

BRANCH DISTRICT LIBRARY
FINANCIAL STATEMENTS
OCTOBER 31, 2013 AND 2012

C O N T E N T S

	<i>Page</i>
FINANCIAL STATEMENTS	
<i>Independent accountants' compilation report</i>	1
<i>Basic Financial Statements:</i>	
<i>Governmental Funds Balance Sheets:</i>	
<i>General Fund</i>	3
<i>Special Revenue Trust Fund</i>	4
<i>Capital Projects Fund</i>	5
<i>Permanent Trust Fund</i>	6
<i>Statement of Revenues, Expenditures and Changes in Fund Balance Compared to Budget:</i>	
<i>General Fund</i>	7
<i>Statements of Revenues, Expenditures and Changes in Fund Balance:</i>	
<i>Special Revenue Trust Fund</i>	8
<i>Capital Projects Fund</i>	9
<i>Permanent Trust Fund</i>	10
OTHER SUPPLEMENTAL INFORMATION	
<i>General Fund:</i>	
<i>Schedule of expenditures compared to budget</i>	11
<i>Schedule of expenditures</i>	12

Taylor, Plant & Watkins, P.C.

Certified Public Accountants
and Business Advisors

20 Tibbits Plaza • Coldwater, MI 49036 • (517) 279-7931

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

November 11, 2013

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

	October 31,	
	2013	2012
Cash	\$ 152,655.96	\$ 172,627.44
Investments	499,774.94	498,484.03
Due from County	30,223.09	25,985.54
Due from the City of Coldwater	28.69	46.06
Prepaid expenses	<u>4,046.26</u>	<u>0.00</u>
<i>Total assets</i>	<u>\$ 686,728.94</u>	<u>\$ 697,143.07</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 17,513.76	\$ 17,499.66
Due to the City of Coldwater	87.50	116.50
Payroll taxes payable	1,610.35	1,682.01
Accrued wages	<u>26,742.36</u>	<u>37,301.21</u>
<i>Total liabilities</i>	45,953.97	56,599.38

FUND BALANCE

	<u>640,774.97</u>	<u>640,543.69</u>
<i>Total liabilities and fund equity</i>	<u>\$ 686,728.94</u>	<u>\$ 697,143.07</u>

See accountant's compilation report

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

ASSETS

	October 31,	
	2013	2012
	<u> </u>	<u> </u>
Cash	\$ 104,992.19	\$ 95,188.58
Restricted assets:		
Cash	<u>66,664.76</u>	<u>47,527.46</u>
 Total assets	 <u>\$ 171,656.95</u>	 <u>\$ 142,716.04</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 1,142.62	\$ 0.00
------------------	-------------	---------

FUND BALANCE

Restricted:		
Bronson operations	9,095.70	16,431.33
Fisher memorial	27,486.52	26,022.26
Dallen memorial	839.97	834.49
Morton memorial	28,792.87	0.00
Barnett memorial	<u>449.70</u>	<u>4,239.38</u>
 Total Restricted	 66,664.76	 47,527.46
 Committed	 <u>103,849.57</u>	 <u>95,188.58</u>
 Total fund balance	 <u>170,514.33</u>	 <u>142,716.04</u>
 Total liabilities and fund equity	 <u>\$ 171,656.95</u>	 <u>\$ 142,716.04</u>

See accountant's compilation report

BRANCH DISTRICT LIBRARY
CAPITAL PROJECTS FUND
BALANCE SHEETS

ASSETS

	October 31,	
	2013	2012
Cash	\$ 59,394.71	\$ 10,771.16
Investments	<u>100,578.98</u>	<u>100,276.69</u>
 Total assets	 <u>\$ 159,973.69</u>	 <u>\$ 111,047.85</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 3,973.24	\$ 0.00
------------------	-------------	---------

FUND BALANCE

	<u>156,000.45</u>	<u>111,047.85</u>
--	-------------------	-------------------

Total liabilities and
fund equity

	<u>\$ 159,973.69</u>	<u>\$ 111,047.85</u>
--	----------------------	----------------------

