

BRANCH DISTRICT LIBRARY
FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND 2015

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**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

February 8, 2016

We have compiled the accompanying balance sheets of Branch District Library as of February 29, 2016 and 2015, and the related statements of revenues, expenditures and changes in fund balance, and other supplemental information for the two 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, 2016, has not been compiled or examined by us and, accordingly, we do not express an opinion or any other form of assurance on it.

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

February 8, 2016

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

	February 29,	
	2016	2015
Cash	\$ 741,865.49	\$ 733,690.45
Investments	646,168.07	400,721.68
Due from County	15,000.00	35,162.17
Due from the City of Coldwater	0.00	116.78
Prepaid expenses	<u>4,263.97</u>	<u>3,766.15</u>
Total assets	<u>\$ 1,407,297.53</u>	<u>\$ 1,173,457.23</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 23,188.46	\$ 16,718.44
Due to the City of Coldwater	5.85	148.00
Payroll taxes payable	8,386.31	8,454.86
Accrued wages	<u>37,820.48</u>	<u>31,616.10</u>
Total liabilities	69,401.10	56,937.40

FUND BALANCE

Total liabilities and fund equity	<u>1,337,896.43</u>	<u>1,116,519.83</u>
	<u>\$ 1,407,297.53</u>	<u>\$ 1,173,457.23</u>

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

ASSETS

	February 29,	
	<u>2016</u>	<u>2015</u>
Cash	\$ 128,590.04	\$ 116,810.20
Restricted assets:		
Cash	<u>56,883.82</u>	<u>73,732.44</u>
 Total assets	 <u>\$ 185,473.86</u>	 <u>\$ 190,542.64</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 10.99	\$ 214.99
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FUND BALANCE

Restricted:

Bronson operations	7,596.17	4,108.31
A. Barnett memorial	7,828.23	10,430.18
Fisher memorial	2,685.50	28,230.97
Dallen memorial	854.43	847.38
Morton memorial	28,939.16	28,867.94
Union City Facilities	6,839.18	0.00
G. Barnett memorial	<u>2,141.15</u>	<u>1,226.94</u>

Total Restricted	56,883.82 ✓	73,711.72
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Committed	<u>128,579.05</u>	<u>116,615.93</u>
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Total fund balance	<u>185,462.87</u>	<u>190,327.65</u>
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Total liabilities and fund equity	<u>\$ 185,473.86</u>	<u>\$ 190,542.64</u>
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See accountant's compilation report

BRANCH DISTRICT LIBRARY

**CAPITAL PROJECTS FUND
BALANCE SHEETS**

ASSETS

	February 29,	
	2016	2015
<i>Cash</i>	\$ 304,958.85	\$ 190,199.18
<i>Investments</i>	<u>101,487.02</u>	<u>101,207.39</u>
<i>Total assets</i>	<u>\$ 406,445.87</u>	<u>\$ 291,406.57</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable \$ 487.79 \$ 1,122.88

FUND BALANCE

405,958.08 290,283.69

*Total liabilities and
fund equity*

\$ 406,445.87 \$ 291,406.57

BRANCH DISTRICT LIBRARY

**PERMANENT TRUST FUND
BALANCE SHEETS**

ASSETS

	February 29,	
	2016	2015
<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>

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

	<u>Month Ended</u> <u>February 29, 2016</u>	<u>Two Months Ended</u> <u>February 29, 2016</u>	<u>Budget Year to Date</u> <u>2016</u>	
			<u>Amount</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 599,733.17	\$ 641,913.17	\$ 1,285,584.45	\$ (643,671.28)
State shared revenue	0.00	0.00	30,468.55	(30,468.55)
Interest earned	136.52	198.41	2,000.00	(1,801.59)
Penal fines	19,373.06	34,373.06	175,000.00	(140,626.94)
Charges for services	129.50	319.70	27,000.00	(26,680.30)
Reimbursements	151.51	161.51	28,074.00	(27,912.49)
Miscellaneous	2,002.28	3,750.89	16,000.00	(12,249.11)
Total revenues	621,526.04	680,716.74	1,564,127.00	(883,410.26)
EXPENDITURES				
Library	120,112.50	269,625.71	1,654,749.23	(1,385,123.52)
Total expenditures	120,112.50	269,625.71	1,654,749.23	(1,385,123.52)
Excess (deficiency) of revenues over expenditures	501,413.54	411,091.03	(90,622.23)	501,713.26
OTHER SOURCES (USES)				
Transfers from (to) other funds	0.00	0.00	20,672.00	(20,672.00)
Excess (deficiency) of revenues and other sources over expenditures	\$ 501,413.54	411,091.03	(69,950.23)	481,041.26
FUND BALANCE - BEGINNING		926,805.40	865,202.50	61,602.90
FUND BALANCE - ENDING		\$ 1,337,896.43	\$ 795,252.27	\$ 542,644.16

