Pentwater District Library
Regular Monthly Meeting Agenda
Tuesday, April 21, 2026
@ 5:30 P.M. at
Pentwater District Library, 402 E. Park Street, Pentwater, MI 49449
231 869-8581

Call To Order

Roll Call

Public Comment on Agenda Items

The Board will receive public comments on items listed on this agenda. Each speaker is limited to **3 minutes**. Comments must be directed to the **Board President**. The Board will not engage in dialogue or respond during public comment; remarks will be received and entered into the record.

Meeting Agenda—Review & Action

Consent Agenda—Review & Action

The Consent Agenda contains all routine items or business on which no disagreement or debate is anticipated. (Upon the request of any board member, an item shall be removed from the consent agenda and placed on the regular agenda under New Business.)

A. Minutes
   Regular Meeting September 15, 2026
B. Payment of Bills
C. Library Stats
   a. August 2026
   b. Materials purchased Fy26-27

President's Report

Treasurer's Report

Committee Reports

Policy Committee—Second Reading of PDL Policy—Social Security Number Privacy Policy

Advocacy/PR and Communications--

Finance Committee—Meeting September 11, 2026

Personnel Committee

Building and Grounds Committee

Pentwater District Library
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Director's Report

Continued Business

Strategic Planning—Mission, Vision, Values Work Session Planned September 22, 2026 @ 5:30 p.m.

Cancelled Generator

Board members Terms ending December 2026

Friends Group

New Business

Audit

Other items from Board of Trustees or Director

Adjournment

Public comment on Pentwater District Library matters The Board will receive public comments on any Pentwater District Library matter. Each speaker is limited to **3 minutes**. Comments must be directed to the **Board President**. The Board will not engage in dialogue or respond during public comment; remarks will be received and entered into the record.

Public Comment Guidelines – Pentwater District Library Board
The Pentwater District Library Board welcomes public participation. Public comments are taken **twice** each regular meeting: (1) on **agenda items** near the beginning of the meeting, and (2) on **any library-related topic** near the end of the meeting. Each speaker is limited to **3 minutes**. Comments must be directed to the **Board President**, not to individual trustees or members of the audience. The Board does not respond or engage in dialogue during public comment; remarks are received and become part of the official record.

Minutes
Pentwater District Library
Regular Meeting Agenda
Tuesday, August 18, 2026, 5:30 p.m.
Pentwater District Library, 402 E. Park Street, Pentwater, MI 49449

Call to Order: 5:30 pm by Valerie Church-McHugh

Roll Call: In attendance: Valerie Church-McHugh, and Amber Jaeb, Joan LundBorg, Jennifer Gwillim, Linda VanGills, Kendra Flynn, Elly Bainbridge. Also in attendance: Mary Barker, Director

Public comment on regular meeting agenda items (three minutes maximum) – none

Meeting Agenda – Review and Action: Motion by LundBorg with support from Gwillim to accept agenda as amended. *Approved*

Adding to New Business: MMLL Annual Meeting and Information from Oceana County Equalization Director

Removing from Continued Business: Generator/Labor and IRS-Name Change

Consent Agenda – Review and Action: Motion by Bainbridge with support from LundBorg to accept consent agenda. *Approved.*

The consent agenda contains all routine items or business on which no disagreement or debate is anticipated. (Upon the request of any board member, an item shall be removed from the consent agenda and placed on the regular agenda under New Business).

A. **Minutes:**

   Board of Trustee meeting – June 16, 2026

   Special Meeting Minutes – July 28, 2026

B. **Payment of Bills**
C. **Library Stats**

President's report: Presented by Church-McHugh – Millage passed, discussions about next steps and how we will utilize the funding. Positive responses during Homecoming parade.

Treasurer's report: Included in packet and presented by Flynn. Reviewed by board members. Motion by LundBorg with support from VanGills to accept the April financial report. *Approved.*

Committee reports:

Policy Committee: First Reading of PDL Policy – Social Security Number Privacy Policy.

Advocacy/PR and communications: 'Thank You' messaging will be sent out from the board of trustees.

Finance Committee: Next meeting TBD

Personnel Committee: Nothing to report

Strategic Planning Committee: Next meeting scheduled September 22, 2026 at 5:30 pm

Building and Grounds Committee: Next meeting tentatively planned for October 2026.

Director's Report: Included in packet and presented by Mary.

Continued Business

Audit

Disability Audit – findings discussed and copies will be shared with board members.

New Business

Generator/Labor – received one bid for a generator and will seek additional options and prices for a potential second bid.

IRS-Name Change – completed. Banking information to be updated.

MMLL Annual Meeting – scheduled for 9/15/2026. Director requested to close the library that day. Motion by Gwillim with support from LundBorg to close the library for the day so staff can attend the meeting. *Approved.*

Information from Oceana County Equalization Director – contacted Mary to confirm new district library boundary lines and the process to determine collection amounts as a result of the new milage.

Public Comment on Pentwater District Library Matters: None

Other items from Board of trustees or Director:

Two board members are up for re-appointment in November, 2026.

Future state of Friends of the Library group

Adjournment: Motion by Bainbridge with support from Jaeb to adjourn.

Meeting adjourned at 6:58 pm

Draft minutes submitted 8/18/26

Amber Jaeb, Secretary

PENTWATER DISTRICT LIBRARY

101-205 Visa 8118, Period Ending 09/01/2026

RECONCILIATION REPORT

Reconciled on: 09/01/2026

Reconciled by: TAMMY HAMMERLE

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	2,513.81
Charges and cash advances cleared (7)	1,528.39
Payments and credits cleared (1)	-2,513.81
Statement ending balance	1,528.39
Uncleared transactions as of 09/01/2026	5,175.00
Register balance as of 09/01/2026	6,703.39

Details

Charges and cash advances cleared (7)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/01/2026	Expense		Walmart	195.79
09/01/2026	Expense		Boxer Storage	85.00
09/01/2026	Expense		Barnes and Noble	347.54
09/01/2026	Expense		Wall Street Journal	779.88
09/01/2026	Expense		Walmart	30.18
09/01/2026	Expense		INTUIT	50.00
09/01/2026	Expense		DETROIT FREE PRESS	40.00
Total				1,528.39

Payments and credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/30/2026	Bill		Elan Financial Services	-2,513.81
Total				-2,513.81

Additional Information

Uncleared charges and cash advances as of 09/01/2026

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/31/2026	Journal	GCPA 26.05		5,175.00
Total				5,175.00

PENTWATER DISTRICT LIBRARY

101-204 Visa 6720, Period Ending 09/01/2026

RECONCILIATION REPORT

Reconciled on: 09/01/2026

Reconciled by: TAMMY HAMMERLE

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	309.88
Charges and cash advances cleared (5)	227.99
Payments and credits cleared (1)	-309.88
Statement ending balance	227.99
Register balance as of 09/01/2026	227.99

Details

Charges and cash advances cleared (5)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/01/2026	Expense		Costco	71.85
09/01/2026	Expense		Sams Club	99.84
09/01/2026	Expense		Meijer	30.92
09/01/2026	Expense		Goodwill	4.23
09/01/2026	Expense		Hobby Lobby	21.15
Total				227.99

Payments and credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/08/2026	Bill		Elan Financial Services	-309.88
Total				-309.88

PENTWATER TOWNSHIP LIBRARY

Expenses by Vendor Summary

August 2026

	TOTAL
Brickley DeLong	115.00
Capital Group	438.26
Charter Communications	199.99
Disability Network West Michigan	2,325.00
Gabridge & Company, PLC	7,400.00
INGRAM LIBRARY SERVICES	577.86
JACKPINE BUS. CENTERS	907.00
Kanopy, Inc.	21.15
LUDINGTON DAILY NEWS	286.40
Mary S. Barker	328.07
Michigan Retailers Services, Inc.	12.91
Mid-Michigan Library League	573.18
Midwest Tape, LLC	520.97
Pentwater Chamber of Commerce.	10.00
RYAN'S LAWN CARE	134.00
Shotwell Solutions, LLC	653.54
Tammy Hammerle (Petty Cash)	136.33
Turf Care Mole Man, LLC	60.00
Westshore Bank	10.00
Xerox Financial Services	475.94
Not Specified	12.00
TOTAL	**$15,197.60**