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

ASSETS

	October 31,	
	<u>2013</u>	<u>2012</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
-------------------------	---------	---------

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>October 31, 2013</u>	<u>Ten Months Ended</u> <u>October 31, 2013</u>	<u>Budget Year to Date</u> <u>2013</u>	
			<u>Amount</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 829.63	\$ 661,181.40	\$ 655,138.00	\$ 6,043.40
State shared revenue	0.00	23,408.04	23,633.00	(224.96)
Interest earned	7.41	1,189.36	2,700.00	(1,510.64)
Penal fines	18,223.09	139,871.42	100,500.00	39,371.42
Charges for services	1,178.20	21,092.92	21,000.00	92.92
Reimbursements	2,916.27	14,379.48	27,041.00	(12,661.52)
Miscellaneous	1,082.39	13,148.76	15,000.00	(1,851.24)
Total revenues	24,236.99	874,271.38	845,012.00	29,259.38
EXPENDITURES				
Library	75,574.42	788,485.64	957,402.00	(168,916.36)
Total expenditures	75,574.42	788,485.64	957,402.00	(168,916.36)
Excess (deficiency) of revenues over expenditures	(51,337.43)	85,785.74	(112,390.00)	198,175.74
OTHER SOURCES (USES)				
Transfers from (to) other funds	0.00	16,012.00	16,012.00	0.00
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ (51,337.43)</u>	101,797.74	(96,378.00)	198,175.74
FUND BALANCE - BEGINNING		<u>538,977.23</u>	<u>490,000.00</u>	<u>48,977.23</u>
FUND BALANCE - ENDING		<u>\$ 640,774.97</u>	<u>\$ 393,622.00</u>	<u>\$ 247,152.97</u>

See accountant's compilation report

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

	Month Ended October 31,		Ten Months Ended October 31,	
	2013	2012	2013	2012
REVENUES				
Interest earned	\$ 93.29	\$ 189.25	\$ 917.73	\$ 1,897.58
Donations	6,379.07	3,091.00	55,602.27	18,071.90
 Total revenues	 6,472.36	 3,280.25	 56,520.00	 19,969.48
EXPENDITURES				
Books	2,198.62	887.50	10,045.30	5,377.76
Bronson endowment	0.00	0.00	24,530.29	807.11
Friends of the Library	2,400.00	0.00	4,800.00	0.00
 Total expenditures	 4,598.62	 887.50	 39,375.59	 6,184.87
 Excess (deficiency) of revenues over expenditures	 1,873.74	 2,392.75	 17,144.41	 13,784.61
OTHER SOURCES (USES)				
Transfer from (to) other funds	0.00	0.00	3,009.86	0.00
 Excess (deficiency) of revenues over expenditures and other uses	 \$ 1,873.74	 \$ 2,392.75	 20,154.27	 13,784.61
 FUND BALANCE - BEGINNING			 150,360.06	 128,931.43
 FUND BALANCE - ENDING			 \$ 170,514.33	 \$ 142,716.04

See accountant's compilation report

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

	Month Ended October 31,		Ten Months Ended October 31,	
	2013	2012	2013	2012
REVENUES				
Taxes	\$ 1.19	\$ 11.02	\$ 108,497.20	\$ 108,667.67
Sale of fixed assets	338.00	0.00	622.00	700.00
Interest earned	10.30	5.54	133.53	210.71
 Total revenues	 349.49	 16.56	 109,252.73	 109,578.38
EXPENDITURES				
Automation	0.00	12,708.00	19,353.94	150,584.60
Capital outlay	5,043.24	0.00	27,566.36	36,381.50
 Total expenditures	 5,043.24	 12,708.00	 46,920.30	 186,966.10
 Excess (deficiency) of revenues over expenditures	 (4,693.75)	 (12,691.44)	 62,332.43	 (77,387.72)
OTHER SOURCES (USES)				
Transfer from (to) other funds	0.00	(25,934.00)	(19,021.86)	(25,934.00)
Debt proceeds	0.00	0.00	0.00	37,619.00
Debt service	0.00	0.00	(30,305.07)	(24.41)
 Total other sources (uses)	 0.00	 (25,934.00)	 (49,326.93)	 11,660.59
 Excess (deficiency) of revenues over expenditures and other uses	 \$ (4,693.75)	 \$ (38,625.44)	 13,005.50	 (65,727.13)
 FUND BALANCE - BEGINNING			 142,994.95	 176,774.98
 FUND BALANCE - ENDING			 \$ 156,000.45	 \$ 111,047.85

