

BRANCH DISTRICT LIBRARY
FINANCIAL STATEMENTS
AUGUST 31, 2012 AND 2011

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Members of the Branch
District Library Board
Branch County, Michigan

September 11, 2012

We have compiled the accompanying balance sheets of Branch District Library as of August 31, 2012 and 2011, and the related statements of revenues, expenditures and changes in fund balance, and other supplemental information for the eight months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and additional information in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements or additional information.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statements of cash flows were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying annual budget of Branch District Library for the year ending December 31, 2012, has not been compiled or examined by us and, accordingly, we do not express an opinion or any other form of assurance on it.

Management has elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the entity's budgeted information. Accordingly, this budgeted information is not designed for those who are not informed about such matters.

Taylor, Plant & Watkins, P.C.
TAYLOR, PLANT & WATKINS, P.C.
(Formerly Rumsey & Watkins, P.C.)

BRANCH DISTRICT LIBRARY

**GENERAL FUND
BALANCE SHEETS**

ASSETS

	August 31,	
	2012	2011
Cash	\$ 271,160.94	\$ 101,114.81
Investments	498,220.65	736,709.42
Due from County	24,314.59	40,963.79
Due from the City of Coldwater	<u>56.00</u>	<u>556.36</u>
<i>Total assets</i>	<u>\$ 793,752.18</u>	<u>\$ 879,344.38</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 17,124.56	\$ 6,734.57
Due to the City of Coldwater	158.35	219.20
Payroll taxes payable	7,979.75	1,852.18
Accrued wages	<u>37,301.21</u>	<u>29,021.00</u>
<i>Total liabilities</i>	62,563.87	37,826.95

FUND BALANCE

	<u>731,188.31</u>	<u>841,517.43</u>
<i>Total liabilities and fund equity</i>	<u>\$ 793,752.18</u>	<u>\$ 879,344.38</u>

See accountant's compilation report

**BRANCH DISTRICT LIBRARY
SPECIAL REVENUE TRUST FUND
BALANCE SHEETS**

ASSETS

	August 31,	
	<u>2012</u>	<u>2011</u>
Cash	\$ 94,995.31	\$ 87,885.85
Restricted assets:		
Cash	<u>44,732.31</u>	<u>33,568.13</u>
Total assets	<u>\$ 139,727.62</u>	<u>\$ 121,453.98</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 0.00	\$ 130.44
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FUND BALANCE

Restricted:		
Bronson operations	13,951.18	6,008.31
Fisher memorial	26,011.40	24,481.66
Dallen memorial	833.31	826.35
Barnett memorial	<u>3,936.42</u>	<u>2,121.37</u>
Total Restricted	44,732.31	33,437.69
Committed	<u>94,995.31</u>	<u>87,885.85</u>
Total fund balance	<u>139,727.62</u>	<u>121,323.54</u>
Total liabilities and fund equity	<u>\$ 139,727.62</u>	<u>\$ 121,453.98</u>

See accountant's compilation report

BRANCH DISTRICT LIBRARY
CAPITAL PROJECTS FUND
BALANCE SHEETS

ASSETS

	August 31,	
	<u>2012</u>	<u>2011</u>
Cash	\$ 67,490.98	\$ 211,447.16
Investments	<u>100,276.69</u>	<u>0.00</u>
<i>Total assets</i>	<u><u>\$ 167,767.67</u></u>	<u><u>\$ 211,447.16</u></u>

LIABILITIES AND FUND EQUITY

LIABILITIES

<i>Accounts payable</i>	\$ 227.80	\$ 2,447.16
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FUND BALANCE

	<u>167,539.87</u>	<u>209,000.00</u>
<i>Total liabilities and fund equity</i>	<u><u>\$ 167,767.67</u></u>	<u><u>\$ 211,447.16</u></u>

See accountant's compilation report

**BRANCH DISTRICT LIBRARY
PERMANENT TRUST FUND
BALANCE SHEETS**

ASSETS

	August 31,	
	<u>2012</u>	<u>2011</u>
<i>Restricted assets:</i>		
<i>Cash</i>	\$ 52,000.00	\$ 52,000.00
<i>Investments</i>	<u>90,133.62</u>	<u>90,133.62</u>
<i>Total assets</i>	<u>\$ 142,133.62</u>	<u>\$ 142,133.62</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

<i>Accounts payable</i>	\$ 0.00	\$ 0.00
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FUND BALANCE