PENTWATER DISTRICT LIBRARY

Paycheck history report

Paychecks from Aug 01, 2026 to Aug 31, 2026 for all employees from all locations

Pay date	Name	Total pay	Net pay	Pay method	Check Number	Status
08/19/2026	BARKER, MARY	$2,216.30	$1,633.57	Direct Deposit	DD	PROCESSED
08/19/2026	HAMMERLE, TAMMY	$986.60	$860.15	Direct Deposit	DD	PROCESSED
08/19/2026	MUELLER, JAMES	$1,465.42	$1,171.86	Direct Deposit	DD	PROCESSED
08/19/2026	WAMBAUGH, JUSTIN	$1,500.13	$1,187.76	Direct Deposit	DD	PROCESSED
08/19/2026	Whitford, Jacob M	$1,257.49	$1,009.19	Direct Deposit	DD	PROCESSED
08/05/2026	BARKER, MARY	$2,216.30	$1,633.56	Direct Deposit	DD	PROCESSED
08/05/2026	HAMMERLE, TAMMY	$943.87	$823.72	Direct Deposit	DD	PROCESSED
08/05/2026	MUELLER, JAMES	$1,347.40	$1,085.01	Direct Deposit	DD	PROCESSED
08/05/2026	WAMBAUGH, JUSTIN	$1,505.58	$1,191.77	Direct Deposit	DD	PROCESSED
08/05/2026	Whitford, Jacob M	$1,169.60	$944.53	Direct Deposit	DD	PROCESSED

PENTWATER DISTRICT LIBRARY

101-001 West Shore Reg.Chk. Ending Balance: $3,108.00

Date	Ref No. Type	Payee Account	Memo	Payment	Deposit	Stat Auto	Balance
08/31/2026	SVCCHRG Check	101-824 Bank & Credit Card Fees	Service Charge	$12.00		R	$14,134.63
08/31/2026	INTEREST Deposit	101-665 Miscellaneous Income:Interest Earned	Interest Earned		$0.45	R	$14,146.63
08/28/2026	Transfer	101-002 West Shore Money Market			$25,600.00	R	$14,146.18
08/27/2026	Deposit	Michigan Retailers Services, Inc. Fees and Fines:Copier Fees			$72.00	R	-$11,453.82
08/26/2026	ACH Expense	Westshore Bank 101-824 Bank & Credit Card Fees		$10.00		R	-$11,525.82
08/26/2026	Deposit	Michigan Retailers Services, Inc. Fees and Fines:Copier Fees			$16.00	R	-$11,515.82
08/25/2026	10264 Bill Payment	Xerox Financial Services 101-202 Accounts Payable	010-0019606-001	$475.94			-$11,531.82
08/25/2026	10263 Bill Payment	INGRAM LIBRARY SERVICES 101-202 Accounts Payable		$79.16		R	-$11,055.88
08/25/2026	10262 Bill Payment	Mary S. Barker 101-202 Accounts Payable		$328.07		R	-$10,976.72
08/25/2026	10261 Bill Payment	Gabridge & Company, PLC 101-202 Accounts Payable		$7,400.00			-$10,648.65
08/25/2026	Deposit	Fees and Fines:Copier Fees			$36.75	R	-$3,248.65

Date	Ref No. Type	Payee Account	Memo	Payment	Deposit	Stat Auto	Balance
08/19/2026		INTUIT	Tax withdrawal	$1,908.72		R	-$3,285.40
	Tax Payment	QuickBooks Tax Holding Account					
08/19/2026	DD	JAMES MUELLER	Pay Period: 08/02/2026-08/15/2026	$1,171.86		R	-$1,376.68
	Paycheck	Direct Deposit Payable					
08/19/2026	DD	TAMMY A HAMMERLE	Pay Period: 08/02/2026-08/15/2026	$860.15		R	-$204.82
	Paycheck	Direct Deposit Payable					
08/19/2026	DD	MARY BARKER	Pay Period: 08/02/2026-08/15/2026	$1,633.57		R	$655.33
	Paycheck	Direct Deposit Payable					
08/19/2026	DD	JUSTIN WAMBAUGH	Pay Period: 08/02/2026-08/15/2026	$1,187.76		R	$2,288.90
	Paycheck	Direct Deposit Payable					
08/19/2026	DD	Jacob M. Whitford	Pay Period: 08/02/2026-08/15/2026	$1,009.19		R	$3,476.66
	Paycheck	Direct Deposit Payable					
08/18/2026		Capital Group		$445.54		R	$4,485.85
	Expense	-Split-					
08/18/2026	10260	Shotwell Solutions, LLC		$390.74		R	$4,931.39
	Bill Payment	101-202 Accounts Payable					
08/18/2026	10259	INGRAM LIBRARY SERVICES		$121.14		R	$5,322.13
	Bill Payment	101-202 Accounts Payable					
08/18/2026	10258	Disability Network West Michigan		$2,325.00		R	$5,443.27
	Bill Payment	101-202 Accounts Payable					
08/18/2026	10257	LUDINGTON DAILY NEWS		$286.40		R	$7,768.27
	Bill Payment	101-202 Accounts Payable					
08/14/2026					$5.00	R	$8,054.67

Date	Ref No. Type	Payee Account	Memo	Payment	Deposit	Stat Auto	Balance
	Deposit	Fees and Fines:Copier Fees					
08/11/2026		Michigan Retailers Services, Inc.		$12.91		R	$8,049.67
	Expense	101-824 Bank & Credit Card Fees					
08/11/2026	10256	Charter Communications	8245122820005197	$199.99		R	$8,062.58
	Bill Payment	101-202 Accounts Payable					
08/11/2026	10255	JACKPINE BUS. CENTERS		$907.00		R	$8,262.57
	Bill Payment	101-202 Accounts Payable					
08/11/2026	10254	INGRAM LIBRARY SERVICES		$32.40		R	$9,169.57
	Bill Payment	101-202 Accounts Payable					
08/11/2026	10253	Mid-Michigan Library League		$573.18		R	$9,201.97
	Bill Payment	101-202 Accounts Payable					
08/11/2026	10252	RYAN'S LAWN CARE		$134.00		R	$9,775.15
	Bill Payment	101-202 Accounts Payable					
08/05/2026		INTUIT	Tax withdrawal	$1,838.14		R	$9,909.15
	Tax Payment	QuickBooks Tax Holding Account					
08/05/2026		Capital Group		$430.98		R	$11,747.29
	Expense	-Split-					
08/05/2026	DD	JAMES MUELLER	Pay Period: 07/19/2026-08/01/2026	$1,085.01		R	$12,178.27
	Paycheck	Direct Deposit Payable					
08/05/2026	DD	MARY BARKER	Pay Period: 07/19/2026-08/01/2026	$1,633.56		R	$13,263.28
	Paycheck	Direct Deposit Payable					
08/05/2026	DD	JUSTIN WAMBAUGH	Pay Period: 07/19/2026-08/01/2026	$1,191.77		R	$14,896.84
	Paycheck	Direct Deposit Payable					

Date	Ref No. Type	Payee Account	Memo	Payment	Deposit	Stat Auto	Balance
08/05/2026	DD	TAMMY A HAMMERLE	Pay Period: 07/19/2026-08/01/2026	$823.72		R	$16,088.61
	Paycheck	Direct Deposit Payable					
08/05/2026	DD	Jacob M. Whitford	Pay Period: 07/19/2026-08/01/2026	$944.53		R	$16,912.33
	Paycheck	Direct Deposit Payable					
08/04/2026	10251	Shotwell Solutions, LLC		$262.80		R	$17,856.86
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10250	INGRAM LIBRARY SERVICES		$361.90		R	$18,119.66
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10249	Pentwater Chamber of Commerce.		$10.00		R	$18,481.56
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10248	Elan Financial Services		$309.88		R	$18,491.56
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10247	Brickley DeLong		$115.00		R	$18,801.44
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10246	Kanopy, Inc.		$21.15		R	$18,916.44
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10245	Turf Care Mole Man, LLC		$134.00		R	$18,937.59
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10243	Midwest Tape, LLC		$520.97		R	$19,071.59
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10242	CONSUMERS ENERGY	100016977850	$480.24		R	$19,592.56
	Bill Payment	101-202 Accounts Payable					
08/04/2026	10241	Elan Financial Services		$2,513.81		R	$20,072.80

Date	Ref No. Type	Payee Account	Memo	Payment	Deposit	Stat Auto	Balance
	Bill Payment	101-202 Accounts Payable					
08/03/2026	Deposit	Fees and Fines:Copier Fees			$5.85	R	$22,586.61