See accountant's compilation report

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

	Month Ended February 29,		Two Months Ended February 29,	
	2016	2015	2016	2015
REVENUES				
Interest earned	\$ 124.27	\$ 77.50	\$ 242.27	\$ 141.49
Donations	940.97	1,125.00	4,016.75	4,412.33
Total revenues	1,065.24	1,202.50	4,259.02	4,553.82
EXPENDITURES				
Books	71.41	194.27	1,061.09	1,163.27
Bronson endowment	0.00	300.72	0.00	300.72
Aileen Barnett endowment	286.02	0.00	286.02	0.00
Friends of the Library	0.00	0.00	2,400.00	0.00
Union City facilities	0.00	0.00	444.99	0.00
Total expenditures	357.43	494.99	4,192.10	1,463.99
Excess (deficiency) of revenues over expenditures	\$ 707.81	\$ 707.51	66.92	3,089.83
FUND BALANCE - BEGINNING			185,395.95	187,237.82
FUND BALANCE - ENDING			\$ 185,462.87	\$ 190,327.65

See accountant's compilation report

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

	Month Ended February 29,		Two Months Ended February 29,	
	2016	2015	2016	2015
REVENUES				
Taxes	\$ 110,715.48	\$ 40,722.63	\$ 118,535.48	\$ 113,930.87
Interest earned	52.36	32.62	90.21	51.89
Total revenues	110,767.84	40,755.25	118,625.69	113,982.76
EXPENDITURES				
Automation	2,362.00	0.00	2,362.00	0.00
Capital outlay	487.79	1,402.88	26,285.79	1,742.41
Total expenditures	2,849.79	1,402.88	28,647.79	1,742.41
Excess (deficiency) of revenues over expenditures	\$ 107,918.05	\$ 39,352.37	89,977.90	112,240.35
FUND BALANCE - BEGINNING			315,980.18	178,043.34
FUND BALANCE - ENDING			\$ 405,958.08	\$ 290,283.69

See accountant's compilation report

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

	Month Ended February 29,		Two Months Ended February 29,	
	2016	2015	2016	2015
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