<i>Restricted:</i>		
<i>Semmelroth memorial</i>	50,000.00	50,000.00
<i>Dallen memorial</i>	2,000.00	2,000.00
<i>Barnett memorial</i>	<u>90,133.62</u>	<u>90,133.62</u>
<i>Total fund balance</i>	<u>142,133.62</u>	<u>142,133.62</u>
<i>Total liabilities and fund equity</i>	<u>\$ 142,133.62</u>	<u>\$ 142,133.62</u>

See accountant's compilation report

BRANCH DISTRICT LIBRARY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET

	<u>Month Ended</u> <u>August 31, 2012</u>	<u>Eight Months Ended</u> <u>August 31, 2012</u>	<u>Budget Year to Date</u> <u>2012</u>	
			<u>Amount</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 627.71	\$ 660,840.25	\$ 651,895.00	\$ 8,945.25
State shared revenue	10,521.64	21,006.12	20,920.00	86.12
Interest earned	36.95	1,612.92	6,000.00	(4,387.08)
Penal fines	15,288.13	125,519.30	229,501.00	(103,981.70)
Charges for services	1,413.63	23,461.28	20,000.00	3,461.28
Reimbursements	1,813.78	13,740.75	35,392.00	(21,651.25)
Miscellaneous	1,187.47	9,997.87	14,000.00	(4,002.13)
Total revenues	30,889.31	856,178.49	977,708.00	(121,529.51)
EXPENDITURES				
Library	109,863.11	724,758.13	1,090,302.00	(365,543.87)
Total expenditures	109,863.11	724,758.13	1,090,302.00	(365,543.87)
Excess (deficiency) of revenues over expenditures	(78,973.80)	131,420.36	(112,594.00)	244,014.36
OTHER SOURCES (USES)				
Transfers from (to) other funds	0.00	0.00	25,934.00	(25,934.00)
Excess (deficiency) of revenues and other sources over expenditures	\$ (78,973.80)	131,420.36	(86,660.00)	218,080.36
FUND BALANCE - BEGINNING		599,767.95	616,660.00	(16,892.05)
FUND BALANCE - ENDING		\$ 731,188.31	\$ 530,000.00	\$ 201,188.31

See accountant's compilation report

BRANCH DISTRICT LIBRARY
SPECIAL REVENUE TRUST FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	Month Ended August 31,		Eight Months Ended August 31,	
	2012	2011	2012	2011
REVENUES				
Interest earned	\$ 193.80	\$ 194.39	\$ 1,515.77	\$ 1,574.36
Donations	100.00	45.00	14,410.84	12,030.17
Total revenues	293.80	239.39	15,926.61	13,604.53
EXPENDITURES				
Books	0.00	0.00	4,490.26	5,503.20
Bronson endowment	229.67	130.44	640.16	945.74
Friends of the Library	0.00	0.00	0.00	4,000.00
Total expenditures	229.67	130.44	5,130.42	10,448.94
Excess (deficiency) of revenues over expenditures	\$ 64.13	\$ 108.95	10,796.19	3,155.59
FUND BALANCE - BEGINNING			128,931.43	118,167.95
FUND BALANCE - ENDING			\$ 139,727.62	\$ 121,323.54

See accountant's compilation report

BRANCH DISTRICT LIBRARY
CAPITAL PROJECTS FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	Month Ended August 31,		Eight Months Ended August 31,	
	2012	2011	2012	2011
REVENUES				
Taxes	\$ 9.51	\$ 9.74	\$ 108,621.68	\$ 110,813.78
Sale of fixed assets	0.00	0.00	700.00	20.00
Interest earned	15.11	50.37	193.99	493.40
 Total revenues	 24.62	 60.11	 109,515.67	 111,327.18
EXPENDITURES				
Automation	6,903.00	0.00	135,926.60	26,801.99
Capital outlay	683.40	3,209.12	20,418.77	83,781.44
 Total expenditures	 <u>7,586.40</u>	 <u>3,209.12</u>	 <u>156,345.37</u>	 <u>110,583.43</u>
 Excess (deficiency) of revenues over expenditures	 (7,561.78)	 (3,149.01)	 (46,829.70)	 743.75
OTHER SOURCES (USES)				
Debt proceeds	0.00	0.00	37,619.00	0.00
Debt repayments	(24.41)	0.00	(24.41)	0.00
 Total other sources (uses)	 (24.41)	 0.00	 37,594.59	 0.00
 Excess (deficiency) of revenues over expenditures and other uses	 <u>\$ (7,586.19)</u>	 <u>\$ (3,149.01)</u>	 (9,235.11)	 743.75
 FUND BALANCE - BEGINNING			 176,774.98	 208,256.25
 FUND BALANCE - ENDING			 \$ 167,539.87	 \$ 209,000.00

