

BRANCH DISTRICT LIBRARY
FINANCIAL STATEMENTS
OCTOBER 31, 2016 AND 2015

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

November 14, 2016

We have compiled the accompanying balance sheets of Branch District Library as of October 31, 2016 and 2015, 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, 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

November 14, 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.

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BRANCH DISTRICT LIBRARY

**GENERAL FUND
BALANCE SHEETS**

ASSETS

	October 31,	
	2016	2015
<i>Cash</i>	\$ 654,094.82	\$ 577,375.88
<i>Investments</i>	648,828.31	645,177.01
<i>Due from County</i>	15,000.00	15,000.00
<i>Due from the City of Coldwater</i>	0.00	3,044.52
<i>Prepaid expenses</i>	<u>8,778.92</u>	<u>3,766.15</u>
 <i>Total assets</i>	 <u><u>\$1,326,702.05</u></u>	 <u><u>\$1,244,363.56</u></u>

LIABILITIES AND FUND EQUITY

LIABILITIES

<i>Accounts payable</i>	\$ 13,592.95	\$ 66,229.20
<i>Due to the City of Coldwater</i>	0.00	2,850.68
<i>Payroll taxes payable</i>	2,548.83	1,957.51
<i>Accrued wages</i>	<u>37,820.48</u>	<u>31,616.10</u>
 <i>Total liabilities</i>	 53,962.26	 102,653.49

FUND BALANCE

	<u>1,272,739.79</u>	<u>1,141,710.07</u>
 <i>Total liabilities and fund equity</i>	 <u><u>\$1,326,702.05</u></u>	 <u><u>\$1,244,363.56</u></u>

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

ASSETS

	October 31,	
	<u>2016</u>	<u>2015</u>
Cash	\$ 120,472.26	\$ 116,629.18
Restricted assets:		
Cash	<u>57,492.85</u>	<u>55,362.54</u>
Total assets	<u>\$ 177,965.11</u>	<u>\$ 171,991.72</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 0.00	\$ 0.00
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FUND BALANCE

Restricted:		
Bronson operations	7,343.68	6,825.27
A. Barnett memorial	9,486.42	7,423.26
Fisher memorial	2,690.00	2,233.86
Dallen memorial	859.25	852.18
Morton memorial	28,987.75	28,916.42
Union City Facilities	5,376.10	7,278.48
G. Barnett memorial	<u>2,749.65</u>	<u>1,833.07</u>
Total Restricted	57,492.85	55,362.54
Committed	<u>120,472.26</u>	<u>116,629.18</u>
Total fund balance	<u>177,965.11</u>	<u>171,991.72</u>
Total liabilities and fund equity	<u>\$ 177,965.11</u>	<u>\$ 171,991.72</u>

BRANCH DISTRICT LIBRARY

**CAPITAL PROJECTS FUND
BALANCE SHEETS**

ASSETS

	October 31,	
	2016	2015
<i>Cash</i>	\$ 332,336.29	\$ 138,347.43
<i>Investments</i>	<u>101,689.11</u>	<u>101,207.39</u>
<i>Total assets</i>	<u>\$ 434,025.40</u>	<u>\$ 239,554.82</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

<i>Accounts payable</i>	\$ 261.78	\$ 0.00
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FUND BALANCE

<i>Total liabilities and fund equity</i>	<u>433,763.62</u>	<u>239,554.82</u>
	<u>\$ 434,025.40</u>	<u>\$ 239,554.82</u>

