

BRANCH DISTRICT LIBRARY

FINANCIAL STATEMENTS

MAY 31, 2013 AND 2012

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Taylor, Plant & Watkins, P.C.

Certified Public Accountants
and Business Advisors

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

June 11, 2013

We have compiled the accompanying balance sheets of Branch District Library as of May 31, 2013 and 2012, and the related statements of revenues, expenditures and changes in fund balance, and other supplemental information for the five 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, 2013, 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.

BRANCH DISTRICT LIBRARY

**GENERAL FUND
BALANCE SHEETS**

ASSETS

	May 31,	
	2013	2012
Cash	\$ 389,999.07	\$ 524,357.56
Investments	499,446.48	448,057.48
Due from County	20,229.36	13,098.34
Due from the City of Coldwater	276.23	229.90
Prepaid expenses	<u>4,046.26</u>	<u>0.00</u>
 Total assets	 <u>\$ 913,997.40</u>	 <u>\$ 985,743.28</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 13,529.58	\$ 14,371.53
Due to the City of Coldwater	292.00	376.50
Payroll taxes payable	1,576.72	1,661.14
Accrued wages	<u>26,742.36</u>	<u>37,301.21</u>
 Total liabilities	 42,140.66	 53,710.38

FUND BALANCE

	<u>871,856.74</u>	<u>932,032.90</u>
 Total liabilities and fund equity	 <u>\$ 913,997.40</u>	 <u>\$ 985,743.28</u>

See accountant's compilation report

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

ASSETS

	May 31,	
	<u>2013</u>	<u>2012</u>
Cash	\$ 102,708.48	\$ 95,762.50
Restricted assets:		
Cash	<u>63,528.04</u>	<u>41,894.51</u>
 Total assets	 <u>\$ 166,236.52</u>	 <u>\$ 137,657.01</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 0.00	\$ 171.04
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FUND BALANCE

Restricted:

Bronson operations	6,292.14	11,588.24
Fisher memorial	27,463.48	25,995.02
Dallen memorial	837.59	831.53
Morton memorial	28,768.74	0.00
Barnett memorial	<u>166.09</u>	<u>3,479.72</u>

Total Restricted	63,528.04	41,894.51
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Committed	<u>102,708.48</u>	<u>95,591.46</u>
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Total fund balance	<u>166,236.52</u>	<u>137,485.97</u>
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Total liabilities and fund equity	<u>\$ 166,236.52</u>	<u>\$ 137,657.01</u>
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See accountant's compilation report

BRANCH DISTRICT LIBRARY
CAPITAL PROJECTS FUND
BALANCE SHEETS

ASSETS

	May 31,	
	2013	2012
	<u> </u>	<u> </u>
Cash	\$ 90,713.49	\$ 98,892.09
Investments	<u>100,578.98</u>	<u>150,276.69</u>
 Total assets	 <u>\$ 191,292.47</u>	 <u>\$ 249,168.78</u>

LIABILITIES AND FUND EQUITY

LIABILITIES		
Accounts payable	\$ 0.00	\$ 0.00
 FUND BALANCE	 <u>191,292.47</u>	 <u>249,168.78</u>
 Total liabilities and fund equity	 <u>\$ 191,292.47</u>	 <u>\$ 249,168.78</u>

See accountant's compilation report

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

ASSETS

	May 31,	
	2013	2012
<i>Restricted assets:</i>		
<i>Cash</i>	\$ 52,000.00	\$ 52,000.00
<i>Investments</i>	90,133.62	90,133.62
<i>Total assets</i>	\$ 142,133.62	\$ 142,133.62

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>	90,133.62	90,133.62
<i>Total fund balance</i>	142,133.62	142,133.62
<i>Total liabilities and fund equity</i>	\$ 142,133.62	\$ 142,133.62