See accountant's compilation report

BRANCH DISTRICT LIBRARY
PERMANENT TRUST FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	Month Ended August 31,		Eight Months Ended August 31,	
	2012	2011	2012	2011
REVENUES				
Total revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
EXPENDITURES				
Total expenditures	0.00	0.00	0.00	0.00
Excess (deficiency) of revenues over expenditures	\$ 0.00	\$ 0.00	0.00	0.00
FUND BALANCE - BEGINNING			142,133.62	142,133.62
FUND BALANCE - ENDING			\$ 142,133.62	\$ 142,133.62

See accountant's compilation report

BRANCH DISTRICT LIBRARY
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

	<u>Month Ended</u> <u>August 31, 2012</u>	<u>Eight Months Ended</u> <u>August 31, 2012</u>	<u>Budget Year to Date</u> <u>2012</u>	
			<u>Amount</u>	<u>Variance</u>
Salaries	\$ 72,683.84	\$ 424,117.14	\$ 648,379.00	\$ (224,261.86)
Payroll taxes	5,579.41	32,509.85	51,870.00	(19,360.15)
Workers compensation	0.00	1,128.00	2,500.00	(1,372.00)
Longevity	450.00	2,025.00	3,550.00	(1,525.00)
Board per diem	0.00	25.00	0.00	25.00
Contract labor	0.00	125.76	0.00	125.76
Hospitalization	5,618.76	41,955.10	61,000.00	(19,044.90)
Deferred compensation	0.00	2,500.00	6,500.00	(4,000.00)
Employee relations	0.00	145.80	0.00	145.80
Contracted services	5,260.82	10,503.06	10,500.00	3.06
Training	0.00	680.56	1,500.00	(819.44)
Telephone	609.05	4,590.41	7,000.00	(2,409.59)
Utilities	3,115.62	24,326.55	40,000.00	(15,673.45)
Insurance	0.00	11,421.49	13,000.00	(1,578.51)
Maintenance	3,509.21	30,754.20	50,400.00	(19,645.80)
Equipment maintenance	1,223.33	7,340.01	8,000.00	(659.99)
Network maintenance	21.19	2,949.56	10,000.00	(7,050.44)
Operating supplies	992.09	6,160.06	10,000.00	(3,839.94)
Office supplies	99.76	10,334.61	10,000.00	334.61
Interloan document delivery	16.00	3,766.44	700.00	3,066.44
Postage	144.96	1,738.93	4,500.00	(2,761.07)
Books	6,776.20	58,276.14	83,253.00	(24,976.86)
Periodicals	0.00	345.07	5,200.00	(4,854.93)
Audio visual	910.98	8,806.97	14,000.00	(5,193.03)
Membership and dues	0.00	1,278.95	2,500.00	(1,221.05)
Transportation	644.81	6,058.85	8,000.00	(1,941.15)
Community promotions	234.50	3,056.21	5,550.00	(2,493.79)
Printing and publishing	0.00	126.12	1,000.00	(873.88)
Payroll fees	36.45	312.00	500.00	(188.00)
Professional services	1,742.16	22,350.28	30,900.00	(8,549.72)
Correction of prior year taxes	143.97	5,000.01	0.00	5,000.01
Miscellaneous	50.00	50.00	0.00	50.00
Total expenditures	\$ 109,863.11	\$ 724,758.13	\$1,090,302.00	\$ (365,543.87)