	Month Ended		Two Months		Budget Year to Date	
	February 29, 2016		Ended		2016	
			February 29, 2016		Amount	Variance
Salaries	\$ 56,469.50	\$ 141,179.39	\$ 915,179.84	\$ (774,000.45)		
Payroll taxes	4,344.96	10,843.70	73,214.39	(62,370.69)		
Unemployment	0.00	0.00	10,000.00	(10,000.00)		
Workers compensation	0.00	703.00	2,000.00	(1,297.00)		
Longevity	500.00	1,000.00	4,275.00	(3,275.00)		
Board per diem	0.00	0.00	2,160.00	(2,160.00)		
Contract labor	0.00	0.00	300.00	(300.00)		
Hospitalization	4,263.97	8,527.94	90,000.00	(81,472.06)		
Deferred compensation	0.00	2,500.00	7,500.00	(5,000.00)		
Employee relations	70.00	70.00	1,500.00	(1,430.00)		
Contracted services	0.00	0.00	18,000.00	(18,000.00)		
Training	158.00	158.00	10,000.00	(9,842.00)		
Facilities rent	102.00	300.00	600.00	(300.00)		
Telephone	586.92	1,091.65	10,000.00	(8,908.35)		
Utilities	3,505.86	6,591.88	49,160.00	(42,568.12)		
Insurance	0.00	0.00	18,000.00	(18,000.00)		
Maintenance	23,010.72	30,135.44	75,000.00	(44,864.56)		
Equipment maintenance	1,324.82	1,859.82	9,000.00	(7,140.18)		
Network maintenance	0.01	8,058.83	40,360.00	(32,301.17)		
Janitorial supplies	94.84	316.53	0.00	316.53		
Office supplies	1,379.30	4,260.85	45,000.00	(40,739.15)		
Interloan document delivery	33.00	69.98	500.00	(430.02)		
Postage	238.05	506.65	3,000.00	(2,493.35)		
Books	11,287.27	18,151.18 ✓	100,000.00	(81,848.82)		
Periodicals	312.00	416.00 ✓	10,000.00	(9,584.00)		
Audio visual	1,468.24	3,042.79 ✓	20,000.00	(16,957.21)		
Membership and dues	65.00	245.00	3,000.00	(2,755.00)		
Transportation	525.72	1,000.02	8,000.00	(6,999.98)		
Community promotions	3,799.57	7,565.97 ✓	40,000.00	(32,434.03)		
Printing and publishing	0.00	1,442.14	1,000.00	442.14		
Bank service fees	76.01	125.91	500.00	(374.09)		
Professional services	6,482.70	19,449.00	85,000.00	(65,551.00)		
Correction of prior year taxes	14.04	14.04	2,500.00	(2,485.96)		
Total expenditures	\$ 120,112.50	\$ 269,625.71	\$ 1,654,749.23	\$ (1,385,123.52)		

See accountant's compilation report

BRANCH DISTRICT LIBRARY
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES

	Month Ended February 29,		Two Months Ended February 29,	
	2016	2015	2016	2015
<i>Salaries</i>	\$ 56,469.50	\$ 52,884.81	\$ 141,179.39	\$ 126,738.63
<i>Payroll taxes</i>	4,344.96	4,046.81	10,843.70	9,719.35
<i>Workers compensation</i>	0.00	610.00	703.00	610.00
<i>Longevity</i>	500.00	150.00	1,000.00	650.00
<i>Contract labor</i>	0.00	65.22	0.00	65.22
<i>Hospitalization</i>	4,263.97	6,133.19	8,527.94	12,564.01
<i>Deferred compensation</i>	0.00	0.00	2,500.00	2,500.00
<i>Employee relations</i>	70.00	0.00	70.00	325.00
<i>Training</i>	158.00	260.00	158.00	260.00
<i>Facilities rent</i>	102.00	0.00	300.00	0.00
<i>Telephone</i>	586.92	498.40	1,091.65	991.92
<i>Utilities</i>	3,505.86	3,689.99	6,591.88	7,338.72
<i>Maintenance</i>	23,010.72	5,246.58	30,135.44	11,663.82
<i>Equipment maintenance</i>	1,324.82	319.76	1,859.82	1,295.51
<i>Network maintenance</i>	0.01	0.00	8,058.83	1,603.18
<i>Janitorial supplies</i>	94.84	0.00	316.53	0.00
<i>Office supplies</i>	1,379.30	3,042.91	4,260.85	9,454.83
<i>Interloan document delivery</i>	33.00	81.37	69.98	81.37
<i>Postage</i>	238.05	98.00	506.65	387.22
<i>Books</i>	11,287.27	6,000.10	18,151.18 ✓	12,885.08
<i>Periodicals</i>	312.00	0.00	416.00 ✓	101.80
<i>Audio visual</i>	1,468.24	261.65	3,042.79 ✓	1,410.55
<i>Membership and dues</i>	65.00	255.00	245.00	435.00
<i>Transportation</i>	525.72	408.26	1,000.02	958.66
<i>Community promotions</i>	3,799.57	754.84	7,565.97	1,519.84
<i>Printing and publishing</i>	0.00	0.00	1,442.14	0.00
<i>Bank service fees</i>	76.01	42.45	125.91	78.30
<i>Professional services</i>	6,482.70	5,874.20	19,449.00	12,826.50
<i>Correction of prior year tax</i>	14.04	0.00	14.04	1,730.29
Total expenditures	\$ 120,112.50	\$ 90,723.54	\$ 269,625.71	\$ 218,194.80

See accountant's compilation report