



# THE SCHULTZ-HOLMES DISTRICT LIBRARY

## **Schultz-Holmes District Library Board of Trustees**

### **AGENDA – ANNUAL MEETING**

January 27, 2026 – 6:30 PM

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Approval of Agenda**
- IV. Public Comment**
  - a. Public Comment Guidelines: Public commenters are asked to state their name, address, and to keep comments to three minutes during each Public Comment period. During the public comment period board members and administrators attending the meeting are unable to answer any questions. If you have any questions to which you would like a response, please complete the form available during the meeting. The Schultz-Holmes District Library will respond to the question via the contact information given in a reasonable time frame. You are also welcome to state the question orally during public comment, but will only receive a response if the form is completed.
- V. Election of Officers**
  - a. **President**
  - b. **Vice President**
  - c. **Treasurer**
  - d. **Recording Secretary**
  - e. **Corresponding Secretary**
- VI. Meeting Calendar**
- VII. Public Comment**
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District Library will respond to the question via the contact information given in a reasonable time frame. You are also welcome to state the question orally during public comment, but will only receive a response if the form is completed.

### **VIII. Adjournment**

Proposed minutes of this meeting will be available for public inspection at the Schultz-Holmes District Library, located at 407 South Lane Street, Blissfield, MI 49228 within eight (8) business days after the meeting. Approved minutes are available within five (5) business days after the meeting at which they are approved (in accordance with Open Meetings Act, Public Act 267).



THE SCHULTZ-HOLMES DISTRICT LIBRARY

**Schultz-Holmes District Library Board of Trustees**

**AGENDA – REGULAR MEETING**

January 27, 2026 – 7:00 PM

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Approval of Agenda**
- IV. Approval of December 16, 2025 Regular Meeting Minutes**
- V. Public Comment**
  - a. Public Comment Guidelines: Public commenters are asked to state their name, address, and to keep comments to three minutes during each Public Comment period. During the public comment period board members and administrators attending the meeting are unable to answer any questions. If you have any questions to which you would like a response, please complete the form available during the meeting. The Schultz-Holmes District Library will respond to the question via the contact information given in a reasonable time frame. You are also welcome to state the question orally during public comment, but will only receive a response if the form is completed.
- VI. Committee Reports**
  - a. **Strategic Planning Committee**

Update: Strategic Plan is nearing completion but is slightly delayed due to holidays. Committee hopes to present next month for Board review.
  - b. **Buildings and Grounds Committee**

Update: TBD.
  - c. **Finance Committee**

Update: TBD
  - d. **Policy Committee**

Update: None.
- VII. Corresponding Secretary’s Report**
- VIII. Library Director’s Report**
- IX. Treasurer’s Report**

**a. Approval of Accounts Payable**

**X. Unfinished Business**

**a. None.**

**XI. New Business**

**a. Participation in Farmer's Market at The Stables**

**b. Changing Door Handles for ADA Compliance**

**XII. Public Comment**

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**XIII. Adjournment**

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# **Schultz-Holmes District Library Board Meeting Minutes December 16, 2025**

Trustees present: Ciara McGrane, Blair Meads, Greg Brown, Shelly DeVantier, Christine Burtle, Debra Rogers, Karen Waggoner

Also present: Bob Barringer

Trustees absent:

A meeting of the Schultz-Holmes District Library Board was held on Tuesday, December 16, 2025 at 7:00 pm. The meeting was called to order by President Ciara McGrane at 7:00 pm.

**President Ciara McGrane called for a motion to approve the agenda for the December 16, 2025 meeting. Trustee Christine Burtle made a motion to approve the agenda. Trustee Debra Rogers seconded the motion, and the motion carried unanimously.**

**President Ciara McGrane called for a motion to approve the minutes of the November 18, 2025 Meeting. Trustee Greg Brown made a motion to approve the minutes of the November 18, 2025 Meeting. Trustee Karen Waggoner seconded the motion, and the motion carried unanimously.**

President Ciara McGrane called for public comment. There was no public comment offered.

President Ciara McGrane reported that the Strategic Planning Committee met in October. The Strategic Plan is underway and the committee expects to bring it before the Board in January.

Trustee Greg Brown reported on the Building and Grounds Committee. The parking lot storm drain project is mostly complete, concrete is still needed surrounding the drain. St. Peter Church next to the library is considering repaving their parking lot as well, which could help save costs and make the properties look more cohesive if done together. The property survey is still in progress. There is interest from 2 bidders for the sign project at the front of the building.

There is no report from the Finance Committee.

There is no report from the Policy Committee.

Corresponding Secretary Shelly DeVantier reported that 1 Thank You note was written in December for Adopt-A-Magazine.

Director Barringer gave the Library Director Report. The Visiting Patron Program is going live 12/18. Director Barringer will look into tracking this in the monthly statistics reports, it will be included with ILL for now. The financial audit is underway. Workers' compensation audit will be in January. Hallway heat will be fixed soon. Director Barringer presented information on the dress code at a recent staff meeting. Staff are implementing more TikToks and they are getting a lot of engagement. The Wall Street Journal and The New York Times to the library website for patrons to use. Director Barringer is working on implementing HeritageQuest, a genealogy database that is available remotely. The library currently has Ancestry.com which is only available at the computers in the library. The borrow limits on Hoopla have been raised to 6 borrows per month per patron request.

Treasurer Greg Brown reported that Michigan CLASS earned over \$2,500 since October 1, and over \$7,000 since April 2025.

**President Ciara McGrane called for a motion to approve accounts payable. Trustee Karen Waggoner moved to approve the accounts payable report. Trustee Christine Burtle seconded the motion and it was carried unanimously.**

**President Ciara McGrane called for a motion to approve the Resolution for the Liquor License for an upcoming Taste the State program. Trustee Greg Brown moved to approve the Resolution for the Liquor License. Trustee Blair Meads seconded the motion and it was carried unanimously.**

**President Ciara McGrane called for a motion to approve the proposed Board Meeting Calendar. Trustee Blair Meads made a motion to approve the proposed Board Meeting Calendar. Trustee Debra Rogers seconded the motion and it was carried unanimously.**

Due to a scheduling conflict, it was proposed that the January Annual Meeting and Regular Meeting be moved to an alternate date.

**Trustee Greg Brown made a motion to reschedule the January Regular Board Meeting and Annual Meeting to January 27th, 2026, with the Annual Meeting**

**being held at 6:30pm, and the Regular Meeting being held at 7pm. Trustee Christine Burtle seconded the motion and it was carried unanimously.**

President Ciara McGrane called for public comment and none was offered.

Meeting adjourned at 7:31pm.

## THE SCHULTZ-HOLMES DISTRICT LIBRARY

### **Report of the Director to the Library Board of Trustees, January 27, 2026**

**Financial Audit:** The required financial audit is complete. The audit found no material errors or misrepresentations. The complete report along with some supplementary and transmittal documents are part of the board meeting packet. The accountant has already made the changes required by the auditor, changes which were structural and not material and which included the anticipated roll back of revenue and expenses from October 2025 into FY 2024-25. Please note that the ledger report for this month does not yet reflect those roll backs.

Also, our auditor has merged his practice with BHM CPA based in Columbus, OH. They state that no terms will change for our contracted audit services. At their request I signed a new agreement on their new company's letterhead.

**Main Street Stable Farmers' Market:** Laura Nichols asked Autumn if the library could provide children's activities, such as those she has done for the Harvest Festival and other events, for the Farmers' Markets returning weekly on Thursdays between April and October to the Stable. Autumn brought the information to me. While personally very happy to see the return of the Stable and the Market, I think this is a great opportunity for the library to remain visible in and reinforce its necessity to the community.

I suggested proceeding with once a month programs, not weekly, at least not at first, and with the caveat that those programs would need to be staffed largely by volunteers, meaning Friends and Board members. I did not want to lose Thursday programs at the library. Furthermore, while I am capable of returning and should be available to return to doing more programs myself (and plan to do so), I think Autumn, while eager and capable of great and many things, does not need to be stretched any further than necessary. Also, more programs mean the added expense of other staff brought in to cover the desk, if not to help with the program itself. While, then, the task of staffing this outreach effort under Autumn's supervision will fall to the Library Board, Friends (who are very excited about the opportunity), and other volunteers, the program will increase the visibility of the library and of the individuals involved in its presentation. Good for the Friends. Good for the Board.

Later, at the last Rotary meeting, Laura put out a call for other volunteers for the other weeks in the month, suggesting that she might have to pay people to provide the programs.