See accountant's compilation report

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

	Month Ended May 31, 2013	Five Months Ended May 31, 2013	Budget Year to Date 2013	
			Amount	Variance
REVENUES				
Taxes	\$ 36.15	\$ 658,406.83	\$ 655,138.00	\$ 3,268.83
State shared revenue	11,689.10	11,689.10	23,633.00	(11,943.90)
Interest earned	50.16	534.03	2,700.00	(2,165.97)
Penal fines	8,229.36	61,263.52	100,500.00	(39,236.48)
Charges for services	686.69	5,135.70	21,000.00	(15,864.30)
Reimbursements	426.77	6,139.07	27,041.00	(20,901.93)
Miscellaneous	956.70	5,070.22	15,000.00	(9,929.78)
Total revenues	22,074.93	748,238.47	845,012.00	(96,773.53)
EXPENDITURES				
Library	93,093.94	415,358.96	957,402.00	(542,043.04)
Total expenditures	93,093.94	415,358.96	957,402.00	(542,043.04)
Excess (deficiency) of revenues over expenditures	(71,019.01)	332,879.51	(112,390.00)	445,269.51
OTHER SOURCES (USES)				
Transfers from (to) other funds	0.00	0.00	16,012.00	(16,012.00)
Excess (deficiency) of revenues and other sources over expenditures	\$ (71,019.01)	332,879.51	(96,378.00)	429,257.51
FUND BALANCE - BEGINNING		538,977.23	490,000.00	48,977.23
FUND BALANCE - ENDING		\$ 871,856.74	\$ 393,622.00	\$ 478,234.74

See accountant's compilation report

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

	<i>Month Ended May 31,</i>		<i>Five Months Ended May 31,</i>	
	2013	2012	2013	2012
REVENUES				
Interest earned	\$ 92.64	\$ 188.36	\$ 450.58	\$ 941.45
Donations	200.00	950.00	42,759.20	11,569.84
Total revenues	292.64	1,138.36	43,209.78	12,511.29
EXPENDITURES				
Books	368.37	271.04	6,272.78	3,602.76
Bronson endowment	0.00	0.00	24,070.40	353.99
Total expenditures	368.37	271.04	30,343.18	3,956.75
Excess (deficiency) of revenues over expenditures	\$ (75.73)	\$ 867.32	12,866.60	8,554.54
FUND BALANCE - BEGINNING			150,360.06	128,931.43
FUND BALANCE - ENDING			\$ 163,226.66	\$ 137,485.97

See accountant's compilation report

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

	Month Ended May 31,		Five Months Ended May 31,	
	2013	2012	2013	2012
REVENUES				
Taxes	\$ 6.02	\$ 16.01	\$ 108,436.06	\$ 108,235.04
Sale of fixed assets	55.00	550.00	170.00	650.00
Interest earned	16.30	96.23	69.72	151.67
<i>Total revenues</i>	77.32	662.24	108,675.78	109,036.71
EXPENDITURES				
Automation	0.00	0.00	19,353.94	24,788.60
Capital outlay	347.38	(100.00)	17,811.08	11,854.31
<i>Total expenditures</i>	347.38	(100.00)	37,165.02	36,642.91
<i>Excess (deficiency) of revenues over expenditures</i>	(270.06)	762.24	71,510.76	72,393.80
OTHER SOURCES (USES)				
Transfer from (to) other funds	0.00	0.00	(3,009.86)	0.00
Debt service	(10,101.69)	0.00	(20,203.38)	0.00
<i>Total other sources (uses)</i>	(10,101.69)	0.00	(23,213.24)	0.00
<i>Excess (deficiency) of revenues over expenditures and other uses</i>	\$ (10,371.75)	\$ 762.24	48,297.52	72,393.80
FUND BALANCE - BEGINNING			142,994.95	176,774.98
FUND BALANCE - ENDING			\$ 191,292.47	\$ 249,168.78

