:

The *government-wide financial statements* provide both *long-term* and *short-term* information about the Library's *overall* financial status. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services were financed in the short term as well as what remains for future spending.

The governmental fund financial statements include information on the Library under the modified accrual method. These *Fund Financial Statements* focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.

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 supplemental information* that further explains and supports the information in the financial statements.

Condensed Financial Information

The table below provides key financial information in a condensed format for the current year and prior year.

	2025	2024
Current assets	$ 2,215,147	$ 1,959,301
Capital assets	604,962	588,266
Total Assets	$ 2,820,109	$ 2,547,567
Other liabilities	$ 9,021	$ 7,858
Total Liabilities	$ 9,021	$ 7,858
Net Position:		
Invested in capital assets, net of related debt and accrued interest	$ 604,962	$ 588,266
Unrestricted	2,206,126	1,951,443
Total Net Position	$ 2,811,088	$ 2,539,709
Revenue:		
Property taxes	$ 531,703	$ 502,634
Other	92,356	83,368
Total Revenue	$ 624,059	$ 586,002
Expenses - Library services	352,680	342,739
Change in Net Position	$ 271,379	$ 243,263

(Continued)

The Library as a Whole

- The Library's net position increased by $271,379 this year.
- The Library's primary source of revenue is from property taxes, which represents 85% of total revenue.
- Total expenses were 57% of total revenue for the year. Salaries amount to approximately 30% of total expenditures. Benefits amount to 6% of total expenditures.

The Library's Fund

Our analysis of the Library's fund is included on pages 7 and 9. The Library Board has the ability to create separate funds to help manage money for specific purposes, and to maintain accountability for certain activities, such as special property tax millages. All of the Library's activities are reported in a single fund.

The fund balance of the Library increased during the current year by $254,683. Actual revenues exceeded budgeted amounts by $225,760. Budgeted expenditures exceeded actual expenditures by $28,923.

Library Budgetary Highlights

The Library budget was not amended during the year.

Capital Assets

At the end of the fiscal year, the Library had $830,278 invested in land, buildings and improvements, furniture and fixtures, equipment, and books and materials. The Library added $37,438 in capital assets during the year.

Economic Factors and Considerations for Next Year

The Library's tax base has maintained. In light of our future plans, we need to continue to watch our budget very closely. Expenditures that will be especially important in the coming year include health insurance benefits which have shown significant increases in the last few years and employee compensation, because it is such a significant portion of the Library's operating expenses.

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, at 58976 Main Street, New Haven, Michigan 48048.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 1

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
STATEMENT OF NET POSITION
June 30, 2025

ASSETS	
Cash and investments	$ 2,204,548
Suburban Library Cooperative account	4,197
Prepaid expenditures	6,402
Capital assets - Net of accumulated depreciation	604,962
Total Assets	$ 2,820,109
LIABILITIES	
Accounts payable and accrued liabilities	$ 9,021
Total Liabilities	$ 9,021
NET POSITION	
Invested in capital assets	$ 604,962
Unrestricted	2,206,126
Total Net Position	$ 2,811,088

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 2

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
FUNCTION/PROGRAM:				
Governmental Activities:				
Library services/operations	$ 352,680	$ 3,314	$ -	$ (349,366)
GENERAL REVENUES:				
Property taxes				$ 531,703
State revenues				19,548
Interest on investments				62,276
Contributions and donations				380
Centralized purchasing and grants				6,838
Total General Revenues				$ 620,745
CHANGE IN NET POSITION				$ 271,379
NET POSITION:				
Beginning of year				2,539,709
End of year				$ 2,811,088

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 3

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
BALANCE SHEET
June 30, 2025

ASSETS

Cash and investments	$ 2,204,548
Suburban Library Cooperative Account	4,197
Prepaid expenditures	6,402
Total Assets	$ 2,215,147

LIABILITIES AND FUND BALANCE

LIABILITIES:	
Accounts payable	$ 9,021
Total Liabilities	$ 9,021
FUND BALANCE:	
Unassigned	2,206,126
Total Liabilities and Fund Balance	$ 2,215,147

See accompanying notes to financial statements.