PENTWATER TOWNSHIP LIBRARY

Budget vs. Actuals: Budget_FY27_P&L - FY27 P&L

April 2026 - March 2027

41% of Budget	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
101-402 Property Tax	7,919.01	240,000.00	-232,080.99	3.30 %
101-655 Fees and Fines	1,924.87	3,000.00	-1,075.13	64.16 %
101-674 Private Contributions	4,757.31	2,500.00	2,257.31	190.29 %
101-679 Miscellaneous Income	4,550.05	5,000.00	-449.95	91.00 %
101-689 Uncategorized Income	272.00		272.00	
101.502 Government Contribution	14,870.39	15,000.00	-129.61	99.14 %
Total Income	**$34,293.63**	**$265,500.00**	**$ -231,206.37**	**12.92 %**
GROSS PROFIT	**$34,293.63**	**$265,500.00**	**$ -231,206.37**	**12.92 %**
Expenses				
101-702 Salaries & Fringe Ben	98,508.51	227,676.00	-129,167.49	43.27 %
101-752 Supplies & Postage	4,676.29	7,000.00	-2,323.71	66.80 %
101-790 Library Materials	13,712.86	30,000.00	-16,287.14	45.71 %
101-801 Professional & Contract	23,985.89	22,800.00	1,185.89	105.20 %
101-805 Program Expense	7,015.96	8,500.00	-1,484.04	82.54 %
101-824 Bank & Credit Card Fees	96.72	250.00	-153.28	38.69 %
101-880 Communications & Promo	10.00	4,000.00	-3,990.00	0.25 %
101-910 Professional Development	1,382.71	5,000.00	-3,617.29	27.65 %
101-924 Utilities & Maintenance	7,187.78	17,000.00	-9,812.22	42.28 %
101-937 Insurance	0.00	8,000.00	-8,000.00	0.00 %
101-970 Capital Outlay	6,324.64	6,000.00	324.64	105.41 %
Total Expenses	**$162,901.36**	**$336,226.00**	**$ -173,324.64**	**48.45 %**
NET OPERATING INCOME	**$ -128,607.73**	**$ -70,726.00**	**$ -57,881.73**	**181.84 %**
NET INCOME	**$ -128,607.73**	**$ -70,726.00**	**$ -57,881.73**	**181.84 %**

Pentwater Township Library

Balance Sheet

As of August 31, 2026

	TOTAL			
	AS OF AUG 31, 2026	AS OF AUG 31, 2025 (PY)	CHANGE	% CHANGE
ASSETS				
Current Assets				
Bank Accounts				
101-001 West Shore Reg.Chk.	14,134.63	32,283.94	(18,149.31)	(56.22 %)
101-002 West Shore Money Market	174,682.25	232,010.89	(57,328.64)	(24.71 %)
101-003 Shelby State Bank Money Market	1,513.61	1,288.09	225.52	17.51 %
101-004 Petty Cash	150.00	150.00	0.00	0.00 %
101.008 Michigan Class	164,767.56	129,205.39	35,562.17	27.52 %
Total Bank Accounts	**$355,248.05**	**$394,938.31**	**$ (39,690.26)**	**(10.05 %)**
Other Current Assets				
QuickBooks Tax Holding Account	3,799.88	0.00	3,799.88	
Total Other Current Assets	**$3,799.88**	**$0.00**	**$3,799.88**	**0.00%**
Total Current Assets	**$359,047.93**	**$394,938.31**	**$ (35,890.38)**	**(9.09 %)**
Other Assets				
101-072 Due from County	7,693.57	9,913.69	(2,220.12)	(22.39 %)
Total Other Assets	**$7,693.57**	**$9,913.69**	**$ (2,220.12)**	**(22.39 %)**
TOTAL ASSETS	**$366,741.50**	**$404,852.00**	**$ (38,110.50)**	**(9.41 %)**
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
101-202 Accounts Payable	221.33	1,838.43	(1,617.10)	(87.96 %)
Total Accounts Payable	**$221.33**	**$1,838.43**	**$ (1,617.10)**	**(87.96 %)**
Credit Cards				
101-205 Visa 8118	0.00	(77.78)	77.78	100.00 %
Total Credit Cards	**$0.00**	**$ (77.78)**	**$77.78**	**100.00 %**
Other Current Liabilities				
101-255 Payroll Liabilities	(11,268.52)	0.00	(11,268.52)	
AFLAC-AFTER TAX	1,918.60	1,375.60	543.00	39.47 %
Federal Taxes (941/943/944)	3,201.78	0.00	3,201.78	
Federal Unemployment (940)	33.98	(176.02)	210.00	119.30 %
MI Income Tax	388.10	0.00	388.10	
Simple IRA Emp.	10,016.70	7,325.47	2,691.23	36.74 %
Total 101-255 Payroll Liabilities	**4,290.64**	**8,525.05**	**(4,234.41)**	**(49.67 %)**
101-257 Accrued Wages	10,142.95	7,021.05	3,121.90	44.46 %
Total Other Current Liabilities	**$14,433.59**	**$15,546.10**	**$ (1,112.51)**	**(7.16 %)**
Total Current Liabilities	**$14,654.92**	**$17,306.75**	**$ (2,651.83)**	**(15.32 %)**
Total Liabilities	**$14,654.92**	**$17,306.75**	**$ (2,651.83)**	**(15.32 %)**

Pentwater Township Library

Balance Sheet

As of August 31, 2026

	TOTAL			
	AS OF AUG 31, 2026	AS OF AUG 31, 2025 (PY)	CHANGE	% CHANGE
Equity				
101-391 Retained Earnings	469,819.44	469,775.52	43.92	0.01 %
Net Income	(117,732.86)	(82,230.27)	(35,502.59)	(43.17 %)
Total Equity	**$352,086.58**	**$387,545.25**	**$ (35,458.67)**	**(9.15 %)**
TOTAL LIABILITIES AND EQUITY	**$366,741.50**	**$404,852.00**	**$ (38,110.50)**	**(9.41 %)**

Pentwater Township Library

Inc/Exp Month

July - August, 2026

	TOTAL	
	JUL - AUG, 2026	JUL - AUG, 2025 (PY)
Income		
101-402 Property Tax	225.13	0.00
101-655 Fees and Fines	1,129.65	413.14
101-674 Private Contributions	547.00	1,000.00
101-679 Miscellaneous Income	1,455.19	3,180.65
101.502 Government Contribution	13,754.77	10,297.24
Total Income	**$17,111.74**	**$14,891.03**
GROSS PROFIT	**$17,111.74**	**$14,891.03**
Expenses		
101-702 Salaries & Fringe Ben	33,263.04	30,359.31
101-752 Supplies & Postage	972.87	818.86
101-790 Library Materials	3,418.00	6,310.15
101-801 Professional & Contract	12,496.10	7,747.26
101-805 Program Expense	2,285.66	2,883.03
101-824 Bank & Credit Card Fees	50.25	25.03
101-880 Communications & Promo	10.00	10.00
101-910 Professional Development	416.02	149.40
101-924 Utilities & Maintenance	2,887.14	1,947.66
Total Expenses	**$55,799.08**	**$50,250.70**
NET OPERATING INCOME	**$ (38,687.34)**	**$ (35,359.67)**
NET INCOME	**$ (38,687.34)**	**$ (35,359.67)**

Pentwater Township Library

Inc/Exp YTD

April - August, 2026

	TOTAL	
	APR - AUG, 2026	APR - AUG, 2025 (PY)
Income		
101-402 Property Tax	7,919.01	9,912.89
101-655 Fees and Fines	1,924.87	1,209.59
101-674 Private Contributions	4,757.31	3,817.06
101-679 Miscellaneous Income	4,550.05	15,268.46
101-689 Uncategorized Income	272.00	0.00
101.502 Government Contribution	14,870.39	13,558.24
Total Income	**$34,293.63**	**$43,766.24**
GROSS PROFIT	**$34,293.63**	**$43,766.24**
Expenses		
101-702 Salaries & Fringe Ben	90,494.18	83,656.08
101-752 Supplies & Postage	4,378.47	2,105.82
101-790 Library Materials	11,927.17	10,988.36
101-801 Professional & Contract	23,850.89	14,309.86
101-805 Program Expense	6,859.82	8,295.49
101-824 Bank & Credit Card Fees	96.72	63.03
101-880 Communications & Promo	10.00	10.00
101-910 Professional Development	1,344.56	718.40
101-924 Utilities & Maintenance	6,740.04	5,849.47
101-937 Insurance	0.00	0.00
101-970 Capital Outlay	6,324.64	0.00
Total Expenses	**$152,026.49**	**$125,996.51**
NET OPERATING INCOME	**$ (117,732.86)**	**$ (82,230.27)**
NET INCOME	**$ (117,732.86)**	**$ (82,230.27)**