See accountant's compilation report

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

	Month Ended May 31,		Five Months Ended May 31,	
	2013	2012	2013	2012
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>May 31, 2013</u>	<u>Five Months Ended</u> <u>May 31, 2013</u>	<u>Budget Year to Date</u> <u>2013</u>	
			<u>Amount</u>	<u>Variance</u>
Salaries	\$ 43,098.73	\$ 238,727.90	\$ 548,248.00	\$ (309,520.10)
Payroll taxes	3,309.27	18,357.95	43,860.00	(25,502.05)
Unemployment	0.00	0.00	14,100.00	(14,100.00)
Workers compensation	0.00	495.00	2,500.00	(2,005.00)
Longevity	225.00	1,775.00	4,500.00	(2,725.00)
Board per diem	0.00	0.00	900.00	(900.00)
Contract labor	0.00	62.88	200.00	(137.12)
Hospitalization	4,046.26	21,231.30	51,500.00	(30,268.70)
Deferred compensation	0.00	2,500.00	4,500.00	(2,000.00)
Employee relations	73.45	123.45	500.00	(376.55)
Contracted services	5,844.55	5,844.55	11,817.00	(5,972.45)
Training	318.66	3,488.33	3,000.00	488.33
Telephone	436.19	2,439.36	7,000.00	(4,560.64)
Utilities	3,102.13	16,485.70	38,000.00	(21,514.30)
Insurance	11,286.00	11,442.89	12,500.00	(1,057.11)
Maintenance	5,299.57	24,845.07	52,050.00	(27,204.93)
Equipment maintenance	561.90	1,561.89	9,000.00	(7,438.11)
Network maintenance	21.15	1,471.15	11,000.00	(9,528.85)
Office supplies	1,064.93	9,475.76	23,000.00	(13,524.24)
Interloan document delivery	3,760.17	3,911.32	7,500.00	(3,588.68)
Postage	408.01	976.12	4,000.00	(3,023.88)
Books	6,616.16	24,273.05	42,127.00	(17,853.95)
Periodicals	39.00	369.71	5,200.00	(4,830.29)
Audio visual	757.65	3,550.92	8,000.00	(4,449.08)
Membership and dues	0.00	420.00	2,000.00	(1,580.00)
Transportation	873.56	2,983.55	8,000.00	(5,016.45)
Community promotions	414.90	1,080.66	6,900.00	(5,819.34)
Printing and publishing	0.00	18.00	1,000.00	(982.00)
Payroll fees	39.15	191.25	500.00	(308.75)
Professional services	1,475.00	17,201.12	31,000.00	(13,798.88)
Correction of prior year taxes	22.55	55.08	3,000.00	(2,944.92)
Total expenditures	\$ 93,093.94	\$ 415,358.96	\$ 957,402.00	\$ (542,043.04)

See accountant's compilation report

BRANCH DISTRICT LIBRARY
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES

	<i>Month Ended</i> <i>May 31,</i>		<i>Five Months Ended</i> <i>May 31,</i>	
	2013	2012	2013	2012
<i>Salaries</i>	\$ 43,098.73	\$ 44,804.65	\$ 238,727.90	\$ 253,548.90
<i>Payroll taxes</i>	3,309.27	3,417.36	18,357.95	19,426.89
<i>Workers compensation</i>	0.00	530.00	495.00	1,060.00
<i>Longevity</i>	225.00	0.00	1,775.00	1,375.00
<i>Board per diem</i>	0.00	0.00	0.00	25.00
<i>Contract labor</i>	0.00	31.44	62.88	31.44
<i>Hospitalization</i>	4,046.26	4,859.47	21,231.30	24,314.22
<i>Deferred compensation</i>	0.00	0.00	2,500.00	2,500.00
<i>Employee relations</i>	73.45	0.00	123.45	9.98
<i>Contracted services</i>	5,844.55	0.00	5,844.55	5,242.24
<i>Training</i>	318.66	535.56	3,488.33	680.56
<i>Telephone</i>	436.19	534.02	2,439.36	2,918.85
<i>Utilities</i>	3,102.13	2,723.66	16,485.70	15,754.72
<i>Insurance</i>	11,286.00	0.00	11,442.89	0.00
<i>Maintenance</i>	5,299.57	4,071.58	24,845.07	22,100.04
<i>Equipment maintenance</i>	561.90	102.58	1,561.89	5,163.31
<i>Network maintenance</i>	21.15	1,560.22	1,471.15	2,010.37
<i>Operating supplies</i>	0.00	217.82	0.00	2,550.84
<i>Office supplies</i>	1,064.93	1,257.59	9,475.76	7,922.66
<i>Interloan document delivery</i>	3,760.17	81.99	3,911.32	171.94
<i>Postage</i>	408.01	453.84	976.12	1,555.22
<i>Books</i>	6,616.16	5,099.85	24,273.05	39,828.92
<i>Periodicals</i>	39.00	(235.04)	369.71	63.11
<i>Audio visual</i>	757.65	1,358.89	3,550.92	6,195.98
<i>Membership and dues</i>	0.00	0.00	420.00	1,208.95
<i>Transportation</i>	873.56	876.61	2,983.55	3,893.24
<i>Community promotions</i>	414.90	1,561.50	1,080.66	1,967.50
<i>Printing and publishing</i>	0.00	0.00	18.00	126.12
<i>Payroll fees</i>	39.15	39.45	191.25	194.55
<i>Professional services</i>	1,475.00	1,552.20	17,201.12	16,692.40
<i>Correction of prior year tax</i>	22.55	2,927.92	55.08	4,464.67
<i>Total expenditures</i>	<u>\$ 93,093.94</u>	<u>\$ 78,363.16</u>	<u>\$ 415,358.96</u>	<u>\$ 442,997.62</u>