**Accountant:** The accountant also required a new agreement for the new fiscal year. This agreement is more of a standard agreement for on-going accounting services and does not include any of the clean up and merging of old records that was on the contract last year. The accountant and I are also working on new reports to replace and/or supplement the reports currently presented to the board. A new Statement of Financial Position (as of 12/31/2025) is included in the board packet.

**Workers Compensation Audit:** I have submitted all documentation requested by our workers compensation insurer for their annual audit.

**Hallway heat:** The auxiliary in-duct furnace we had installed in 2009 went out last year returning the hallway to meat-locker conditions in the winter. Shoemaker has been looking for a solution and finally determined it must be replaced because parts are unavailable. After some wait, Shoemaker received the replacement and began installation. The replacement required some customization, which, along with demands on Shoemaker caused by the recent weather, has put completing the installation on hold. Understandably, people without any heat at all have to be their first priority.

**MERS:** Our employee benefits provider, Municipal Employees Retirement Services, is in the process of transitioning to a new recording-keeping subcontractor. I have attended an introductory webinar with more training to follow. The changes do not affect costs to the library.

**Site Assessment:** The completed site assessment report is also part of the board documents.

**Monthly Statistics:**

Circulation	Ill Out	Ill in	Local Circ	Libby	Freegal DL/Stream	Hoopla	Kanopy
<b>December</b>	63	113	1213	195	20/731	288	31

**Program Participation:**

	#
3 Storytime	14
8 LILA	20
8 LILA Giles Location	12
10 Storytime	21
11 Bingo	30
15 Senior Center	10
16 Homeschool Hangout	17
17 Storytime	10
18 Rhythm and Rhyme Time	29
19 Blissfield Co-Op Preschool	17
30 Guess How Many	67
31 Take and Make Kits	25
<b>December</b>	<b>272</b>

**Active Patrons 12/31/2025**

<b>Adult:</b>	3441
Institution:	16
Juvenile:	376
Bliss Twp	318
Village:	2346
Non-Resident:	66
Ogden:	257
Palmyra:	315
Riga:	531
<b>December</b>	<b>3833</b>

**December Computer Use:**

Sessions: 77

Time: 44:23

**The Schultz-Holmes Memorial Library**  
**Monthly Invoice Report**  
**December 2025**

Name	Num	Date	Account	Amount	Memo
<b>271--Library Fund</b>					
<b>271-790 Library</b>					
<b>271-790-710.004 Disability/Life</b>					
The Hartford	494297891442	12/03/2025	271-790-710.004 Disability/Life	54.23	527 Disabiliity/Life Insurance
Total 271-790-710.004 Disability/Life				54.23	
<b>271-790-727 Office Supplies</b>					
Amazon.com	1x3466xqvm7f	12/03/2025	271-790-727 Office Supplies	73.56	529 supplies
Total 271-790-727 Office Supplies				73.56	
<b>271-790-740 Tools and Supplies</b>					
<b>271-790-740.004.Books &amp; Mags</b>					
Daily Telegram	20251205	12/03/2025	271-790-740.004.Books & Mags	34.79	523 subscription
Amazon.com	1x3466xqvm7f	12/03/2025	271-790-740.004.Books & Mags	2,558.51	529 books
Total 271-790-740.004.Books & Mags				2,593.30	
<b>271-790-740 Tools and Supplies - Other</b>					
TLC Community...	20251130	12/03/2025	271-790-740 Tools and Supplies	16.88	526 supplies Walmart
Amazon.com	1x3466xqvm7f	12/03/2025	271-790-740 Tools and Supplies	89.59	529 supplies
Blissfield State ...	20251204	12/18/2025	271-790-740 Tools and Supplies	45.00	541 safe deposit box rental
Total 271-790-740 Tools and Supplies - Other				151.47	
Total 271-790-740 Tools and Supplies				2,744.77	
<b>271-790-741 Audio Visual</b>					
Amazon.com	1x3466xqvm7f	12/03/2025	271-790-741 Audio Visual	98.67	529 video
Total 271-790-741 Audio Visual				98.67	
<b>271-790-770.000 General Program</b>					
<b>271-790-770.003 Bliss Unbound</b>					
TLC Community...	20251130	12/03/2025	271-790-770.003 Bliss Unbound	44.21	526 FB promos BU Walmart
Total 271-790-770.003 Bliss Unbound				44.21	
<b>271-790-770.004 Child/Teen P&amp;M</b>					
TLC Community...	20251130	12/03/2025	271-790-770.004 Child/Teen P&M	106.34	526 supplies CTP Walmart/Costco
Amazon.com	1x3466xqvm7f	12/03/2025	271-790-770.004 Child/Teen P&M	253.66	529 supplies CTP
Total 271-790-770.004 Child/Teen P&M				360.00	
Total 271-790-770.000 General Program				404.21	
<b>271-790-807 Attorney Svcs</b>					
FosterSwift	929661	12/09/2025	271-790-807 Attorney Svcs	918.00	536 atty svcs
Total 271-790-807 Attorney Svcs				918.00	

**The Schultz-Holmes Memorial Library**  
**Monthly Invoice Report**  
**December 2025**

Name	Num	Date	Account	Amount	Memo
<b>271-790-817 Professional Svcs</b>					
B Brooks Consu...	2000	12/03/2025	271-790-817 Professional Svcs	10.00	528 QSHERA TPA
WorkForce Pay...	0000092976	12/18/2025	271-790-817 Professional Svcs	62.00	AWD payroll 12/05/2025
WorkForce Pay...	0000093548	12/18/2025	271-790-817 Professional Svcs	62.00	AWD payroll 12/19/2025
Total 271-790-817 Professional Svcs				134.00	
<b>271-790-853 Telephone/Internet</b>					
D & P Communi...	10652803	12/03/2025	271-790-853 Telephone/Internet	50.00	525 internet
Village of Blissfi...	25-0006695	12/09/2025	271-790-853 Telephone/Internet	82.32	535 telephone (535 also pays wa...
Total 271-790-853 Telephone/Internet				132.32	
<b>271-790-921 Electric</b>					
Consumers Ene...	20251230	12/18/2025	271-790-921 Electric	466.21	538 electric
Total 271-790-921 Electric				466.21	
<b>271-790-923 Gas</b>					
Consumers Ene...	20251230	12/18/2025	271-790-923 Gas	475.13	538 gas
Total 271-790-923 Gas				475.13	
<b>271-790-927 Water</b>					
Village of Blissfi...	20251229	12/09/2025	271-790-927 Water	76.53	535 water
Total 271-790-927 Water				76.53	
<b>271-790-928 Sewer</b>					
Village of Blissfi...	20251229	12/09/2025	271-790-928 Sewer	74.36	535 sewer
Total 271-790-928 Sewer				74.36	
<b>271-790-931 Bldg &amp; Grds Maint</b>					
Shoemaker Hea...	101010256	12/03/2025	271-790-931 Bldg & Grds Maint	60.00	530 plumbing repair work room sink
Wolfe's Lawn C...	20251204	12/09/2025	271-790-931 Bldg & Grds Maint	400.00	537 lawncare and snow removal
Stevens Disposal	20251231x	12/18/2025	271-790-931 Bldg & Grds Maint	86.25	540 dumpster
Total 271-790-931 Bldg & Grds Maint				546.25	
<b>271-790-962.000 Dues Sub Membe</b>					
<b>271-790-962.001 ILL/Woodlands</b>					
Henika District L...	173	12/03/2025	271-790-962.001 ILL/Woodlands	20.82	524 lost item paid per ILL agmt
Total 271-790-962.001 ILL/Woodlands				20.82	
<b>271-790-962.002 OverDrive</b>					
OverDrive	Sept-Oct 2025	12/09/2025	271-790-962.002 OverDrive	8.97	533 3 External Svc plays (2 Qell...
Total 271-790-962.002 OverDrive				8.97	

12:29 PM

12/18/25

Accrual Basis

## The Schultz-Holmes Memorial Library

### Monthly Invoice Report

December 2025

Name	Num	Date	Account	Amount	Memo
<b>271-790-962.004 Online Subscrip</b>					
Kanopy	480107	12/03/2025	271-790-962.004 Online Subscrip	34.85	522 Kanopy Monthly
Midwest Tape	508109620	12/03/2025	271-790-962.004 Online Subscrip	729.02	532 hoopla monthly
New York Times	111212114	12/09/2025	271-790-962.004 Online Subscrip	3,016.00	534 New York Times Online Ann...
Total 271-790-962.004 Online Subscrip				3,779.87	
Total 271-790-962.000 Dues Sub Membe				3,809.66	
<b>271-790-969 Maint Agreements</b>					
<b>271-790-969.001 Copier Maint</b>					
US Bank	569898554	12/03/2025	271-790-969.001 Copier Maint	95.24	531 copier lease
Total 271-790-969.001 Copier Maint				95.24	
Total 271-790-969 Maint Agreements				95.24	
<b>271-790-977 New Equipment</b>					
Amazon.com	1x3466xqvm7f	12/03/2025	271-790-977 New Equipment	2,779.59	529 computers w/ svc contracts
Total 271-790-977 New Equipment				2,779.59	
Total 271-790 Library				12,882.73	
Total 271--Library Fund				12,882.73	
<b>TOTAL</b>				<b>12,882.73</b>	