See accountant's compilation report

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

	Month Ended October 31,		Ten Months Ended October 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>October 31, 2013</u>	<u>Ten Months Ended</u> <u>October 31, 2013</u>	<u>Budget Year to Date</u> <u>2013</u>	
			<u>Amount</u>	<u>Variance</u>
Salaries	\$ 43,860.55	\$ 477,856.62	\$ 548,248.00	\$ (70,391.38)
Payroll taxes	3,344.95	36,695.09	43,860.00	(7,164.91)
Unemployment	0.00	0.00	14,100.00	(14,100.00)
Workers compensation	495.00	1,485.00	2,500.00	(1,015.00)
Longevity	0.00	2,775.00	4,500.00	(1,725.00)
Board per diem	0.00	0.00	900.00	(900.00)
Contract labor	94.32	188.64	200.00	(11.36)
Hospitalization	3,563.00	40,012.82	51,500.00	(11,487.18)
Deferred compensation	0.00	2,500.00	4,500.00	(2,000.00)
Employee relations	25.00	148.45	500.00	(351.55)
Contracted services	0.00	11,704.02	11,817.00	(112.98)
Training	215.00	3,716.03	3,000.00	716.03
Telephone	483.63	4,877.54	7,000.00	(2,122.46)
Utilities	2,888.93	30,234.80	38,000.00	(7,765.20)
Insurance	0.00	11,442.89	12,500.00	(1,057.11)
Maintenance	3,386.71	38,317.64	52,050.00	(13,732.36)
Equipment maintenance	784.17	4,365.59	9,000.00	(4,634.41)
Network maintenance	0.00	4,110.86	11,000.00	(6,889.14)
Operating supplies	0.00	75.00	0.00	75.00
Office supplies	2,330.16	22,614.06	23,000.00	(385.94)
Interloan document delivery	9.99	4,090.35	7,500.00	(3,409.65)
Postage	374.82	1,709.94	4,000.00	(2,290.06)
Books	4,788.40	39,056.41	42,127.00	(3,070.59)
Periodicals	3,661.20	4,375.06	5,200.00	(824.94)
Audio visual	841.15	7,119.57	8,000.00	(880.43)
Membership and dues	904.00	1,324.00	2,000.00	(676.00)
Transportation	789.31	6,058.53	8,000.00	(1,941.47)
Community promotions	103.16	3,284.83	6,900.00	(3,615.17)
Printing and publishing	610.02	694.02	1,000.00	(305.98)
Payroll fees	36.45	381.90	500.00	(118.10)
Professional services	1,984.50	27,001.38	31,000.00	(3,998.62)
Correction of prior year taxes	0.00	269.60	3,000.00	(2,730.40)
Total expenditures	\$ 75,574.42	\$ 788,485.64	\$ 957,402.00	\$ (168,916.36)