Buss & Company, P.C.
Certified Public Accountants
Clinton Township, Michigan

Exhibit 4

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
RECONCILIATION OF FUND BALANCE TO THE STATEMENT OF NET POSITION
For The Year Ended June 30, 2025

TOTAL FUND BALANCE - MODIFIED ACCRUAL BASIS		$ 2,206,126
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds:		
The cost of capital assets is	$ 830,278	
Accumulated depreciation	(225,316)	
Total		604,962
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 2,811,088

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 5

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Year Ended June 30, 2025

REVENUES:	
Property taxes	$ 531,703
State aid	12,766
Penal fines	6,782
Interest	62,276
Donations	380
Centralized purchasing and grants	6,838
Miscellaneous	3,314
Total Revenues	$ 624,059
EXPENDITURES:	
Current:	
Salaries	$ 190,155
Employee benefits and payroll taxes	35,562
Magazines and newspapers	1,621
Supplies	7,918
Automation	23,104
Database subscription	7,485
Cooperative services	5,928
Repairs and maintenance	10,036
Membership and dues	896
Telephone and utilities	13,519
Professional fees	11,139
Public relations	167
Programming	3,727
Insurance	8,389
Workshops and conferences	3,485
Miscellaneous	7,336
Capital outlay	38,909
Total Expenditures	$ 369,376
EXCESS OF REVENUES OVER EXPENDITURES	$ 254,683
FUND BALANCE - JULY 1	1,951,443
FUND BALANCE - JUNE 30	$ 2,206,126

See accompanying notes to financial statements.

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2025

NET CHANGE IN FUND BALANCE - MODIFIED ACCRUAL BASIS		$ 254,683
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense		
Depreciation expense	$ (20,742)	
Capital outlay	37,438	
Total		16,696
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 271,379

See accompanying notes to financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lenox Township Library (the "Library") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

A. GOVERNMENTAL REPORTING ENTITY

The Library is located in Lenox Township, Michigan and is governed by an independent six-member board. The Library was formed under P.A. 164 of 1877 and remains a fund of the Township. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board and include only the results of operations of the Library.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position is reported in two parts - invested in capital assets, net of related debt; and unrestricted net position.

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

Fund Financial Statements

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

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

The Library reports all of its activities in a single fund on the modified accrual basis.

(Continued)

C. ASSETS, LIABILITIES AND FUND EQUITY

Cash and Investments - The Library has defined cash and cash equivalents to include cash on hand and demand deposits. Investments are reported at fair value.

Lenox Township property tax is levied on each December 1st on the taxable value of property (as defined by state statutes) located in the Township. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The 2024 taxable valuation of the Township totals approximately $455.8 million, on which ad valorem taxes levied consisted of 1.2192 mills for Library operations, raising $531,703 for Library operating purposes.

Capital Assets - Capital assets are defined by the Library as assets with an initial cost of more than $500 and an estimated useful life in excess of one year. Due to the significance of the Library's annual acquisition of Library books and materials and the shelf life on most materials extended beyond one year, annual acquisitions of books and materials are treated as capitalized assets in order to spread their cost over their estimated useful life. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Furniture and equipment	7 years
Improvements	15 years
Library books and materials	7 years

Fund Equity - In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subjective to change. At June 30, 2025, there is no restriction or assignment of 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. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS

An annual operating budget on the modified accrual basis of accounting consistent with generally accepted accounting principles is formally adopted for the Library. The budget can be amended by approval of the majority of the Board of Trustees. Amendments are presented to the Board at their regular meetings. All annual appropriations lapse at fiscal year end.

The budget has been adopted on a line item basis; expenditures at this level in excess of budgeted amount are a violation of Michigan law. A comparison of actual results of operations to the budget can be found in the required supplemental information.

(Continued)

III. DETAILED NOTES

A. DEPOSITS AND INVESTMENTS

The investment policy adopted by the Library in accordance with Public Act 20 of 1943 (as amended) authorizes investments in U.S. Treasuries, U.S. Agencies, instrumentalities, certificates of deposit, commercial paper (meeting certain rating and maturity requirements), investment pools and mutual funds.