Schultz-Holmes District Library Revenue and Expenditure Report  
 Period Ending 12/31/2025  
 Tax Revenue

Account	Label	Budget	YTD	Current	Remaining	% Budget Used
REVENUE	<b>Revenue (as deposited in SHDL bank accounts 12/25)</b>					
271-000-540	State Revenue <b>to savings</b>	7000			7000.00	0.00%
<b>Millage Revenue</b>	Blissfield					
	Ogden					
	Palmyra					
	Riga					
	DQT Payment from County					
<b>271-000-403</b>	<b>Tax Revenue to General Operations</b>	<b>488,000</b>	<b>0.00</b>		<b>488,000.00</b>	<b>0.00%</b>
<b>Special Revenue</b>	<b>OTC 11/25 to Savings 12/25--totals show rollback of 9/25 OTC deposited 10/2025</b>					
271-000-640.000	General Service Charges					
271-000-640.001	Non-Resident Service Charges	100			100.00	0.00%
271-000-640.002	Fax Service Charges	500	3.00	3.00	497.00	0.60%
271-000-640.003	Copy & Print Svc Charges	500	220.70	108.50	279.30	44.14%
271-000-640.004	Lamination Svc Charges	50	1.00	1.00	49.00	2.00%
271-000-640.005	Digital Transfer Svc Charges	50	30.00	30.00	20.00	60.00%
271-000-640.006	Poster Printing Svc Charges	50			50.00	0.00%
271-000-640.007	Binding Svc Charges	50			50.00	0.00%
271-000-640.008	Research Svc Charges	50			50.00	0.00%
271-000-642.000	Sales	1000	97.25	41.00	902.75	9.73%
271-000-659.000	Fines & Other Desk Receipts	300	11.00		289.00	3.67%
271-000-660.003	Penal Fines	7000			7,000.00	0.00%
271-000-665.000	Interest	5450	3,165.25	1,018.35	2,284.75	58.08%
271-000-667.000	Rent	600	200.00	200.00	400.00	33.33%
271-000-674.000	Private Contributions & Donations	7000	785.67	46.70	6,214.33	11.22%
271-000-684.000	Miscellaneous Revenue	2000	134.17	36.00	1,865.83	6.71%
	<b>Spical Revenue Total</b>	<b>24,700</b>	<b>4,648.04</b>	<b>1,484.55</b>	<b>20,051.96</b>	<b>18.82%</b>
<b>Total</b>	<b>Total Revenue (millage+special)</b>	<b>519,700</b>	<b>4,648.04</b>	<b>1,484.55</b>	<b>515,051.96</b>	<b>0.89%</b>

Schultz-Holmes District Library Revenue and Expenditure Report  
 Period Ending 12/31/2025  
 Tax Revenue

Account	Label	Budget	YTD	Current	Remaining	% Budget Used
<b>EXPENDITURES</b>						
<b>271-790-xxx</b>	<b>Library</b>					
	702 Wages	132,000	29,586.09	9,974.40	102,413.91	22.41%
	703 Pt-Tm Wages	76,000	14,692.80	4,252.72	61,307.20	19.33%
	<b>Sub-total Wages</b>	<b>208,000</b>	<b>44,278.89</b>	<b>14,227.12</b>	<b>163,721.11</b>	<b>21.29%</b>
	710 Social Security/Medicare	17,900	3,820.59	1,232.92	14,079.41	21.34%
	710.004 Disability/Life Insurance	850	162.69	54.23	687.31	19.14%
	710.005 HRA	25,600	5,072.64	1,690.88	20,527.36	19.82%
	710.007 Workers' Compensation	550	424.00		126.00	77.09%
	710.012 MERS Defined Contribution	13,150	2,958.60	997.44	10,191.40	22.50%
	710.013 MERS Health Care Savings Plan	4,000	887.56	299.22	3,112.44	22.19%
	710.014 MERS 457b Employer Contribution	2,650	591.75	199.50	2,058.25	22.33%
	<b>Total MERS Retirement</b>	<b>19,800</b>	<b>4,437.91</b>	<b>1,496.16</b>	<b>15,362.09</b>	<b>22.41%</b>
	710.008 Unemployment Insurance	1,750	41.57	6.99	1,708.43	2.38%
	<b>Total Personnel</b>	<b>274,450</b>	<b>58,238.29</b>	<b>18,708.30</b>	<b>216,211.71</b>	<b>21.22%</b>
	727.000 Office Supplies	4,000	868.79	73.56	3,131.21	21.72%
	728.000 Postage/Freight	100	24.68		75.32	24.68%
	740.000 Tools & Supplies	4,000	816.08	151.47	3,183.92	20.40%
	740.004 Books & Magazines	25,000	8,969.35	2,593.30	16,030.65	35.88%
	741.000 AudioVisSupp	2,500	269.70	98.67	2,230.30	10.79%
	770 General Program Expenses	20,000	0.00		20,000.00	0.00%
	770.001 Art at Your Feet	2,500	0.00		2,500.00	0.00%
	770.002 Taste the State	2,500	450.00		2,050.00	18.00%
	770.003 Blissfield Unbound	2,500	1,559.12	44.21	940.88	62.36%
	770.004 Children's Programming	2,500	1,353.29	360.00	1,146.71	54.13%
	770.005 Summer Reading	5,000	140.14		4,859.86	2.80%
	771.001 Rotary Books	800	0.00		800.00	0.00%
	771.002 Adopt-a-Mag	400	0.00		400.00	0.00%
	771.003 Miscellaneous Memorial Gifts	200	0.00		200.00	0.00%
	958.001 Movie Licenses	700	0.00		700.00	0.00%
	771.004 Misc Non-Memorial	200	0.00		200.00	0.00%
	771.005 Grant Expenses	2,000	0.00		2,000.00	0.00%
	771.006 Purchase Expenses	200	0.00		200.00	0.00%

Schultz-Holmes District Library Revenue and Expenditure Report  
 Period Ending 12/31/2025  
 Tax Revenue

Account	Label	Budget	YTD	Current	Remaining	% Budget Used
771.007	Tuttle Funds	500	0.00		500.00	0.00%
771.000	Additional Collection Expenses		0.00			
772.001	Lost Items Replaced	200	0.00		200.00	0.00%
772.002	Sales Income Expenses	4,000	0.00		4,000.00	0.00%
802.000	Auditor	5,000	0.00		5,000.00	0.00%
807	Attorney Services	5,000	2,996.50	918.00	2,003.50	59.93%
817	Accounting Services/Payroll	9,500	1,242.25	134.00	8,257.75	13.08%
853.000	Telephone/Internet	2,000	396.72	132.32	1,603.28	19.84%
901.000	Publishing	100	0.00		100.00	0.00%
901.001	Newsletter	1,600	0.00		1,600.00	0.00%
902.001	Promotional Expenses	1675	0.00		1,675.00	0.00%
921	Electric	7500	1,416.10	466.21	6,083.90	18.88%
923.000	Gas	5,000	642.48	475.13	4,357.52	12.85%
927	Water	1,000	224.38	76.53	775.62	22.44%
928	Sewer	1,000	219.00	74.36	781.00	21.90%
931	Building & Grounds Repair & Maintenance	20,000	8,652.64	546.25	11,347.36	43.26%
932	Equipment Repair & Maintenance	3,000	0.00		3,000.00	0.00%
956	Misc	500	0.00		500.00	0.00%
960	Workshops Conferences Education	2,500	200.00		2,300.00	8.00%
961	Bank Fees	100	0.00		100.00	0.00%
962	Memberships and Dues	300	15.00		285.00	5.00%
962.001	ILL/Woodlands Memberships	5,000	36.82	20.82	4,963.18	0.74%
962.002	OverDrive Advantage	700	8.97	8.97	691.03	1.28%
962.003	Freegal	2,100	0.00		2,100.00	0.00%
962.004	Other Online Subscriptions	12,000	5,284.72	3,779.87	6,715.28	44.04%
965.000	Property & Liability Insurance	15,000	1,798.00		13,202.00	11.99%
969.000	Maintenance Agreements	1,000	0.00		1,000.00	0.00%
969.001	Copier Maintenance	2,500	543.83	95.24	1,956.17	21.75%
969.002	Website Agreement	1,000	45.00		955.00	4.50%
969.003	Time Management Software Agreement	300	0.00		300.00	0.00%
969.004	Online Backup Agreement	200	0.00		200.00	0.00%
969.005	ILS Agreement	1,500	0.00		1,500.00	0.00%
971.000	Capital Projects	20,000	0.00		20,000.00	0.00%
977.000	New Equipment	10,000	3,350.95	2,779.59	6,649.05	33.51%