Pentwater Township Library

DIRECTOR'S REPORT - 1-Sep-26

August Statistics

CIRCULATION	2026	2025	%	ATTENDANCE	2026	2025	%
FICTION	688	725	-5	ADULT PROGRAM	35	178	-80
NON-FICTION	156	146	7	TEEN PROGRAM	0	8	-100
LARGE PRINT FICTION	84	107	-21	CHILDREN PROGRAM	0	66	-100
LARGE PRINT NON-FICTION	5	7	-29	PASSIVE PROGRAM	175	165	6
PERIODICALS	34	51	-33	MULTI-AGE PROGRAM	237		#DIV/0!
AUDIO	12	9	33	**TOTAL**	**210**	**417**	**-50**
VIDEOS & DVDS	105	147	-29	EVENING PATRONS	111	206	-46
TOTAL	**1084**	**1192**	**-9**	**TOTAL PATRONS**	**1442**	**1660**	-13
				NEW REGISTRATIONS			
				ADULT	16	19	-16
				CHILDREN	0	3	-100
KANOPY	17	33		ANNUAL	0	1	-100
LIBBY E_Magazine	158	161	-2	**TOTAL**	**16**	**23**	**-30**
LIBBY AUDIO	203	171	19	**RE-REGISTRATIONS**			
LIBBY E-BOOKS	209	216	-3	ADULT	47	42	12
MEL CAT LENT	120	124	-3	CHILDREN	1	0	#DIV/0!
MEL CAT BORROWED	102	92	11	**TOTAL**	**48**	**42**	**14**
HOOPLA E-BOOKS	56	63	-11	Total Deleted Items	3	31	-90
HOOPLA E-AUDIO	124	91	36	Multipurpose Room	27	17	59
HOOPLA E-MOVIE/TV	21	14	50	**LIBRARY OF THINGS**			
HOOPLA BINGE PASS	0	2	-100	J Vox Books	7	7	0
HOOPLA MUSIC	1	3	-67	Launchpads	1		#DIV/0!
TOTAL	**1011**	**970**	**4**	Kit Go Bags	9	9	0
				Kit Fly Tying	0	0	#DIV/0!
J FICTION	105	104	1	Nitendo Switch Games	2	8	-75
J NON-FICTION	34	45	-24	Canning Kit	0	0	#DIV/0!
J EASY	128	182	-30	DVD Players	0	0	#DIV/0!
J PERIODICALS	2	0	#DIV/0!	CD Players	0	2	-100
J VIDEOS & DVDS	28	50	-44	Kit Outdoor Games	7	0	#DIV/0!
TOTAL	**297**	**381**	**-22**	**TOTAL**	26	26	0
				COPIES			
Y FICTION	6	11	-45	BLACK	2523	2144	18
Y NON-FICTION	6	1	500	COLOR	832	1190	-30
				COMPUTER USAGE	111	141	-21
TOTAL	**12**	**12**	**0**	WIRELESS USAGE		927	-100
GRAND TOTAL	**2404**	**2555**	**-6**	FAX USAGE	13	42	-69

MATERIALS BY DATE ADDED FY 2026

Material Type	April	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
1 — New Fiction													0
2 — New Non-Fiction													0
5 — Adult Fiction	10	44	39	33	27								153
6 — Adult Non-fiction	1	10	14	7	23								55
7 — Audio Books													0
8 — Easy Read		10											10
9 — Hold Shelf													0
10 — Juvenile Audio													0
11 — Juvenile Easy		5	5	2	1								13
12 — Juvenile Fiction	1	4	1	15	13								34
13 — Juvenile Magazine	3	3	2	2	3								13
14 — Juvenile Non-fic		8	11	4	9								32
15 — Juvenile Video													0
16 — Juvenile Video Series													0
17 — Large Print Fiction	3	9	10	2	2								26
18 — Large Print Non-Fiction	1		2										3
19 — Magazine	21	21	28	20	27								117
24 — Paperback Fiction													0
25 — Reference													0
26 — Video Non-Fiction													0
27 — Video													0
28 — Video Series													0
29 — Young Adult Fiction	2		3	2	1								8
30 — Young Adult Magazine													0
31 — Young Adult Non-Fiction		1											1
50 — Launchpad													0
52 — Kit Go Bags													0
53 — Kit Movie Night													0
54 — Kit Fly Tying													0
55 — Computer													0
56 — Newspapers													0
58 — Juvenile Vox Books													0
59 — Nitendo Switch Games													0
60 — Library of things: Canning													0
61 — DVD Players													0
62 — CD Players													0
63 — Kit Outdoor Games													0
65 — CD Music													0
Total	42	115	115	87	106	0	0	0	0	0	0	0	465

PDL Policy: Social Security
First Reading: 2026 08 18
Second Reading:
Approved:

Pentwater District Library

Social Security Number Privacy Policy

The Pentwater District Library, as required by the Michigan Social Security Number Privacy Act, Public Act 454 of 2004, MCL 445.81, et seq., will protect the confidentiality of the Social Security numbers obtained in the ordinary course of business from employees, vendors, contractors, and others. No person shall knowingly obtain, store, transfer, use, disclose, or dispose of a Social Security number that the Library obtains or possesses except in accordance with the Act and this Privacy Policy.

Social Security numbers shall not be requested from, maintained, or used in any way with regard to Library patrons.

In regard to Library employees, Social Security numbers will be collected only where required by federal and state law, or as otherwise permitted by federal and state law for legitimate reasons consistent with this Privacy Policy.

Legitimate reasons for collecting a Social Security number include, but are not limited to:

- Applicants may be required to provide a Social Security number for purposes of a pre-employment background check.
- Copies of Social Security cards may be obtained for purposes of verifying employee eligibility for employment.
- Social Security numbers may be obtained from employees for tax reporting purposes, for new hire reporting or for purposes of enrollment in any Library employee benefit plan.

Approved by the Pentwater District Library Board of Trustees on ____________.

Director's Report

July and August 2026

Summer Reading Program—Unearth a Story--

This summer's program, *Unearth a Story*, brought strong participation and a real sense of community energy. The national theme encouraged readers of all ages to explore discovery, curiosity, and the many kinds of stories found in books, history, and everyday life. We built our local program around that idea with a mix of weekly activities, author and artist visits, and community partnerships.

Staff and I worked together to set clear sign-up goals and used small incentives to keep momentum going. The results:

- **Adults:** 96 sign-ups (goal: 95) This program runs 4 more weeks after the Teen and Children's Program ends.
- **Teens:** 84 sign-ups (goal: 80)
- **Children:** 70 sign-ups (goal: 70)

These numbers show the library as part of families' and individuals' summer routines—not just a place to pick up books.

Weekly programming required careful planning and consistent staff effort:

- **Mondays:** STEM activities with a dinosaur focus—hands-on learning and play-based exploration. Game night with tutorials for American Mahjong, and several rounds of play.
- **Tuesdays:** Story time at Mears Campground, reaching families where they were already gathering.
- **Wednesday:** Several Special Adult activities, such artist visit and sewing craft.
- **Thursdays:** Two arts and crafts sessions (morning for younger children; afternoon for tweens/teens).
- **Fridays:** Music and movement story time with a guest musician.

We also hosted author visits for adult, YA, and children's fiction, plus an artist visit that connected visual art to the idea of "unearthing stories."

Partnerships strengthened the program:

- **Pentwater Historical Society:** Passport to the 250th anniversary, highlighting historically named streets and Declaration of Independence connections.
- **Pentwater Arts Council:** Display of two community artists' work in the library.
- **MSU Extension/4-H:** Two adulting-informational Zoom sessions.

Special events included a live animal presentation (*Dinosaurs of Today*), four movie matinées, and collaboration with Movies on the Green (Chamber of Commerce) to provide outdoor games for children before the evening film.

Overall, the program was busy but energizing. Staff didn't just run activities—we showed up for our patrons, adjusted as needed, and kept the library visible and active throughout the summer.

Accessibility Audit--

Disability Network completed an on-site accessibility audit of our exterior and public service areas in July. They reviewed:

- East side lawn and street-side building access
- Emergency exit
- Both restrooms
- Circulation, computer, and multi-purpose areas
- Office space

Their team measured and documented details such as toilet handles, door hardware, sidewalk slopes, parking lot gravel, and other elements affecting safety and accessibility.

A written report with prioritized recommendations is forthcoming. Not all changes will need to happen at once; some will be simple improvements, while others may require longer-term planning and budgeting. The report will give us a practical roadmap for addressing accessibility needs.

Name Change to Pentwater District Library--

The library officially became a District Library in October 2025, with approval from the Library of Michigan. To align our public identity and records with that legal status, we initiated a name change to **Pentwater District Library**.

The IRS name change request was submitted in January 2026 and has now been approved. We retain the same EIN. This completes a key step in transitioning from our former structure to our current District Library status.

Financial Audit and New District Library Entity--

Our auditing firm is finalizing the library's annual financial audit. Because we are now a stand-alone District Library (no longer part of the Township), this year's audit treats us as a new entity. That has required additional documentation, forms, and reporting.

Auditors added a few journal entries to meet standard reporting requirements. We expect the completed audit report soon, along with recommendations to strengthen our financial procedures as we continue operating independently.

Respectfully submitted,

Mary Barker, Director

Pentwater District Library
Director's Report
September 2026

Late August and early September traditionally mark a transition from the exceptionally busy summer season into a period of reflection, organization, and planning. While public activity naturally slows somewhat following summer reading and seasonal programming, staff have remained actively engaged in preparing for fall services, upcoming events, and the continued development of the new District Library.

Staff have also been enjoying—and teaching—the game of Mahjong. Instruction has been provided for both staff members and members of the public, creating an enjoyable opportunity for learning, social connection, and community engagement. Mahjong has generated interest as both a recreational activity and a way for participants to build concentration, strategy, and interpersonal connections.

Routine library operations have continued throughout this period. Staff have been conducting extensive shelf reading to ensure materials are in correct call-number order and properly located throughout the collection. This work is especially important as we prepare for the upcoming library inventory. A well-organized collection will make the inventory process more efficient and will help identify missing, misplaced, or withdrawn materials.