See accountant's compilation report

BRANCH DISTRICT LIBRARY
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES

	Month Ended		Eight Months Ended	
	August 31,		August 31,	
	2012	2011	2012	2011
Salaries	\$ 72,683.84	\$ 49,434.06	\$ 424,117.14	\$ 438,962.96
Payroll taxes	5,579.41	3,770.61	32,509.85	33,727.12
Workers compensation	0.00	0.00	1,128.00	1,066.00
Longevity	450.00	0.00	2,025.00	1,650.00
Board per diem	0.00	0.00	25.00	1,275.00
Contract labor	0.00	0.00	125.76	31.44
Hospitalization	5,618.76	4,930.83	41,955.10	39,446.64
Deferred compensation	0.00	0.00	2,500.00	4,000.00
Employee relations	0.00	0.00	145.80	70.15
Contracted services	5,260.82	0.00	10,503.06	6,820.25
Training	0.00	0.00	680.56	2,009.07
Education reimbursement	0.00	0.00	0.00	(2,819.75)
Telephone	609.05	452.17	4,590.41	3,967.95
Utilities	3,115.62	3,284.67	24,326.55	32,509.85
Insurance	0.00	0.00	11,421.49	12,299.78
Maintenance	3,509.21	3,181.83	30,754.20	29,256.29
Equipment maintenance	1,223.33	181.34	7,340.01	10,380.22
Network maintenance	21.19	957.64	2,949.56	7,810.64
Operating supplies	992.09	868.41	6,160.06	5,973.00
Office supplies	99.76	677.86	10,334.61	8,661.95
Interloan document delivery	16.00	4.95	3,766.44	48.94
Postage	144.96	215.08	1,738.93	2,019.45
Books	6,776.20	6,201.94	58,276.14	57,708.99
Periodicals	0.00	87.75	345.07	483.77
Audio visual	910.98	1,002.11	8,806.97	10,561.87
Membership and dues	0.00	0.00	1,278.95	1,224.00
Transportation	644.81	629.31	6,058.85	5,558.65
Community promotions	234.50	249.50	3,056.21	6,191.20
Printing and publishing	0.00	0.00	126.12	237.50
Payroll fees	36.45	45.60	312.00	327.45
Professional services	1,742.16	1,626.52	22,350.28	22,247.18
Correction of prior year tax	143.97	233.85	5,000.01	976.16
Miscellaneous	50.00	0.00	50.00	0.00
Total expenditures	\$ 109,863.11	\$ 78,036.03	\$ 724,758.13	\$ 744,683.72

See accountant's compilation report

BRANCH DISTRICT LIBRARY
BRONSON FIDUCIARY RESERVED FUND

BRONSON INCOME 2011 (BEGINNING BALANCE) \$5,508.64

INCOME:

ALLOCATED INTEREST (JAN)	1.35
DONATIONS (JAN)	3,428.00
DONATIONS (FEB)	50.00
ALLOCATED INTEREST (FEB)	1.77
DONATIONS (MAR)	305.00
ALLOCATED INTEREST (MAR)	1.90
DONATIONS (APR)	2,641.00
ALLOCATED INTEREST (APR)	2.11
ALLOCATED INTEREST (MAY)	2.46
ALLOCATED INTEREST (JUNE)	2.38
DONATIONS (JULY)	2,641.00
ALLOCATED INTEREST (JULY)	2.74
ALLOCATED INTEREST (AUG)	2.99

TOTAL INCOME \$9,082.70

EXPENSES:

LYNNELL EASH (FEB)	(58.09)
UPSTART (FEB)	(21.00)
LYNNELL EASH (FEB)	(66.56)
TAYLOR'S STATIONERS (FEB)	(199.84)
FAMILY DOLLAR (MAR)	(8.50)
LYNNELL EASH (JULY)	(56.50)
LYNNELL EASH (AUG)	(229.67)

TOTAL DISBURSEMENTS (640.16)
(#655-201: #640-201: #680-200)

BALANCE ENDOWMENT RESERVED FUND \$13,951.18
(#302200)

BRANCH DISTRICT LIBRARY
BARNETT FIDUCIARY RESERVED FUND

BARNETT INCOME 2011 (BEGINNING BALANCE) \$2,725.87

INCOME:

DEPOSIT	(JAN)	153.10
ALLOCATED INTEREST	(JAN)	0.52
DEPOSIT	(FEB)	153.10
ALLOCATED INTEREST	(FEB)	0.59
DEPOSIT	(MAR)	143.23
ALLOCATED INTEREST	(MAR)	0.66
DEPOSIT	(APR)	153.10
ALLOCATED INTEREST	(APR)	0.67
DEPOSIT	(MAY)	148.16
ALLOCATED INTEREST	(MAY)	0.72
DEPOSIT	(JUNE)	153.10
ALLOCATED INTEREST	(JUNE)	0.73
DEPOSIT	(JULY)	148.16
ALLOCATED INTEREST	(JULY)	0.79
DEPOSIT	(AUG)	153.10
ALLOCATED INTEREST	(AUG)	0.82
	TOTAL INCOME	<u>\$1,210.55</u>

EXPENSES:

#640202	TOTAL DISBURSEMENTS	<u>0.00</u>
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BALANCE ENDOWMENT RESERVED FUND \$3,936.42

#304300