Schultz-Holmes District Library Revenue and Expenditure Report  
 Period Ending 12/31/2025  
 Tax Revenue

<b>Account</b>	<b>Label</b>	<b>Budget</b>	<b>YTD</b>	<b>Current</b>	<b>Remaining</b>	<b>% Budget Used</b>
271-790	Total Library	<b>491,325</b>	<b>99,762.80</b>	<b>31,536.80</b>	<b>391,562.20</b>	<b>20.30%</b>
271-791	Library Board					
	702 Wages	3,600	0.00			0.00%
	710 Social Security/Medicare	275	0.00			0.00%
Library Board	Sub-Total Library Board	<b>3,875</b>	<b>0.00</b>	<b>0.00</b>	<b>3,875.00</b>	<b>0.00%</b>
	Sub-Total Library+Library Board	<b>495200</b>	<b>99,762.80</b>	<b>31,536.80</b>	<b>395,437.20</b>	<b>20.15%</b>
	Contingency	<b>24500</b>	<b>0.00</b>	<b>0.00</b>	<b>24,500.00</b>	<b>0.00%</b>
<b>Total</b>	<b>Total</b>	<b>519700</b>	<b>99,762.80</b>	<b>31,536.80</b>	<b>419,937.20</b>	<b>19.20%</b>

Account	Label	Budget	October	November	December	Total	Remaining	Percentage
<b>271-790-xxx</b>	<b>Library</b>							
702	Wages	132,000	9637.29	9,974.40	9,974.40	29,586.09	102,413.91	22.41%
703	Pt-Tm Wages	76,000	5292.16	5,147.92	4,252.72	14,692.80	61,307.20	19.33%
	<b>Sub-total Wages</b>	<b>208,000</b>	<b>14929.45</b>	<b>15,122.32</b>	<b>14,227.12</b>	<b>44,278.89</b>	<b>163,721.11</b>	<b>21.29%</b>
710	Social Security/Medicare	17,900	1286.20	1,301.47	1,232.92	3,820.59	14,079.41	21.34%
710.004	Disability/Life Insurance	850	54.23	54.23	54.23	162.69	687.31	19.14%
710.005	HRA	25,600	1690.88	1,690.88	1,690.88	5,072.64	20,527.36	19.82%
710.007	Workers' Compensation	550	424.00			424.00	126.00	77.09%
710.012	MERS Defined Contributio	13,150	963.72	997.44	997.44	2,958.60	10,191.40	22.50%
710.013	MERS Health Care Savings	4,000	289.12	299.22	299.22	887.56	3,112.44	22.19%
710.014	MERS 457b Employer Con	2,650	192.75	199.50	199.50	591.75	2,058.25	22.33%
	<b>Total MERS Retirement</b>	<b>19,800</b>	<b>1445.59</b>	<b>1,496.16</b>	<b>1,496.16</b>	<b>4,437.91</b>	<b>15,362.09</b>	<b>22.41%</b>
710.008	Unemployment Insurance	1,750	27.59	6.99	6.99	41.57	1,708.43	2.38%
	<b>Total Personnel</b>	<b>274,450</b>	<b>19857.94</b>	<b>19,672.05</b>	<b>18,708.30</b>	<b>58,238.29</b>	<b>216,211.71</b>	<b>21.22%</b>
727	Office Supplies	4,000	417.32	377.91	73.56	868.79	3,131.21	21.72%
728	Postage/Freight	100	8.68	16.00		24.68	75.32	24.68%
740	Tools & Supplies	4,000	475.18	189.43	151.47	816.08	3,183.92	20.40%
740.004	Books & Magazines	25,000	1566.25	4,809.80	2,593.30	8,969.35	16,030.65	35.88%
741	AudioVisSupp	2,500	151.54	19.49	98.67	269.70	2,230.30	10.79%
770.000	General Program Expense	20,000				0.00	20,000.00	0.00%
770.001	Art at Your Feet	2,500				0.00	2,500.00	0.00%
770.002	Taste the State	2,500		450.00		450.00	2,050.00	18.00%
770.003	Blissfield Unbound	2,500	745.42	769.49	44.21	1,559.12	940.88	62.36%
770.004	Children's Programming	2,500	765.39	227.90	360.00	1,353.29	1,146.71	54.13%
770.005	Summer Reading	5,000		140.14		140.14	4,859.86	2.80%
771.001	Rotary Books	800				0.00	800.00	0.00%
771.002	Adopt-a-Mag	400				0.00	400.00	0.00%
771.003	Miscellaneous Memorial C	200				0.00	200.00	0.00%
958.001	Movie Licenses	700				0.00	700.00	0.00%
771.004	Misc Non-Memorial	200				0.00	200.00	0.00%
771.005	Grant Expenses	2,000				0.00	2,000.00	0.00%
771.006	Purchase Expenses	200				0.00	200.00	0.00%
771.007	Tuttle Funds	500				0.00	500.00	0.00%
771	Additional Collection Expe	0				0.00		
772.001	Lost Items Replaced	200				0.00	200.00	0.00%
772.002	Sales Income Expenses	4,000				0.00	4,000.00	0.00%
802.000	Auditor	5,000				0.00	5,000.00	0.00%
807	Attorney Services	5000	2,053.00	25.50	918.00	2,996.50	2,003.50	59.93%
817	Accounting Services/Payro	9500	394.50	713.75	134.00	1,242.25	8,257.75	13.08%
853	Telephone/Internet	2,000	132.08	132.32	132.32	396.72	1,603.28	19.84%
901	Publishing	100				0.00	100.00	0.00%
901.001	Newsletter	1,600				0.00	1,600.00	0.00%
902.001	Promotional Expenses	1,675				0.00	1,675.00	0.00%

921	Electric	7,500	531.07	418.82	466.21	1,416.10	6,083.90	18.88%
923	Gas	5,000	21.45	145.90	475.13	642.48	4,357.52	12.85%
927	Water	1,000	69.82	78.03	76.53	224.38	775.62	22.44%
928	Sewer	1,000	69.11	75.53	74.36	219.00	781.00	21.90%
931	Building & Grounds Repair	20,000	4091.14	4,015.25	546.25	8,652.64	11,347.36	43.26%
932	Equipment Repair & Main	3,000				0.00	3,000.00	0.00%
956	Misc	500				0.00	500.00	0.00%
960.000	Workshops Conferences E	2,500	200.00			200.00	2,300.00	8.00%
961.000	Bank Fees	100				0.00	100.00	0.00%
962	Memberships and Dues	300	15.00			15.00	285.00	5.00%
962.001	ILL/Woodlands Membersh	5,000		16.00	20.82	36.82	4,963.18	0.74%
962.002	OverDrive Advantage	700			8.97	8.97	691.03	1.28%
962.003	Freegal	2,100				0.00	2,100.00	0.00%
962.004	Other Online Subscription	12,000	716.18	788.67	3,779.87	5,284.72	6,715.28	44.04%
965	Property & Liability Insura	15,000	1798.00			1,798.00	13,202.00	11.99%
969.000	Maintenance Agreements	1,000				0.00	1,000.00	0.00%
969.001	Copier Maintenance	2,500	95.24	353.35	95.24	543.83	1,956.17	21.75%
969.002	Website Agreement	1,000		45.00		45.00	955.00	4.50%
969.003	Time Management Softwa	300				0.00	300.00	0.00%
969.004	Online Backup Agreement	200				0.00	200.00	0.00%
969.005	ILS Agreement	1,500				0.00	1,500.00	0.00%
971	Capital Projects	20,000				0.00	20,000.00	
977.000	New Equipment	10,000		571.36	2,779.59	3,350.95	6,649.05	33.51%
<b>271-790</b>	<b>Total Library</b>	<b>491,325</b>	<b>34,174.31</b>	<b>34,051.69</b>	<b>31,536.80</b>	<b>99,762.80</b>	<b>391,562.20</b>	<b>20.30%</b>
						99,762.80		
<b>271-791</b>	<b>Library Board</b>							
702	Wages	3,600				0.00		0.00%
710	Social Security/Medical	275				0.00		0.00%
<b>Library Board</b>	<b>Sub-Total Library Board</b>	<b>3875</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,875.00</b>	<b>0.00%</b>
	<b>Sub-Total Library+Libra</b>	<b>495,200</b>	<b>34,174.31</b>	<b>34,051.69</b>	<b>31,536.80</b>	<b>99,762.80</b>	<b>395,437.20</b>	<b>20.15%</b>
	<b>Contingency</b>	<b>24,500</b>				<b>0.00</b>	<b>24,500.00</b>	<b>0.00%</b>
<b>Total</b>	<b>Total</b>	<b>519,700</b>	<b>34,174.31</b>	<b>34,051.69</b>	<b>31,536.80</b>	<b>99,762.80</b>	<b>419,937.20</b>	<b>19.20%</b>
							<b>% of year</b>	<b>25.00%</b>