Adult Reading Program

The Adult Reading Program concluded at the end of August with **90 adult participants**. The program was a successful way to encourage continued reading, promote use of the library's adult collection, and provide an additional opportunity for community participation during the summer months.

Three grand prizes were awarded at the conclusion of the program. The names drawn were: Tereas Veine, Kristina Knopic, Charlene Hoffman.

Thank you to everyone who participated in the program and supported the library throughout the summer. Adult reading programs remain an important part of our effort to encourage lifelong learning, reading for enjoyment, and regular engagement with library resources.

Audit and Financial Reporting

The library recently completed its first audit as the new District Library with Gabridge & Company. This audit covered the period from **October 17, 2025, through March 31, 2026**, reflecting the transition period associated with the establishment of the District Library.

Pentwater District Library
Director's Report
September 2026

Completing this initial audit is an important milestone for the library. It provides an independent review of the library's financial records, internal practices, and reporting during the beginning of the new District Library's operations.

The next audit will cover the library's first full fiscal year, from **April 1, 2026, through March 31, 2027.** That audit will likely take place in June or July of 2027. Staff will continue to maintain thorough financial records and documentation throughout the fiscal year to support accurate reporting and a smooth audit process.

Author Visit

We were pleased to welcome author **Amy Piper**, author of *Small Towns in Michigan*, to the library. Her book has received recognition, including a review in the *Detroit Free Press*, and her presentation was very well received.

Ms. Piper was knowledgeable, engaging, and an excellent speaker. She shared stories about communities throughout Michigan, unique destinations, and lesser-known places that residents and visitors may wish to explore. Her enthusiasm for Michigan's small towns was evident throughout the presentation, and she offered a remarkable depth of knowledge about the state's history, character, and local attractions.

The event provided an enjoyable opportunity for community members to learn more about Michigan while also highlighting the library's role as a gathering place for lifelong learning, local history, literature, and conversation.

Fall Programming

Staff are actively planning a full schedule of fall programming for children, families, and adults. Planned activities include:

- **Afterschool programming:** Fall afterschool programs are being developed with a variety of STEM-focused activities. These programs will provide students with opportunities for hands-on learning, creativity, problem-solving, and exploration in a welcoming library environment.
- **Wednesday morning yoga:** A weekly yoga class with an instructor will begin on **Wednesday, September 30**. The class will provide an opportunity for adults to participate in gentle movement, wellness, and social connection at the library.
- **Puzzle contest:** A puzzle contest is scheduled for **Monday, September 28, at 1:00 p.m.** This program is intended to be a fun and friendly community activity for puzzle enthusiasts and participants of varying experience levels.

Pentwater District Library
Director's Report
September 2026

- **Haunted Library:** Staff are also making plans for the library's annual Halloween programming. The Haunted Library will return on Halloween with activities and displays designed to provide a memorable, family-friendly community experience.

These programs reflect the library's continuing commitment to providing educational, recreational, and community-centered opportunities for residents of all ages.

Mid-Michigan Library League Training

The Pentwater District Library staff will attend informational training with the **Mid-Michigan Library League (MMLL)** in Cadillac on **Tuesday, September 15**. This training will provide staff with an opportunity to learn, share information with other library professionals, and strengthen our understanding of available services and resources through the Library of Michigan and the Woodland Library Cooperative.

To allow staff members to participate in this important professional-development opportunity, the library will be **closed on Tuesday, September 15**. Notice of the closure will be communicated to the public through the library's regular communication channels.

The Library Board's regular meeting will still be held as scheduled at **5:30 p.m. on Tuesday, September 15.**

Respectfully submitted,

Mary Barker, Director

PENTWATER
DISTRICT LIBRARY

PENTWATER DISTRICT LIBRARY
PENTWATER, MICHIGAN
ANNUAL FINANCIAL REPORT
FOR THE PERIOD OCTOBER 17, 2025 THROUGH MARCH 31, 2026

GABRIDGE & CO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Pentwater District Library
Pentwater, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Pentwater District Library (the "Library"), as of and for the period October 17, 2025 through March 31, 2026, 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 and the major fund of the Library, as of March 31, 2026, and the respective changes in financial position for the period October 17, 2025 through March 31, 2026 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.

Emphasis of Matter – Implementation of New Accounting Standard

As discussed in Note 10 to the financial statements, the Library implemented Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*, during the year ended March 31, 2026. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Gabridge & Company

Gabridge & Company, PLC
Grand Rapids, Michigan
August 18, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Pentwater District Library
Management's Discussion and Analysis
For the Period October 17, 2025 through March 31, 2026

The purpose of management's discussion and analysis (MD&A) is to help readers understand the Library's financial position and results of operations as presented in the basic financial statements and notes. This MD&A is based on currently known facts, decisions, and conditions as of the date the financial statements were issued.

The Library began operating as a legally separate district library on October 17, 2025. Before that date, library operations were conducted as Pentwater Township Library and were reported as part of Pentwater Township's financial statements. Therefore, this is the Library's initial reporting period, covering October 17, 2025 through March 31, 2026, and no prior-year financial statements of the Library exist for comparison. Assets and liabilities transferred in connection with the establishment of the Library are reflected in beginning net position or as otherwise presented in the basic financial statements.

Questions regarding this report may be directed to Pentwater District Library, 402 E. Park Street, P.O. Box 946, Pentwater, MI 49449.

Overview of the Financial Statements

The Library's basic financial statements include government-wide financial statements, governmental fund financial statements, and notes to the financial statements. The government-wide statements present the Library as a whole. The statement of net position reports all financial and capital assets and all liabilities, including the copier lease liability. The statement of activities reports current-period expenses and the program and general revenues that financed those expenses.

The governmental fund statements focus on current financial resources. The Library has one major governmental fund, the General Fund. Capital assets and the lease liability are not reported in the General Fund balance sheet; the reconciliations following the fund statements explain how the fund amounts relate to the government-wide amounts. The notes provide information needed to understand the statements, and the required supplementary information includes the General Fund budgetary comparison schedule and notes to that schedule.

Financial Summary

Because this is the Library's initial reporting period, prior-year comparative amounts are not available. The condensed government-wide information below presents the Library's financial position at March 31, 2026 and its results for the short period then ended and supports the analyses that follow.

Pentwater District Library's Net Position

		2026
ASSETS		
Current Assets		
Cash and Investments	$	388,306
Taxes Receivable		97,106
Total Current Assets		485,412
Noncurrent Assets		
Capital Assets, Net		262,344
Total Assets		747,756
LIABILITIES		
Current Liabilities		
Accounts Payable		5,175
Payroll Liabilities		10,667
Current Portion of Lease Payable		4,933
Total Current Liabilities		20,775
Noncurrent Liabilities		
Lease Payable		20,634
Total Liabilities		41,409
NET POSITION		
Net Investment in Capital Assets		236,777
Unrestricted		469,570
Total Net Position	$	706,347

The Library reported no deferred outflows or deferred inflows of resources and no restricted net position at March 31, 2026.

Pentwater District Library's Changes in Net Position

		2026
Revenues		
Program Revenues		
Charges for Services	$	1,194
Operating Grants and Contributions		2,362
Total Program Revenues		3,556
General Revenues		
Property Taxes		229,693
Interest Revenue		5,437
Total General Revenues		235,130
Total Revenues		238,686
Expenses		
Recreation and Culture		101,287
Total Expenses		101,287
Change in Net Position		137,399
Net Position at Beginning of Period		568,948
Net Position at End of Period	$	706,347

Detailed Analyses

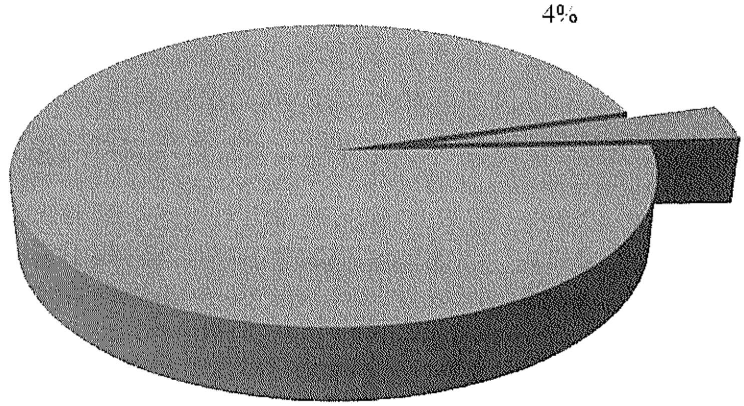
Government-wide financial position and results of operations

At March 31, 2026, the Library's assets exceeded its liabilities by $706,347. Of this amount, $236,777 represented net investment in capital assets and $469,570 was unrestricted. The unrestricted amount represents resources that are not invested in capital assets and are not subject to external restrictions. Beginning net position of $568,948 reflects the transfer of library operations from Pentwater Township when the Library was established. That amount consists of net financial resources of $345,807 and net capital assets of $223,141 transferred to the Library. Because the transfer established the Library's opening financial position, it is presented in beginning net position rather than as current-period revenue in the statement of activities.