At year-end the Library's deposits and investments were reported in the basic financial statements in the following categories:

Cash and cash equivalents	$ 1,363,449
Investments	841,099
Total	$ 2,204,548

The breakdown deposits and investments is as follows:

Bank deposits (checking and savings accounts)	$ 1,229,784
Investments in certificates of deposit	133,665
Investments in securities, mutual funds, etc	841,099
Total	$ 2,204,548

The Library's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does not have a deposit policy for custodial credit risk.

At year end, bank deposits reflected in the accounts of the bank at $772,318 were covered by federal depository insurance up to $250,000. The Library believes that due to dollar amounts of cash deposits and the limits of FDIC insurance, it is not always practical to insure all bank deposits. As a result, the Library evaluates each financial institution it deposits Library funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the top two ratings. The Library's investment policy does not place additional limitations relating to credit risk.

Fair Value Measurement – The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At year end the Library held the following investments:

	FAIR VALUE	CLASSIFICATION	RATING
Michigan Class	$ 841,099	Level 1	Not Rated

(Continued)

B. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 follows:

	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
CAPITAL ASSETS BEING DEPRECIATED:				
Land - Building sites	$ 493,010	$ 10,000	$ -	$ 503,010
Buildings and improvements	145,027	-	-	145,027
Furniture and equipment	56,637	10,128	-	66,765
Library books and material	114,257	17,310	16,091	115,476
	$ 808,931	$ 37,438	$ 16,091	$ 830,278
Accumulated depreciation	(220,665)	(20,742)	(16,091)	(225,316)
Net Book Value	$ 588,266	$ 16,696	$ -	$ 604,962

REQUIRED SUPPLEMENTAL INFORMATION

IV. RISK MANAGEMENT

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workers' compensation benefits provided to employees. The Library has purchased commercial insurance to cover potential claims.

Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

V. DEFERRED COMPENSATION PLAN

The Library has adopted a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or financial hardship.

The assets of the plan are held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries and may not be diverted to any other use. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Library's financial statements.

VI. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through December 5, 2025 which is the date the financial statements were available to be issued.

Buss & Company, P.C.
Certified Public Accountants
Clinton Township, Michigan

Schedule No. 1

LENOX TOWNSHIP LIBRARY
New Haven, Michigan
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	(BUDGETARY BASIS)	NEGATIVE
REVENUES:				
Property taxes	$ 355,000	$ 355,000	$ 531,703	$ 176,703
State aid	11,000	11,000	12,766	1,766
Penal fines	7,000	7,000	6,782	(218)
Interest	15,000	15,000	62,276	47,276
Donations	300	300	380	80
Centralized purchasing and grants	5,000	5,000	6,838	1,838
Miscellaneous	5,000	5,000	3,315	(1,685)
Total Revenues	$ 398,300	$ 398,300	$ 624,060	$ 225,760
EXPENDITURES:				
Salaries	$ 200,000	$ 200,000	$ 190,155	$ 9,845
Employee benefits and payroll taxes	42,000	42,000	35,562	6,438
Magazines and newspapers	3,000	3,000	1,621	1,379
Supplies	7,500	7,500	7,918	(418)
Automation	20,000	20,000	23,104	(3,104)
Database subscriptions	15,000	15,000	7,485	7,515
Cooperative services	5,500	5,500	5,928	(428)
Repairs and maintenance	16,000	16,000	10,036	5,964
Membership and dues	1,000	1,000	896	104
Telephone and utilities	17,000	17,000	13,519	3,481
Professional fees	11,500	11,500	11,139	361
Public relations	1,000	1,000	167	833
Programming	4,000	4,000	3,727	273
Insurance	8,500	8,500	8,389	111
Workshops and conferences	3,750	3,750	3,485	265
Miscellaneous	7,550	7,550	7,337	213
Tax refunds	1,000	1,000	-	1,000
Capital outlay	34,000	34,000	38,909	(4,909)
Total Expenditures	$ 398,300	$ 398,300	$ 369,377	$ 28,923
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 254,683	$ 254,683

See accompanying notes to financial statements.