	OCT	NOV	DEC
<b>Blissfield State Bank</b>			
<b>Library Savings</b>			
Opening Balance	\$56,122.82	\$53,443.02	\$34,507.13
Deposits	\$7,320.20	1,016.59	466.20
Transfer out to CLASS BadChks/Bk Err or fee			
Transfers	(10,000.00)	(\$20,000.00)	(\$30,000.00)
Interest		\$47.52	
Balacnce	\$53,443.02	\$34,507.13	\$4,973.33
<b>Library Checking (General)</b>			
Opening Balance	\$26,890.70	\$12,291.93	\$14,197.93
Checks/Debits	(\$13,870.77)	(\$18,094.00)	(\$28,073.51)
Electronic Debits	(\$728.00)		
Bank Fee/misc credit			
Transfer out to CLASS transfer out			
transfer in		\$20,000.00	\$20,000.00
Transfer from Paypal checks (after stmt)			
Deposits			
Balance	\$12,291.93	\$14,197.93	\$6,124.42
<b>Library Checking (Payroll)</b>			
Opening Balance	\$52,632.31	\$33,098.60	\$23,356.78
Checks/Debits			
Electronic Debits	(\$19,533.71)	(\$19,741.82)	
Bank Fee/misc credit			
transfer out			
transfer in		\$10,000.00	\$10,000.00
Deposit			
Balance	\$33,098.60	\$23,356.78	\$33,356.78
<b>TOTAL</b>	<b>\$98,833.55</b>	<b>\$72,061.84</b>	<b>\$44,454.53</b>

<b>Tuttle Funds</b>	
10/1/2025 Balance	12/31/2025 Balance
9073.93	9073.93

	OCT	NOV	DEC
<b>MI CLASS ACCOUNTS</b>			
<b>Investment Fund</b>			
Balance Forward	\$129,280.05	\$129,742.49	\$130,176.77
Deposit			
<b>Withdrawals/Transfers</b>			
Income Earned	\$462.44	\$434.28	\$437.15
Investment Fund Balan	\$129,742.49	\$130,176.77	\$130,613.92
<b>Contigency Fund</b>			
Balance Forward	\$50,416.92	\$50,597.27	\$50,766.65
Deposit			
<b>Withdrawals/Transfers</b>			
Income Earned	\$180.35	\$169.38	\$170.47
Contigency Fund Balan	\$50,597.27	\$50,766.65	\$50,937.12
<b>General Fund</b>			
Balance Forward	\$121,468.62	\$121,903.09	\$122,311.14
Deposit			
<b>Withdrawals/Transfers</b>			
Income Earned	\$434.47	\$408.05	\$410.73
Contigency Fund Balan	\$121,903.09	\$122,311.14	\$122,721.87
<b>CLASS TOTAL</b>	<b>\$302,242.85</b>	<b>\$303,254.56</b>	<b>\$304,272.91</b>

	OCT	NOV	DEC
<b>TLC Credit Union</b>			
<b>CD Investment Account</b>			
Opening Balance	\$1,032.76	\$1,043.17	\$1,043.17
Deposit			
bank fees			
BadChks/Bk Err or fee			
Transfers			
Dividend	\$10.41		
Balance	\$1,043.17	\$1,043.17	\$1,043.17

	OCT	NOV	DEC
<b>Savings Account (required)</b>			
Opening Balance	\$5.00	\$5.00	\$5.00
Pay Bills			
correction/question			
Deposit			
Interest			
Balance	\$5.00	\$5.00	\$5.00
<b>TOTAL</b>	<b>\$1,048.17</b>	<b>\$1,048.17</b>	<b>\$1,048.17</b>

# Statement of Financial Position

As of December 31, 2025

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
271-000-001 New BSB Library Operations Account	15,103.13
271-000-002 Savings Accounts	
271-000-002.001 New BSB Library Savings Account	-4,200.60
271-000-002.002 TLC Savings	5.00
<b>Total 271-000-002 Savings Accounts</b>	<b>-4,195.60</b>
271-000-003 TLC CD	1,043.17
271-000-007 BSB Payroll Account	5,190.84
271-000-008 PayPal	0.00
<b>Total Bank Accounts</b>	<b>17,141.54</b>
<b>Other Current Assets</b>	
271-000-017 Michigan CLASS Accounts	
271-000-017.001 Investment Fund MI-01-1059-0001	131,051.07
271-000-017.002 Contingency Fund MI-01-1059-0002	50,937.12
271-000-017.003 General Fund MI-01-1059-0003	122,721.87
<b>Total 271-000-017 Michigan CLASS Accounts</b>	<b>304,710.06</b>
271-000-123 Prepaid Expenses	0.00
<b>Total Other Current Assets</b>	<b>304,710.06</b>
<b>Total Current Assets</b>	<b>321,851.60</b>
<b>TOTAL ASSETS</b>	<b>\$321,851.60</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
271-000-202 Library Accounts Payable	11,819.57
<b>Total Accounts Payable</b>	<b>11,819.57</b>
<b>Credit Cards</b>	
271-000-210 TLC Visa CC	0.00
<b>Total Credit Cards</b>	<b>0.00</b>
<b>Other Current Liabilities</b>	
271-000-202 Library Accounts Payable.	0.00
271-000-257 Accrued Payroll	5,763.00
<b>Total Other Current Liabilities</b>	<b>5,763.00</b>
<b>Total Current Liabilities</b>	<b>17,582.57</b>
<b>Total Liabilities</b>	<b>17,582.57</b>
<b>Equity</b>	
271-000-390 Library Fund Balance	109,925.60

	<b>Total</b>
271-000-391 Unrestricted Net Assets	321,942.88
Net Income	-127,599.45
<b>Total Equity</b>	<b>304,269.03</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$321,851.60</b>



January 14, 2026

**To Board of Directors and Management  
Schultz-Holmes District Library  
407 S Lane St.  
Blissfield, Michigan 49228**

In planning and performing our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Schultz-Holmes District Library as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Schultz-Holmes District Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Schultz-Holmes District Library's internal control. Accordingly, we do not express an opinion on the effectiveness of Schultz-Holmes District Library's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:  
See the following pages that describes the deficiencies (2025.1 thru 2025.2).

This communication is intended solely for the information and use of management, Board of Directors and Management, and others within Schultz-Holmes District Library, and is not intended to be and should not be used by anyone other than these specified parties.



**2025.1 PREPARATION OF (GAAP) BASIS FINANCIAL STATEMENTS**

**Requirement:**

The Library's is required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is the responsibility of the Library's management. The preparation of financial statements in accordance with (GAAP) requires internal controls over (1) recording, processing, and summarizing accounting data, and (2) reporting government-wide and fund financial statements, including the related footnotes.

**Condition:**

The Library has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the Library's ability to prepare financial statements in accordance with (GAAP) is based, in part, on its reliance on its external auditors, who cannot be definition be considered part of the Library's internal controls.

**Cause:**

This condition is caused by the Library's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors then to incur the added time and expense of obtaining the necessary training to perform this task.

**Effect:**

The result of this condition is that the Library lacks internal controls over the preparation of financial statements in accordance with (GAAP), and instead relies, in part, on its external auditors for assistance with this task.

**View of Responsible Official:**

The Library will continue to evaluate the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with (GAAP). In addition, the Library will carefully review the draft financial statements and notes prior to approving them and accept responsibility for their content and presentation.



**2025.2 ACCOUNTING FOR FIXED ASSETS**

**Requirements:**

The Library is required to maintain records in accordance with their capital asset policy as to the purchase, disposal and maintaining of assets including depreciation.

**Condition:**

The Library is historically relied on its independent external auditors to maintain the Library fixed asset schedules.