During the short reporting period, revenues of $238,686 exceeded expenses of $101,287 by $137,399. Property taxes of $229,693, generated by the Library's 2025 operating levy of 1.0407 mills, accounted for 96.2% of total revenues and were the primary source used to finance library services. Program revenues of $3,556 offset 3.5% of recreation and culture expenses, leaving a net program expense of $97,731 that was financed principally by property taxes.

The following chart details the revenue sources of the Library for the most recent reporting period:

Revenues



At period-end, current and other assets consisted of $388,306 of cash and investments and $97,106 of taxes receivable. Other liabilities were $15,842, consisting of accounts payable and accrued payroll liabilities. The reporting period includes only activity from October 17, 2025 through March 31, 2026 and therefore does not represent a full year of operating expenses.

General Fund

The General Fund is the Library's main operating and only fund. Fund balance increased from zero to $469,570. The increase resulted from an excess of revenues over expenditures of $98,196, issuance of the copier lease of $25,567, and $345,807 of net fund balance received in the transfer of library operations, which is presented in the fund statement as an unusual or infrequent item. These items explain why the change in fund balance was substantially greater than the current-period operating surplus.

All $469,570 of General Fund balance was unassigned. The Library reported no restricted, committed, or assigned fund balance that would limit the availability of those resources for future use. Unassigned fund balance was 334.2% of current-period General Fund expenditures of $140,490. Because the expenditures cover only the short reporting period, that percentage should not be interpreted as a full-year measure of operating reserves.

General Fund expenditures exceeded government-wide expenses by $39,203 because capital outlay is reported as an expenditure in the General Fund but is capitalized in the government-wide statements. No depreciation or amortization expense was recorded during the short reporting period.

Significant Capital Asset and Long-Term Financing Activity

Capital assets

Net capital assets increased by $39,203, from $223,141 transferred at the beginning of operations to $262,344 at March 31, 2026. Additions consisted of $13,636 of library collection items and a $25,567 right-to-use asset related to the copier lease. The Library reported no capital asset disposals and no depreciation or amortization expense during the short reporting period.

Capital Asset Activity
For the Period October 17, 2025 through March 31, 2026

Beginning Net Capital Assets	$ 223,141
Library Collection Additions	13,636
Right-of-use Asset Addition	25,567
Total Additions	39,203
Depreciation, Amortization, and Disposals	-
Ending Net Capital Assets	$ 262,344

Additional information about capital asset activity is presented in Note 4 to the financial statements.

Long-term financing

On March 31, 2026, the Library entered into a lease for a copier and recognized a lease liability and related right-to-use asset of $25,567. The lease requires monthly payments of $449 through March 31, 2031 and was measured using a 4.00% interest rate. Of the liability outstanding at period-end, $4,933 is due within one year and $20,634 is due thereafter. This lease was the Library's only long-term financing activity during the reporting period. Additional information is presented in Note 5 to the financial statements.

Currently Known Facts, Decisions, or Conditions

The fiscal year ending March 31, 2027 will be the Library's first full 12-month fiscal year. Management expects property tax revenues to remain at a level generally similar to the current period, assuming no significant change in the operating millage or taxable values. Operating expenditures are expected to be higher than the amounts reported for the current short period because the subsequent year will include a full year of library operations. The difference in reporting-period length is expected to be the primary reason that fiscal 2027 operating results differ from fiscal 2026 results.

The copier lease requires fiscal 2027 payments of $5,388, consisting of $4,933 of principal and $455 of interest. Management is not aware of other currently known facts, decisions, or conditions that are expected to have a significant effect on the Library's financial position or results of operations in the subsequent period.

BASIC FINANCIAL STATEMENTS

Pentwater District Library
Statement of Net Position
March 31, 2026

ASSETS		
Current Assets		
Cash and Investments	$	388,306
Taxes Receivable		97,106
Total Current Assets		485,412
Noncurrent Assets		
Capital Assets being Depreciated, net		262,344
Total Assets		747,756
LIABILITIES		
Current Liabilities		
Accounts Payable		5,175
Accrued Payroll Liabilities		10,667
Current Portion of Lease Payable		4,933
Total Current Liabilities		20,775
Noncurrent Liabilities		
Lease Payable		20,634
Total Liabilities		41,409
NET POSITION		
Net Investment in Capital Assets		236,777
Unrestricted		469,570
Total Net Position	$	**706,347**

The Notes to the Financial Statements are an integral part of these Financial Statements

Pentwater District Library
Statement of Activities
For the Period October 17, 2025 Through March 31, 2026

		Program Revenues			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Recreation and Culture	$ 101,287	$ 1,194	$ 2,362	$ --	$ (97,731)
Total	$ 101,287	$ 1,194	$ 2,362	$ --	(97,731)

General Purpose Revenues:	
Property Taxes	229,693
Interest Revenue	5,437
Total General Revenues	235,130
Change in Net Position	**137,399**
Net Position at Beginning of Period	568,948
Net Position at End of Period	$ **706,347**

The Notes to the Financial Statements are an integral part of these Financial Statements

Pentwater District Library
Balance Sheet
Governmental Fund
March 31, 2026

		General
ASSETS		
Cash and Investments	$	388,306
Taxes Receivable		97,106
Total Assets	$	**485,412**
LIABILITIES		
Accounts Payable	$	5,175
Accrued Payroll Liabilities		10,667
Total Liabilities		15,842
FUND BALANCE		
Unassigned		469,570
Total Fund Balance		469,570
Total Liabilities and Fund Balance	$	**485,412**

The Notes to the Financial Statements are an integral part of these Financial Statements

Pentwater District Library
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
March 31, 2026

Total Fund Balance - Governmental Fund	$	469,570
General government capital assets of $430,706, net of accumulated depreciation of $168,362, are not financial resources and, accordingly, are not reported in the funds.		262,344
Liabilities are not due and payable in the current period and are not reported in the funds.		(25,567)
Total Net Position - Governmental Activities	**$**	**706,347**

The Notes to the Financial Statements are an integral part of these Financial Statements

Pentwater District Library
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Period October 17, 2025 Through March 31, 2026

		General
Revenues		
Property Taxes	$	229,693
Fines and Forfeitures		1,194
Contributions		2,250
Interest Revenue		5,437
Other Revenue		112
Total Revenues		238,686
Expenditures		
Recreation and Culture		140,490
Total Expenditures		140,490
Excess of Revenues Over (Under) Expenditures		98,196
Other Financing Sources		
Lease Issuance		25,567
Unusual or Infrequent Items		
Net Fund Balance Received in Transfer of Library Operations		345,807
Net Change in Fund Balance		**469,570**
Fund Balance at Beginning of Period		--
Fund Balance at End of Period	$	**469,570**

The Notes to the Financial Statements are an integral part of these Financial Statements

Pentwater District Library
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with Statement of Activities
For the Period October 17, 2025 Through March 31, 2026

Total Net Change in Fund Balances - Governmental Fund	$	469,570
Governmental fund report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of $39,203 exceeds depreciation expense of $0.		39,203
The issuance of a lease liability is reported as an other financing source in the governmental fund but does not increase net position in the government-wide financial statements.		(25,567)
Net fund balance received in the transfer of library operations is reported as an unusual or infrequent item in the governmental fund statement but is included in beginning net position in the government-wide statements. Therefore, it is deducted in		(345,807)
Changes in Net Position - Governmental Activities	**$**	**137,399**

The Notes to the Financial Statements are an integral part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Pentwater District Library (the "Library" or "government") 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.

Reporting Entity

Pentwater District Library (the 'Library') was established effective October 17, 2025 under the District Library Establishment Act, 1989 PA 24, MCL 397.171 et seq., pursuant to an agreement between Pentwater Township and Pentwater Public School District that was approved by the State Librarian. The Library is governed by a seven-member appointed Board; the School District appoints four members and the Township appoints three. The Board annually determines and approves the Library's budget, appoints and removes the Library director and staff, controls Library property and contracts, and may propose a districtwide tax and borrow money or issue bonds as authorized by law. Board members may be removed for cause by the Governor; neither participating municipality has authority under the agreement to remove Board members at will, approve or modify the Library's budget, veto Board decisions, or appoint Library management. The School District has no obligation to fund the Library, and the Township has no funding obligation beyond the specified interim millage levy.

The Library is a legally separate governmental organization. Although the School District appoints a voting majority of the Board, the agreement does not establish an imposition-of-will or financial-benefit/burden relationship with the School District, and the Township does not appoint a voting majority. The Library is not fiscally dependent on either participating municipality. Accordingly, the Library is not a component unit of either participating municipality and these financial statements present the Library as an other stand-alone government. The Library has no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. *Governmental activities,* which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. The Library only has governmental activities.

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 revenues include: 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 revenues.