See accountant's compilation report

BRANCH DISTRICT LIBRARY
MORTON

MORTON 2012 (BEGINNING BALANCE) \$0.00

INCOME:

DEPOSIT	(MAR)	23,006.52
ALLOCATED INTEREST	(MAR)	1.45
DEPOSIT	(APR)	5,751.63
ALLOCATED INTEREST	(APR)	4.25
ALLOCATED INTEREST	(MAY)	4.89

TOTAL INCOME \$28,768.74

EXPENSES:

TOTAL DISBURSEMENTS 0.00

BALANCE ENDOWMENT RESERVED FUND \$28,768.74
(#304400)

BRANCH DISTRICT LIBRARY
BARNETT FIDUCIARY RESERVED FUND

BARNETT INCOME 2013 (BEGINNING BALANCE) \$4,372.67

INCOME:

DEPOSIT	(JAN)	57.41
ALLOCATED INTEREST	(JAN)	0.60
DEPOSIT	(FEB)	57.41
ALLOCATED INTEREST	(FEB)	0.75
DEPOSIT	(MAR)	51.86
ALLOCATED INTEREST	(MAR)	0.39
ALLOCATED INTEREST	(APR)	0.01
DEPOSIT	(APR)	57.41
ALLOCATED INTEREST	(MAY)	0.02
DEPOSIT	(MAY)	55.56

TOTAL INCOME \$281.42

EXPENSES:

BRUSSEE/BRADY (4,488.00)

#640202 TOTAL DISBURSEMENTS (4,488.00)

BALANCE ENDOWMENT RESERVED FUND \$166.09

#304300

BRANCH DISTRICT LIBRARY
BRONSON FIDUCIARY RESERVED FUND

BRONSON INCOME 2013 (BEGINNING BALANCE) \$17,335.91

INCOME:

ALLOCATED INTEREST	(JAN)	2.54
DONATIONS	(JAN)	2,666.00
ALLOCATED INTEREST	(FEB)	3.37
ALLOCATED INTEREST	(MAR)	1.99
TRANSFER FROM CAPITAL	(MAR)	3,009.86
TRANSFER FROM G. BARNE	(MAR)	4,488.00
DEPOSIT	(APR)	2,853.00
ALLOCATED INTEREST	(APR)	0.80
ALLOCATED INTEREST	(MAY)	1.07

TOTAL INCOME \$13,026.63

EXPENSES:

SANTA CLAUS PUBLISHING	(JAN)	(77.38)
LYNELL EASH	(JAN)	(38.00)
FAMILY DOLLAR	(FEB)	(39.00)
BRUSSEE/BRADY	(MAR)	(23,850.86)
LYNELL EASH	(MAR)	(65.16)

TOTAL DISBURSEMENTS (24,070.40)
(#655-201: #640-201: #680-200)

BALANCE ENDOWMENT RESERVED FUND \$6,292.14
(#302200)