**Cause:**

The decision is caused by the Library's decision to save cost and added time and expense in maintaining.

**Effect:**

Any internal prepared financial statements on a government-wide basis, if so, prepared would possibly be in error.

**View of Responsible Official:**

It is more cost effective to continue to have the external auditors maintain the fixed asset schedules, for the Library approving them and accepting responsibility for its content.

We are available to answer any questions that you may have related to the control deficiencies we identified during your audit or discuss the benefits and associated costs of any options you have for remedying them if you would like to do so. If you would like to set up a meeting to discuss this communication or your organization's internal controls, please feel free to contact me.

We appreciate the opportunity to conduct your organization's audit.

Respectfully,

BHM, CPA Group, Inc.



January 14, 2026

**To Board of Directors and Management  
Schultz-Holmes District Library  
407 S Lane St.  
Blissfield, Michigan 49228**

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Schultz-Holmes District Library for the year ended September 30, 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 January 6, 2026. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Schultz-Holmes District Library are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2024 - 2025. We noted no transactions entered into by Schultz-Holmes 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. Management's estimate of the depreciable fixed assets is based on past experience and tables provided by the Internal Revenue Service. We evaluated the methods, assumptions, and data used to develop the depreciation schedule in determining that it is 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.

**Page 1**



***Corrected and Uncorrected Misstatements***

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

Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

***Disagreements with Management***

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

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated January 14, 2026

***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 Schultz-Holmes 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 Budgetary Comparison Schedule-General Fund, which is 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 information and use of the Board of Directors and management of Schultz-Holmes District Library and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,

BHM, CPA Group, Inc.

**SCHULTZ-HOLMES DISTRICT LIBRARY**

**BLISSFIELD, MICHIGAN**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2025**

**SCHULTZ-HOLMES DISTRICT LIBRARY  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

January 14, 2026

**Schultz-Holmes District Library  
Board of Directors and Management  
407 S Lane St.  
Blissfield, Michigan 49228**

## **INDEPENDENT AUDITOR'S REPORT**

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Schultz-Holmes District Library, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Schultz-Holmes District 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, each major fund, and the aggregate remaining fund information of the Schultz-Holmes District Library, as of September 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 Schultz-Holmes District 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 Schultz-Holmes District 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 Schultz-Holmes District 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 Schultz-Holmes District 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 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.

**Board of Directors and Management  
Schultz-Holmes District Library  
January 14, 2026**

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Respectfully,

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM, CPA Group, Inc.

**SCHULTZ-HOLMES DISTRICT LIBRARY  
Management's Discussion and Analysis  
For The Year Ended September 30, 2025**

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The Schultz-Holmes District Library (the "Library"), located in the Village of Blissfield, Michigan was formed as a district library on October 1, 2024. The library is collecting taxes from its millage for operations; millage approved by vote of the public.

**Overview Of The Financial Statements**

The Library's basic financial statements are comprised of three basic components:

- A) Government-wide financial statements.
- B) Fund financial statements.
- C) Notes to the financial statements.

This report also includes supplementary information required by GASB.

**Government-wide Financial Statements**

The *government-wide financial statements* provide readers information about the Library's finances as a whole, using accounting methods similar to a private-sector business. The two government-wide statements are the Statement of Net Position and the Statement of Activities.

The *statement of net position* presents all of the Library's assets and liabilities, the difference between the two being reported as net position. Capital assets and long-term debt are included as assets and liabilities, respectively, in this statement, which were previously reported in separate account groups. Increases or decreases in the Library's net position are an indicator of whether its financial position is improving or deteriorating.

The *statement of activities* reports the current year's revenues and expenses, regardless of when cash is received or paid. The governmental activities of the Library include providing a diverse collection of books, periodicals, audio visual materials and online resources to meet informational, educational, cultural, and recreational needs of the community.

**Government Fund Financial Statements**

The fund financial statements focus on the individual parts of the Library. The fund financial statements provide more detailed information than the government-wide statements and focus on the Library's major funds not the Library as a whole. The Library's operational activities are reported in the General Fund.

The focus of the governmental funds is on near-term inflows and outflows of spendable resources available at the end of the fiscal year. The information should be useful in evaluating the Library's near-term financing requirements. The General Fund is considered to be a major fund for the Library.

**SCHULTZ-HOLMES DISTRICT LIBRARY  
Management's Discussion and Analysis  
For The Year Ended September 30, 2025**

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The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The statements are followed by required supplementary information that further explains and supports the financial statements and include a comparison with the Library's budget for the year.

**Financial Analysis**

The Library had a net position of \$598,314 as of September 30, 2025.  
The government-side Statement of Net Position and Statement of Activities are summarized below.

	<u><b>Governmental Activities</b></u> <u><b>2025</b></u>
<b><u>Assets</u></b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 441,133
Other Current Assets	1,765
<b>Total Current Assets</b>	<b>442,898</b>
 <b>Noncurrent Assets</b>	
Capital Assets	1,096,452
(Less): Accumulated Depreciation	(930,006)
<b>Total Noncurrent Assets</b>	<b>166,446</b>
<b>Total Assets</b>	<b>\$ 609,344</b>
 <b><u>Liabilities and Net Position</u></b>	
<b>Current Liabilities</b>	
Accounts Payable	5,267
Accrued Expenses	5,763
<b>Total Current Liabilities</b>	<b>11,030</b>
 <b>Net Position</b>	
Invested In Capital Assets	166,446
Unrestricted	431,868
<b>Total Net Position</b>	<b>\$ 598,315</b>

Unrestricted net position of the governmental (Library) activities available to be used to meet the government's (Library) on going obligations to citizens and customers is \$431,868 for the current year.

**SCHULTZ-HOLMES DISTRICT LIBRARY  
Management's Discussion and Analysis  
For The Year Ended September 30, 2025**

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		<u>Governmental Activities</u>
		<u>2025</u>
<b><u>Program Revenues</u></b>		
<b>Charges for Services:</b>		
Charges for Services	\$	3,303
<b>Operating Grants/Donations</b>		
Private Contributions & Donations		11,622
<b>Total Program Revenues</b>		<u><b>14,925</b></u>
<b>General Revenues</b>		
Tax Revenue		487,082
State Revenue		7,627
Fines		522
Penal Fines		12,149
Interest		5,578
Rent		1,120
Local Contributions - Blissfield		175,000
Other		5,727
<b>Total General Revenues</b>		<u><b>694,805</b></u>
<b>Total Revenues</b>		<u><b>709,730</b></u>
<b><u>Program Expenses:</u></b>		
Library		387,788
Unallocated Depreciation		23,318
<b>Total Expenses</b>		<u><b>411,105</b></u>
<b>Change In Net Position</b>		298,624
Beginning Net Position		299,690
Ending Net Position	\$	<u><u><b>598,314</b></u></u>

**Analysis of Individual Funds**

Year end positive balances of the net position for the Library as a whole. The Library's net position increased \$298,624 over the prior year.

**SCHULTZ-HOLMES DISTRICT LIBRARY  
Management's Discussion and Analysis  
For The Year Ended September 30, 2025**

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**Government Activities**

Governmental activities increased the Library's net position by \$298,624 in the current fiscal year.

Key elements in the change of the current year over the prior year:

- Tax revenue increased by \$487,081.
- Total Wages increased by \$66,799.84.
- Health Insurance Stipend increased by \$22,500.
- Local Contributions – Blissfield increased by \$175,000.
- Health Insurance decreased by \$39,173.64.
- General Program expenses increased by \$1,893.16.
- Transfer in From General Fund decreased by \$248,301.

**SCHULTZ-HOLMES DISTRICT LIBRARY  
Management's Discussion and Analysis  
For The Year Ended September 30, 2025**

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**General Fund Budgetary Highlights**

The overall final budget resulted in no change to the fund balance for the fiscal year ending September 30, 2025. Actual results reflected an increase of \$321,942 over the prior year for a total variance of \$321,942 (see page 21).

**Capital Asset and Long-term Debt Activity**

**Capital Assets**

The Library's investment in capital assets for its governmental activities as of September 30, 2025, amounted to \$166,446 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and library books. There were no additions to fixed assets during the current fiscal year (see page 19).

**Long-term Debt Activity**

As of this time, there is no significant debt activity.

**Factors Bearing on the Library's Future**

The Library Board took a conservative approach in developing the budget for year end 2024-2025. Many of the budget items are in line with the prior year.

The Library's budget for 2025-2026 year has taken into consideration, the economic condition, and its effect on revenues. This will require close tabs on expenditures for the upcoming year and adjustments will be made to mirror, when possible, the revenue base, with expenses.