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 three parts: 1) net investment in capital assets 2) restricted net position, and 3) unrestricted net position. At year-end, the Library had no restricted net position.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds columns.

The fund financial statements provide information about the Library's governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Since the Library only has one fund, no separate columns have been provided.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 it 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.

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. General capital asset acquisitions are reported as expenditures in governmental funds. As applicable, issuance of long-term debt and acquisitions under capital leases are reported as other financing sources in the governmental funds.

Property taxes, intergovernmental grants, charges for services 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Library.

Assets, Liabilities, and Net Position/Fund Balance

Deposits and Investments

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

Investments for the Library are reported at fair value (generally based on quoted market prices).

The Library has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the Library to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools, and certain mutual funds.

Capital Assets

Capital assets, which include property, library books, periodicals, equipment and other assets are reported in the government-wide financial statements. Except for library books, periodicals, and similar collection items, capital assets are defined by the Library as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of one year. Library books, periodicals and similar items are capitalized regardless of individual cost.

As the Library constructs or acquires additional capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property and equipment of the Library are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and Improvements	10 - 40
Library Books, Periodicals, Etc.	5
Furniture and Equipment	5 - 15

Lease Payable

The Library is a lessee for noncancellable leases of equipment. The Library recognizes a lease liability and an intangible right-to-use lease asset at the commencement of a lease, unless the lease is a short-term lease or transfers ownership of the underlying asset and does not contain termination options.

The lease liability is initially measured at the present value of payments expected to be made during the lease term. The lease asset is initially measured as the initial amount of the lease liability, adjusted for payments made at or before the commencement date and certain lease incentives or initial direct costs, as applicable.

The lease liability is reduced by principal payments, and interest expense is recognized over the lease term. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

Sometimes the Library will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the Library's highest level of decision-making authority. The Library Board is the highest level of decision-making authority for the Library that can, by resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another resolution) to remove or revise the limitation.

Amounts in the *assigned fund balance* classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as committed. The Library Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is the residual classification for the Library's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Library Board.

Property Taxes

All property tax receivables are shown net of allowance for uncollectibles.

Property taxes are collected and forwarded to the Library by the participating municipalities. Taxes are levied and liened on December 1 on the taxable valuation of property (as defined by state statutes) located in the local governmental unit as of the preceding December 31. Uncollected real property taxes as of the following March 1 are turned over by the participating municipalities to the County for collection. The County advances the Library all of these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the Library. Taxes levied on December 1 are recorded as receivables and deferred inflows. Taxes are recognized as revenue (and become available for appropriation) in the calendar year following the levy.

The 2025 state taxable value for real/personal property of the Library totaled approximately $365,295,377.

The ad valorem taxes levied consisted of 1.0407 mills for operations for 2025.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The appropriated budget is prepared by individual revenue and expenditure line item. The legal level of budgetary control is the individual line item. The Library Board amended the budget throughout the period.

All annual appropriations lapse at the end of the fiscal year.

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The Library had no expenditures in excess of the amount appropriated during the period October 17, 2025 through March 31, 2026.

Note 3 - Deposits and Investments

Deposits consisted of the following as of March 31, 2026:

Cash and Investments		
Cash and Cash Equivalents	$	11,168
Money Market		214,267
Pooled Investments		162,721
Cash on Hand		150
Total	$	388,306

Deposit and Investment Risk

Custodial Credit Risk - Deposits

The Library does have a custodial credit risk policy for deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. As of March 31, 2026, the Library's bank balance of $230,824 had $230,824 fully insured by the FDIC and $0 was exposed to custodial credit risk.

Custodial Credit Risk - Investments

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

The Library will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Library will do business.

At year-end, substantially all of the investment securities were uninsured and uncollateralized. The Library's investments as of March 31, 2026, consisted of pooled investments with Michigan CLASS totaling $162,721.

Credit Risk - Investments.

State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Library's investment policy does not have specific limits in excess of state law on investment credit risk. All investments are insured under SIPC. The Library's pooled investments with Michigan CLASS of $162,721 had a credit risk rating of AAAm by S&P.

Interest Rate Risk

In accordance with its investment policy, the Library will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by, structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Library's cash requirements.

The Library held $162,721 of pooled investments that have no maturity date.

Concentration of Credit Risk

The Library will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Library's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Fair Value Measurement

The Library is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

> Level 1: Quoted prices in active markets for identical securities.
>
> Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
>
> Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Library's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The Library holds shares in the Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At March 31, 2026, the net asset value of the Library's investment in the Michigan CLASS government investment pool was $162,721. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, villages, school districts, authorities and other public agencies.

Note 4 - Capital Assets

Capital asset activity for the period ended March 31, 2026, was as follows:

	Balance October 17, 2025	Additions	Deletions	Balance March 31, 2026
Capital Assets being Depreciated				
Buildings and Improvements	$ 287,869	$ -	$ -	$ 287,869
Library Collection	78,944	13,636	-	92,580
Equipment and Fixtures	24,690	-	-	24,690
Right-of-use Assets - Equipment	-	25,567	-	25,567
Total Capital Assets being Depreciated	391,503	39,203	-	430,706
Accumulated Depreciation				
Buildings and Improvements	$ 113,070	$ -	$ -	$ 113,070
Library Collection	38,452	-	-	38,452
Equipment and Fixtures	16,840	-	-	16,840
Right-of-use Assets - Equipment	-	-	-	-
Total Accumulated Depreciation	168,362	-	-	168,362
Capital Assets being Depreciated, Net	223,141	39,203	-	262,344
Capital Assets, Net	223,141	39,203	-	262,344

There was no depreciation expense for the current reporting period.

At March 31, 2026, the Library had no significant commitments for the acquisition of additional capital assets.

Note 5 - Leases Payable

The Library has entered into a lease agreement for office equipment, specifically a copier. The lease commenced on March 31, 2026, and expires on March 31, 2031. The agreement requires monthly payments of $449. The Library used an interest rate of 4.00 percent to measure the lease liability.

At March 31, 2026, the Library reported a lease liability of $25,567. The related lease asset is included in capital assets at a cost of $25,567. No amortization has been recorded as of March 31, 2026.

The following is a summary of lease payable activity for the Library for the period ended March 31, 2026:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Copier Lease	$ -	$ 25,567	$ -	$ 25,567	$ 4,933

Annual lease payments to maturity for leases outstanding as of March 31, 2026, follows:

Year Ending March 31,	Principal	Interest	Total
2027	$ 4,933	$ 455	$ 5,388
2028	4,993	395	5,388
2029	5,102	286	5,388
2030	5,213	175	5,388
2031	5,326	63	5,389
	$ 25,567	$ 1,374	$ 26,941

Note 6 - Risk Management

The Library 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 for which the Library carries commercial insurance. Liabilities in excess of insurance are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There have been no losses in excess of insurance in the prior three years.

Note 7 - Endowment Fund

Under a Designated Fund Agreement between the George W. Hansen and Edna Mae Hansen Living Trust (donors) and the Community Foundation for Oceana County (Foundation), dated February 2, 2005, the George Wilbur and Edna Hansen Endowment Fund (Endowment Fund) was created. The Donors contributed $100,000 to the Endowment Fund. The Designated Fund Agreement states that the Endowment Fund is to be held by the Foundation as its property and not as a trustee. The Designated Fund Agreement also stipulates that each year the income from the Endowment Fund, as determined in accordance with the Foundation's policies, shall be distributed 50% to the Pentwater Township Library and 50% to another charitable organization. The Designated Fund Agreement also stipulates that the Pentwater Township Library is to use any future income of the Endowment Fund and distributed by the Foundation, 50% for the purchase of books and 50% to purchase other educational materials in memory of George Wilbur and Edna Hansen. As the Endowment Fund is held by the Foundation as its property, no amount is included in the financial statements of the Pentwater District Library. The Library Fund received $0 from the Foundation's Endowment Fund during the period ended March 31, 2026.

Note 8 – Transfer of Library Operations

Effective October 17, 2025, Pentwater District Library (the "Library") began operations as a district library pursuant to a district library agreement among Pentwater Township and Pentwater Public School District. Prior to that date, library operations were conducted as Pentwater Township Library and were reported as part of Pentwater Township.

In connection with the establishment of the District Library, Pentwater Township transferred certain assets and liabilities associated with the former township library operations to the Library without the exchange of significant consideration. The transaction was accounted for as a transfer of operations in accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. Assets and liabilities transferred were recognized at their carrying values as of the transfer date.

The assets transferred to the Library included cash and other financial resources and capital assets associated with the former township library operations. Certain payroll-related liabilities were also assumed by the Library as part of the transfer.

The transferred capital assets consisted primarily of the library building and improvements, library collection, and equipment and fixtures. The transfer resulted from the establishment of Pentwater District Library as the successor provider of library services previously provided through Pentwater Township Library.

Note 9 - Subsequent Events

Subsequent events have been evaluated through August 18, 2026, the date the financial statements were available to be issued. Management is not aware of events that would have significant impact on the financial statements.