See accountant's compilation report

BRANCH DISTRICT LIBRARY
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES

	Month Ended October 31,		Ten Months Ended October 31,	
	2013	2012	2013	2012
Salaries	\$ 43,860.55	\$ 46,723.54	\$ 477,856.62	\$ 519,289.63
Payroll taxes	3,344.95	3,564.11	36,695.09	39,770.07
Workers compensation	495.00	530.00	1,485.00	1,658.00
Longevity	0.00	0.00	2,775.00	2,025.00
Board per diem	0.00	0.00	0.00	25.00
Contract labor	94.32	0.00	188.64	157.20
Hospitalization	3,563.00	4,847.79	40,012.82	51,190.04
Deferred compensation	0.00	0.00	2,500.00	2,500.00
Employee relations	25.00	50.00	148.45	220.80
Contracted services	0.00	0.00	11,704.02	10,503.06
Training	215.00	0.00	3,716.03	740.56
Telephone	483.63	447.18	4,877.54	5,445.30
Utilities	2,888.93	2,690.59	30,234.80	29,760.51
Insurance	0.00	0.00	11,442.89	11,421.49
Maintenance	3,386.71	2,683.93	38,317.64	36,236.71
Equipment maintenance	784.17	109.97	4,365.59	8,216.95
Network maintenance	0.00	0.00	4,110.86	5,828.56
Operating supplies	0.00	964.90	75.00	7,469.56
Office supplies	2,330.16	1,416.14	22,614.06	11,903.38
Interloan document delivery	9.99	87.95	4,090.35	3,854.39
Postage	374.82	956.24	1,709.94	2,713.17
Books	4,788.40	5,654.84	39,056.41	68,153.51
Periodicals	3,661.20	5,091.36	4,375.06	5,475.43
Audio visual	841.15	1,148.84	7,119.57	11,198.99
Membership and dues	904.00	0.00	1,324.00	1,278.95
Transportation	789.31	645.47	6,058.53	7,150.14
Community promotions	103.16	0.00	3,284.83	3,152.21
Printing and publishing	610.02	0.00	694.02	126.12
Payroll fees	36.45	36.15	381.90	384.60
Professional services	1,984.50	1,873.54	27,001.38	25,696.90
Correction of prior year tax	0.00	5.38	269.60	5,005.39
Miscellaneous	0.00	0.00	0.00	50.00
Total expenditures	\$ 75,574.42	\$ 79,527.92	\$ 788,485.64	\$ 878,601.62

See accountant's compilation report

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. BARNETT	(MAR)	4,488.00
DEPOSIT	(APR)	2,853.00
ALLOCATED INTEREST	(APR)	0.80
ALLOCATED INTEREST	(MAY)	1.07
ALLOCATED INTEREST	(JUN)	0.88
DEPOSITS	(JUN)	525.00
DEPOSITS	(JUL)	4,579.00
ALLOCATED INTEREST	(JUL)	1.14
DEPOSIT	(AUG)	100.00
ALLOCATED INTEREST	(AUG)	1.50
ALLOCATED INTEREST	(SEPT)	1.42
DEPOSIT	(OCT)	2,853.00
ALLOCATED INTEREST	(OCT)	1.51
TOTAL INCOME		<u>\$21,090.08</u>

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)
CENTURY BANK & TRUST	(JUN)	(2,400.00)
BARONE HARDWARE	(JUL)	(27.09)
LYNELL EASH	(AUG)	(152.80)
TAYLOR'S STATIONERS	(AUG)	(280.00)
CENTURY BANK & TRUST	(OCT)	(2,400.00)

TOTAL DISBURSEMENTS (29,330.29)
 (#655-201: #640-201: #680-200)

BALANCE ENDOWMENT RESERVED FUND \$9,095.70
 (#302200)

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
DEPOSIT	(JUN)	57.41
ALLOCATED INTEREST	(JUN)	0.03
DEPOSIT	(JUL)	55.56
ALLOCATED INTEREST	(JUL)	0.04
DEPOSIT	(AUG)	57.41
ALLOCATED INTEREST	(AUG)	0.05
DEPOSIT	(SEPT)	57.42
ALLOCATED INTEREST	(SEPT)	0.06
DEPOSIT	(OCT)	55.56
ALLOCATED INTEREST	(OCT)	0.07
	TOTAL INCOME	<u>\$565.03</u>

EXPENSES:

BRUSSEE/BRADY (4,488.00)

#640202 TOTAL DISBURSEMENTS (4,488.00)

BALANCE ENDOWMENT RESERVED FUND \$449.70

#304300