The following factors were considered in preparing the Library's budget.

- To maintain services to the community and maintain an adequate fund balance in reserve.
- To be aware of economic conditions, sources of revenue and potential changes within the community.
- To continue to improve operations.

**Requests for Information**

This financial report is designed to provide a general overview of the finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Schultz-Holmes District Library's Director, 407 S Lane St. Blissfield, Michigan 49228.

**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's Office at 407 S Lane St. Blissfield, Michigan 49228.

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Statement of Net Position**  
**For The Year Ended September 30, 2025**

	<u>Governmental Activities</u>
	<u>2025</u>
<b><u>Assets:</u></b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 441,133
Prepaid Expenses	1,765
<b>Total Current Assets</b>	<b>442,898</b>
<b>Noncurrent Assets</b>	
Capital Assets	1,096,452
(Less): Accumulated Depreciation	(930,006)
<b>Total Noncurrent Assets</b>	<b>166,446</b>
<b>Total Assets</b>	<b>\$ 609,344</b>
<b><u>Liabilities</u></b>	
<b>Current Liabilities</b>	
Accounts Payable	5,267
Accrued Expenses	5,763
<b>Total Current Liabilities</b>	<b>11,030</b>
<b><u>Net Position</u></b>	
Invested In Capital Assets	166,446
Unrestricted	431,868
<b>Total Net Position</b>	<b>\$ 598,315</b>

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Statement of Activities**  
**For The Year Ended September 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Total Governmental Activities</u> <u>Net (Expense) Revenue and</u> <u>Changes in Net Position</u>
		<u>Charges</u> <u>For Services</u>	<u>Operating</u> <u>Grants/Donations</u>	
<b>Primary Government</b>				
<b><u>Governmental Activities</u></b>				
Library	\$ 387,788	\$ 3,303	\$ 11,622	\$ (372,863)
Depreciation	23,318	-	-	(23,318)
<b>Total Governmental Activities</b>	<b>\$ 411,105</b>	<b>\$ 3,303</b>	<b>\$ 11,622</b>	<b>\$ (396,181)</b>

**General Revenues:**

Tax Revenue	487,082
State Revenue	7,627
Fines	522
Penal Fines	12,149
Interest	5,578
Rent	1,120
Local Contributions - Blissfield	175,000
Other	5,727
<b>Total General Revenues</b>	<b>694,805</b>
<b>Change in Net Position</b>	<b>298,624</b>
Net Position, Beginning of Year	299,690
<b>Net Position, End of Year</b>	<b>\$ 598,314</b>

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Balance Sheet**  
**Governmental Funds**  
**For The Year Ended September 30, 2025**

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	<u>General</u>	<b>Total Governmental Funds 2025</b>
<b><u>Assets:</u></b>		
Cash And Cash Equivalents	\$ 441,133	\$ 441,133
Prepaid Expenses	1,765	1,765
<b>Total Assets</b>	<b>\$ 442,898</b>	<b>\$ 442,898</b>
 <b><u>Liabilities:</u></b>		
Accounts Payable	5,267	5,267
Accrued Expenditures/Deductions	5,763	5,763
<b>Total Liabilities</b>	<b>11,030</b>	<b>11,030</b>
 <b><u>Fund Balances:</u></b>		
Unassigned	431,868	431,868
<b>Total Fund Balances</b>	<b>431,868</b>	<b>431,868</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 442,898</b>	<b>\$ 442,898</b>

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Reconciliation of The Balance Sheet of Governmental Funds To The Statement of Net Position**  
**Governmental Funds**  
**For The Year Ended September 30, 2025**

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2025

**Total Governmental Fund Balances**

**\$ 431,868**

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 therefore are not reported in the funds.

**Add:**      The Cost of the Capital Asset

1,096,452

**Deduct:**    The Accumulated Depreciation

(930,006)

**Net Position of Governmental Activities**

**\$ 598,314**

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended September 30, 2025**

	<u>General</u>	<u>Total Governmental Funds 2025</u>
<b><u>Revenues:</u></b>		
<b>Local Sources:</b>		
Property Taxes	\$ 487,082	\$ 487,082
Service Charges	1,515	1,515
Sales	1,788	1,788
Fines & Other Desk Receipts	522	522
Penal Fines	12,149	12,149
Interest	5,578	5,578
Rent	1,120	1,120
Private Contributions & Donations	11,622	11,622
Miscellaneous Revenue	5,727	5,727
Local Contributions - Blissfield	175,000	175,000
<b>Total Local Sources</b>	<b>702,104</b>	<b>702,104</b>
<b>State Sources:</b>		
State Revenue	7,627	7,627
<b>Total State Sources</b>	<b>7,627</b>	<b>7,627</b>
<b>Total Revenues</b>	<b>709,730</b>	<b>709,730</b>
<b><u>Expenditures:</u></b>		
<b>Current:</b>		
Salaries and Benefits	254,537	254,537
Supplies	8,724	8,724
Books and Magazines	24,715	24,715
General Program Expenses	24,035	24,035
Professional Services	8,420	8,420
Utilities	12,770	12,770
Repairs and Maintenance	20,573	20,573
Miscellaneous Expenses	1,894	1,894
Memberships, Dues, & Subscriptions	17,428	17,428
Insurance	2,822	2,822
Maintenance Agreements	4,430	4,430
New Equipment	7,440	7,440
<b>Total Expenditures</b>	<b>387,788</b>	<b>387,788</b>
Change in Fund Balances	321,942	321,942
<b>Fund Balance - Beginning of Year</b>	<b>109,926</b>	<b>109,926</b>
<b>Fund Balance - End of Year</b>	<b>\$ 431,868</b>	<b>\$ 431,868</b>

The notes to financial statements are an integral part of this statement.

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For The Year Ended September 30, 2025**

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**Change In Fund Balances – Total Governmental Funds** **\$ 321,942**

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

Governmental funds report capital outlays as expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances.

**Add:** Capital Outlay

---

These costs are allocated over their estimated useful lives as depreciation on the Statement of Activities:

**Deduct:** Depreciation Expense

(23,318)

**Change In Net Position Of Governmental Activities** **\$ 298,624**

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Notes to Financial Statements**  
**For The Year Ended September 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Basic Financial Statements** of the Schultz-Holmes District Library (the “Library”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library’s accounting policies are described below.

**A. Reporting Entity**

Schultz-Holmes District Library was established as a district library on October 1, 2024. Schultz-Holmes District Library is located in the Village of Blissfield, Michigan and governed by an elected Board. As required by accounting principles generally accepted in the United States of America, these financial statements present the Schultz-Holmes District Library as the primary government. There are no component units as of September 30, 2025.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Library. The government-wide financial statements categorize primary activities as either governmental or business-type. All of the Library’s activities are classified as governmental activities. Amounts reported in the funds as interfund receivables and payables are eliminated in the governmental activities column of the statement of net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges paid by recipients who purchase, use or directly benefit from goods or services by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, direct and indirect State sources, penal fines, and other unrestricted items are not included as program revenues but instead as *general revenues*.

In the government-wide statement of net position, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis which 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 government-wide statement of activities reports both the gross and net cost of each of the Library’s functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, and charges, etc.). The statement of activities reduces gross expenses by related program revenues and operating grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources, intermediate Library sources, interest income, and other revenues).

The Library does not allocate indirect costs to programs.

This government-wide focus is more on the sustainability of the Library as an entity and the change in the Library’s net position resulting from the current year’s activities.

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Notes to Financial Statements**  
**For The Year Ended September 30, 2025**

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**B. Government-Wide and Fund Financial Statements (Continued)**

This government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net position resulting from the current year's activities.

**Governmental Funds** – Governmental funds are those funds through which most Library's functions typically are financed. The acquisition, use, and balance of the Library's expendable financial resources and the related current liabilities are accounted for through governmental funds.

The government reports the following major governmental funds:

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

The Library has implemented their Fund Balance Policy in Accordance with GASB Statement No. 54 as follows:

Fund balance classifications shown in the governmental funds financial statements are non-spendable, restricted, committed, assigned and unassigned. The Library will use the highest classification appropriate when an expenditure could be used in more than one classification.

**Non-spendable Fund Balance Classification** includes amounts that cannot be spent because they are either non-spendable in form or legally or contractually required to be maintained intact.

**Restricted Fund Balance Classification** includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed Fund Balance Classification** includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

**Assigned Fund Balance Classification** are intended to be used by the government for specific purposes but do not meet the criteria of restricted or committed. The Library Board is authorized to assign an amount of fund balance; established under the Library's finance policy.