Note 10 – New Accounting Pronouncement

The Library implemented Governmental Accounting Standards Board ("GASB") Statement No. 103, *Financial Reporting Model Improvements*, during the fiscal year ended March 31, 2026. The implementation of this standard resulted in changes to the presentation of certain financial statements and required supplementary information but did not have a material impact on the Library's financial position or results of operations, and no restatement of prior year balances was required.

Pentwater District Library
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Period October 17, 2025 - March 31, 2026

	Budgeted Amounts		Variance Favorable (Unfavorable)		Variance Favorable (Unfavorable)
	Original	Final	Original to Final	Actual	Final to Actual
Revenues					
Property Taxes	$ 229,101	$ 229,101	$ --	$ 229,693	$ 592
Intergovernmental	15,000	15,000	--	--	(15,000)
Fees	3,000	3,000	--	1,194	(1,806)
Contributions	2,500	2,500	--	2,250	(250)
Interest Revenue	5,000	11,164	6,164	5,437	(5,727)
Other Revenue	--	2,500	2,500	112	(2,388)
Total Revenues	254,601	263,265	8,664	238,686	(24,579)
Other Financing Sources					
Lease Issuance	--	--	--	25,567	25,567
Total Revenues and Other Financing Sources	254,601	263,265	8,664	264,253	988
Expenditures					
Recreation and Culture	325,250	333,914	(8,664)	140,490	193,424
Total Expenditures	325,250	333,914	(8,664)	140,490	193,424
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(70,649)	(70,649)	--	123,763	194,412
Unusual or Infrequent Items					
Net Fund Balance Received in Transfer of Library Operations	--	--	--	345,807	345,807
Net Change in Fund Balance	**(70,649)**	**(70,649)**	--	**469,570**	**540,219**
Fund Balance at Beginning of Period	--	--	--	--	--
Fund Balance at End of Period	**$ (70,649)**	**$ (70,649)**	$ --	**$ 469,570**	**$ 540,219**

Other Matters

We applied certain limited procedures to management's discussion and analysis and the budgetary comparison schedule, which are 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.

Communication Regarding Internal Control

In planning and performing our audit of the financial statements of the governmental activities and the major fund of the Library as of and for the period ended March 31, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) to determine the 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 the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. In addition, because of the inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we have identified a deficiency in internal control that we consider to be a material weakness.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiency to be a material weakness:

Material audit adjustments and financial statement preparation:

> *Criteria*: All governmental units in Michigan are required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is the responsibility of the management. The preparation of financial statements in accordance with GAAP requires internal controls over both: 1) recording, processing, and summarizing accounting data (i.e. maintaining internal accounting records), and 2) reporting

government-wide and fund financial statements, including the related notes to the financial statements (i.e., external financial reporting).

Condition: We identified and proposed material audit adjustments that management reviewed and approved. We also assisted management with preparing the basic financial statements and the related footnotes.

As is the case with many small and medium-sized governmental units, the Library has historically relied on its independent external auditor to assist with the preparation of the financial statements, the related notes, and the management's discussion and analysis 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 auditor, who cannot, by definition, be considered part of the Library's internal controls. Having the auditor draft the annual financial statements is allowable under current auditing standards and ethical guidelines and may be the most efficient and effective method for preparation of the Library's financial statements. However, when an entity (on its own) lacks the ability to produce financial statements that conform to GAAP, or when material audit adjustments are identified by the auditor, auditing standards require that such conditions be communicated in writing as material weaknesses.

Cause: This condition was caused by the Library's decision to outsource the preparation of its annual financial statements to the external auditor rather than incur the costs of obtaining the necessary training and expertise required for the Library to perform this task internally because outsourcing the task is considered more cost effective.

Effect: The Library's accounting records were initially misstated by amounts material to the financial statements. In addition, the Library lacks complete internal controls over the preparation of its financial statements in accordance with GAAP, and, instead, relies, at least in part, on assistance from its external auditor for assistance with this task.

Auditor's Recommendation: We recommend that management continue to monitor the relative costs and benefits of securing the internal or other external resources necessary to develop material adjustments and prepare a draft of the Library's annual financial statements versus contracting with its auditor for these services.

Management Response: Management has made an ongoing evaluation of the respective costs and benefits of obtaining internal or external resources, specifically for the preparation of financial statements, and has determined that the additional benefits derived from implementing such a system would not outweigh the costs incurred to do so. Management will continue to review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

We did not audit the Library's response to the internal control finding described above and, accordingly, we express no opinion on it.

Journal Entry

Period Ending: 03/31/2026

Entity Name: **Pentwater District Library**

Fund Name: General

EntryType: Adj. JE

Fund	JE Number/Description	Debit	Credit	Comments
General				
	Entry#: GCPA 26.01 - To true up delq tax receivable - IR			
	N/A - 101-072 Due from County	0.00	2,220.12	
	N/A - 101-402 Property Tax:Property Taxes	2,220.12	0.00	
		2,220.12	**2,220.12**	
	Entry#: GCPA 26.02 - To adjust accrued wages - MG			
	N/A - 101-257 Accrued Wages	0.00	3,121.90	
	N/A - 101-702 Salaries & Fringe Ben:101-710 Wages	3,121.90	0.00	
		3,121.90	**3,121.90**	
	Entry#: GCPA 26.03 - To show tax due from Township - IR			
	N/A - 101-072 Due from County	89,411.57	0.00	Make Entry as of 03/31/2026 and then reverse as of 04/01/2026
	N/A - 101-402 Property Tax:Property Taxes	0.00	89,411.57	
		89,411.57	**89,411.57**	
	Entry#: GCPA 26.04 - To adjust payroll liabilities - MG			
	N/A - 101-255 Payroll Liabilities:MI Income Tax	0.00	700.92	
	N/A - 101-702 Salaries & Fringe Ben:101-710 Wages	700.92	0.00	
	N/A - 101-255 Payroll Liabilities:AFLAC-AFTER TAX	1,918.60	0.00	
	N/A - 101-702 Salaries & Fringe Ben:101-718 Health & Vision Insurance	0.00	1,918.60	
	N/A - 101-255 Payroll Liabilities:Simple IRA Emp.	10,050.84	0.00	
	N/A - 101-702 Salaries & Fringe Ben:101-716 Retirement	0.00	10,050.84	
		12,670.36	**12,670.36**	
	Entry#: GCPA 26.05 - To adjust accounts payable and credit card liabilities - MG			
	N/A - 101-935 Insurance:Building & Liability In	5,175.00	0.00	
	a/c # - 101-205 Visa 8118	0.00	5,175.00	Vendor is BHS Insurance Agency
		5,175.00	**5,175.00**	
		112,598.95	**112,598.95**	

August 18, 2026

Gabridge and Company, PLC
3940 Peninsular Drive SE
Suite 200
Grand Rapids, MI 49546

This representation letter is provided in connection with your audit of the financial statements of the Pentwater District Library (the "Library"), which comprise the respective financial position of the governmental activities and each major fund as of March 31, 2026, and the respective changes in financial position for the period then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 18, 2026, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 14, 2026, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) There are no known related-party relationships or transactions that need to be account for or disclosed in accordance with U.S. GAAP.

7) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.

8) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.

10) Guarantees, whether written or oral, under which the Library is contingently liable, if any, have been properly recorded or disclosed.

11) Tax abatement agreements have been deemed inconsequential to the financial statements.

Information Provided

12) We have provided you with:

  a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

  b) Additional information that you have requested from us for the purpose of the audit.

  c) Unrestricted access to persons within the Library from whom you determined it necessary to obtain audit evidence.

  d) Minutes of the meetings of the Library Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

1) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

1) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

2) We have no knowledge of any fraud or suspected fraud that affects the Library and involves—

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

3) We have no knowledge of any allegations of fraud or suspected fraud affecting the Library's financial statements communicated by employees, former employees, regulators, or others.

4) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

5) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.

6) There are no known related-party relationships or transactions that need to be account for or disclosed in accordance with U.S. GAAP.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have a process to track the status of audit findings and recommendations.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

24) The Library has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

26) We have appropriately disclosed all information for conduit debt obligations in accordance with GASB 91, lease obligations in accordance with GASB No. 87, and Subscription-based Information Technology Arrangements in accordance with GASB No. 96.

27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) As part of your audit, you assisted with preparation of the financial statements and disclosures, in addition to other nonaudit services (listed below). We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, as well as the additional nonaudit services as listed below:

- Reconciliation of capital assets
- Reconciliation of long-term debt
- Preparation of the Qualifying Statement

30) The Library has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

31) The Library has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

33) The financial statements include all fiduciary activities required by , as amended.

34) The financial statements properly classify all funds and activities in accordance with , as amended.

35) All funds that meet the quantitative criteria in and for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

37) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.

38) Provisions for uncollectible receivables have been properly identified and recorded.

39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

42) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

44) We have appropriately disclosed the Library's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: ______________________________ Signature: ______________________________

Title: ______________________________ Title: ______________________________