**Unassigned Fund Balance Classification** is the residual.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

**Accrual Method**

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

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Notes to Financial Statements**  
**For The Year Ended September 30, 2025**

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**C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Modified Accrual Method**

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

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

**D. Other Accounting Policies**

**1. Cash and Investments**

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and the investment policy adopted by the governing board authorize the Library to invest in obligations of the U.S. Treasury, certificates of deposit, savings and deposit accounts, commercial paper, U.S. Repurchase Agreements, and the State Treasurer's Investment Pool.

Cash consists of savings, deposit, and money market accounts and are valued at cost.

**2. Property Taxes**

During 2025 voters approved a property tax millage in support of the Library. Property taxes are levied in December for the Library.

**3. Capital Assets**

The Library has a capitalization policy of \$5,000. Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value of the date received. The Library estimates the useful life of assets as follows:

Building	25 – 50 years
Equipment and Furniture	5 – 15 years
Library Materials	5 – 15 years

**4. Estimates**

The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Notes to Financial Statements**  
**For The Year Ended September 30, 2025**

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**D. Other Accounting Policies (Continued)**

**5. Fund Balances**

Fund balances on the Governmental fund balance sheet are classified as either restricted or unassigned. The term restricted indicates that a portion of the fund balance is not appropriate for expenditure or is legally segregated for a specific future use.

**6. Deferred Inflows and Outflows of Resources**

The Library has implemented Government Accounting Standards Board Statement Number 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Under this statement when an asset and liability is received, but the amounts are not measurable and available, the government will report a deferred outflow or inflow of resources until such time as amounts become measurable and available. This statement also identifies net position as the residual of all other elements presented in the statement of net position. The Library also implemented Government Accounting Standards Statement Number 65, Items Previously Reported as Assets and Liabilities, which establishes accounting and reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. As of September 30, 2025, the Library did not have deferred inflows or outflows.

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING**

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated. The Library's actual and budgeted expenditures for the General Fund have been shown by line items. The approved budget of the Library for the General Fund was adopted by line items on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All encumbrances and unexpended budget categories lapse at end of year. The government's expenditures did not exceed any amounts appropriated during the fiscal year.

**NOTE 3 – CASH**

**Deposits**

Custodial Credit Risk 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. As of September 30, 2025, \$139,967 of the Library's \$441,133 in cash and cash equivalents was covered by federal insurance.

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Notes to Financial Statements**  
**For The Year Ended September 30, 2025**

**NOTE 4 – CAPITAL ASSETS**

A summary of changes in the Library's capital assets follows:

<b>Primary Government</b>				
	<b><u>Beginning</u></b>	<b><u>Additions</u></b>	<b><u>Retirement</u></b>	<b><u>Ending</u></b>
	<b><u>Balance</u></b>			<b><u>Balance</u></b>
<b><u>Governmental Activities:</u></b>				
Buildings	\$ 427,975	\$ -	\$ -	\$ 427,975
Equipment	49,971	-	-	49,971
Books	618,506	-	-	618,506
<b>Depreciable Capital Assets</b>	<b>1,096,452</b>	-	-	<b>1,096,452</b>
<b><u>Less: Accumulated Depreciation For</u></b>				
Buildings	(279,904)	(8,560)	-	(288,464)
Equipment	(49,971)	-	-	(49,971)
Books	(576,813)	(14,758)	-	(591,571)
<b>Total Accumulated Depreciation</b>	<b>(906,688)</b>	<b>(23,318)</b>	-	<b>(930,006)</b>
<b><u>Governmental Activities Capital</u></b>				
<b>Assets, Net</b>	<b>\$ 189,764</b>	<b>\$ (23,318)</b>	<b>\$ -</b>	<b>\$ 166,446</b>

Capital assets are depreciated over their estimated useful lives using the straight-line method of depreciation for all classes of depreciable assets. Depreciation for the fiscal year ended September 30, 2025, amounted to \$23,318.

**NOTE 5 – OTHER INFORMATION**

**Risk Management**

The government is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended September 30, 2025, the government carried insurance through various commercial carriers, to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Notes to Financial Statements**  
**For The Year Ended September 30, 2025**

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**NOTE 6 – RETIREMENT PLANS**

The Schultz-Holmes District Library provides retirement benefits to its eligible employees through a combination of defined contribution plans and post-employment health savings benefits. The Library does not participate in a defined benefit pension plan and has no pension liability. Prior to the Library's formation, certain full-time employees participated in a pension plan through the Village; however, the Library did not continue participation in that plan because continued coverage under MERS would have required additional actuarial funding in the absence of a perpetual millage. For all benefit plans, all current employees are fully vested in the plans, and future employees have a waiting period of one year.

The Library's retirement program consists of three components that together provide retirement benefits at a total cost of 15 percent of the covered wages. These components do not require actuarial valuations or additional funding to secure benefits.

1. **Defined Contribution Plan:** The library sponsors a defined contribution retirement plan under which the Library contributes 10% of eligible employee wages. Contributions are limited to employer contributions only. Employees are immediately vested in all employer contributions. The Library's contributions are expensed in the period in which employee services are rendered.
2. **Section 457(b) Deferred Compensation Plan:** the Library participates in a governmental 457(b) deferred compensation plan that allows employees to make voluntary salary deferral contributions. The Library provides a matching contribution equal to or up to 2% of employee contributions. Employee and employer contributions are deposited into individual participant accounts and are fully vested immediately. Amounts contributed to the plan are not included in the Library's fiduciary net position, as they are held for the exclusive benefit of plan participants.
3. **Post-Retirement Health Care Savings Program (HCSP):** The Library provides a post-retirement Health Care Savings Program with an employer contribution equal to 3% of eligible employee wages. Contributions are intended to be used by employees for qualified health care expenses in retirement. These contributions are recognized as an operating expense in the period in which employee services are rendered.

For the fiscal year, total retirement-related expenditures consisted of employer contributions to the defined contribution plan, the 457(b) matching contributions, and the HCSP contribution. The library's total retirement benefit cost approximates 15% of covered payroll.

Because all retirement benefits are provided through defined contribution-type arrangements and post-employment savings contributions, the Library has no net pension liability, no net OPEB liability, and no related deferred outflows or inflows of resources to report. The Library's obligation is limited to making required contributions as they become due.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has reviewed the events occurring through January 14, 2026 the date the financial statements were available to be issued, and no subsequent events occurred requiring accrual or disclosure.

**SCHULTZ-HOLMES DISTRICT LIBRARY**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
<b>Revenues:</b>				
Tax Revenue	\$ 488,000	\$ 488,000	\$ 487,082	\$ (918)
State Revenue	6,000	6,000	7,627	1,627
Service Charges	1,100	1,100	1,515	415
	-	-		
Sales			1,788	1,788
Fines & Other Desk Receipts	700	700	522	(178)
Penal Fines	7,000	7,000	12,149	5,149
Interest	100	100	5,578	5,478
Rent	800	800	1,120	320
Private Contributions & Donations	8,000	8,000	11,622	3,622
Miscellaneous Revenue	2,000	2,000	5,727	3,727
Local Contributions - Blissfield	-	-	175,000	175,000
<b>Total Revenues</b>	<b>513,700</b>	<b>513,700</b>	<b>709,730</b>	<b>196,030</b>
<b>Expenditures</b>				
Salaries and Benefits	272,950	270,850	254,537	16,313
Supplies	11,300	11,300	8,724	2,576
Books & Magazines	25,000	27,000	24,715	2,285
General Program Expenses	40,400	37,135	24,035	13,100
Professional Services	17,500	19,600	8,420	11,180
Utilities	16,500	16,500	12,770	3,730
Repairs and Maintenance	23,000	22,000	20,573	1,427
Miscellaneous Expenses	2,700	3,700	1,894	1,806
Memberships, Dues, & Subscriptions	19,850	20,115	17,428	2,687
Property & Liability Insurance	15,000	15,000	2,822	12,178
Maintenance Agreements	12,800	12,800	4,430	8,370
New Equipment	7,200	8,200	7,440	760
<b>Total Expenditures</b>	<b>464,200</b>	<b>464,200</b>	<b>387,788</b>	<b>76,412</b>
<b>Contingency</b>	(49,500)	(49,500)	-	49,500
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	<b>321,942</b>	<b>321,942</b>
<b>Fund Balances</b>				
<b>Beginning of Year</b>	109,926	109,926	109,926	-
<b>End of Year</b>	<b>\$ 109,926</b>	<b>\$ 109,926</b>	<b>\$ 431,868</b>	<b>\$ 321,942</b>