BRANCH DISTRICT LIBRARY
PERMANENT TRUST FUND
BALANCE SHEETS

ASSETS

	October 31,	
	<u>2016</u>	<u>2015</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><u>\$ 142,133.62</u></u>	<u><u>\$ 142,133.62</u></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><u>\$ 142,133.62</u></u>	<u><u>\$ 142,133.62</u></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, 2016</u>	<u>Ten Months Ended</u> <u>October 31, 2016</u>	<u>Budget Year to Date</u> <u>2016</u>	
			<u>Amount</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 17.40	\$ 1,285,624.27	\$1,285,584.45	\$ 39.82
State shared revenue	0.00	30,672.10	30,468.55	203.55
Interest earned	902.19	4,519.34	2,000.00	2,519.34
Penal fines	19,801.32	207,013.74	175,000.00	32,013.74
Charges for services	1,304.78	25,504.52	27,000.00	(1,495.48)
Reimbursements	1,445.52	50,297.89	28,074.00	22,223.89
Miscellaneous	711.92	9,430.74	16,000.00	(6,569.26)
Total revenues	24,183.13	1,613,062.60	1,564,127.00	48,935.60
EXPENDITURES				
Library	122,831.15	1,287,800.21	1,654,749.23	(366,949.02)
Total expenditures	122,831.15	1,287,800.21	1,654,749.23	(366,949.02)
Excess (deficiency) of revenues over expenditures	(98,648.02)	325,262.39	(90,622.23)	415,884.62
OTHER SOURCES (USES)				
Transfers from (to) other funds	20,672.00	20,672.00	20,672.00	0.00
Excess (deficiency) of revenues and other sources over expenditures	\$ (77,976.02)	345,934.39	(69,950.23)	415,884.62
FUND BALANCE - BEGINNING		926,805.40	865,202.50	61,602.90
FUND BALANCE - ENDING		\$ 1,272,739.79	\$ 795,252.27	\$ 477,487.52

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,	
	2016	2015	2016	2015
REVENUES				
Interest earned	\$ 123.53	\$ 123.55	\$ 1,243.78	\$ 1,142.50
Donations	<u>1,615.54</u>	<u>3,439.00</u>	<u>27,211.59</u>	<u>34,288.73</u>
Total revenues	1,739.07	3,562.55	28,455.37	35,431.23
EXPENDITURES				
Expenses	26.51	15.90	15,828.65	12,923.82
Fisher endowment	0.00	14,519.94	0.00	26,029.68
Aileen Barnett endowment	0.00	0.00	1,060.97	2,123.83
Friends of the Library	2,400.00	0.00	9,600.00	9,600.00
Union City facilities	<u>0.00</u>	<u>0.00</u>	<u>9,396.59</u>	<u>0.00</u>
Total expenditures	<u>2,426.51</u>	<u>14,535.84</u>	<u>35,886.21</u>	<u>50,677.33</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (687.44)</u>	<u>\$ (10,973.29)</u>	(7,430.84)	(15,246.10)
FUND BALANCE - BEGINNING			<u>185,395.95</u>	<u>187,237.82</u>
FUND BALANCE - ENDING			<u>\$ 177,965.11</u>	<u>\$ 171,991.72</u>

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,	
	2016	2015	2016	2015
REVENUES				
Taxes	\$ 0.00	\$ 0.00	\$ 233,677.17	\$ 222,674.18
Sale of fixed assets	0.00	0.00	0.00	87.10
Interest earned	73.14	43.25	934.57	459.69
	73.14	43.25	234,611.74	223,220.97
Total revenues	73.14	43.25	234,611.74	223,220.97
EXPENDITURES				
Automation	0.00	2,911.94	0.00	71,159.34
Capital outlay	2,971.76	47,574.06	92,794.32	59,744.66
Other district projects	799.98	0.00	3,361.98	0.00
	3,771.74	50,486.00	96,156.30	130,904.00
Total expenditures	3,771.74	50,486.00	96,156.30	130,904.00
<i>Excess (deficiency) of revenues over expenditures</i>	(3,698.60)	(50,442.75)	138,455.44	92,316.97
OTHER SOURCES (USES)				
Transfer from (to) other funds	(20,672.00)	0.00	(20,672.00)	(30,380.00)
Debt proceeds	0.00	0.00	0.00	80,000.00
Debt service	0.00	(80,225.49)	0.00	(80,425.49)
	(20,672.00)	(80,225.49)	(20,672.00)	(30,805.49)
Total other sources (uses)	(20,672.00)	(80,225.49)	(20,672.00)	(30,805.49)
<i>Excess (deficiency) of revenues over expenditures and other uses</i>	\$ (24,370.60)	\$ (130,668.24)	117,783.44	61,511.48
FUND BALANCE - BEGINNING			315,980.18	178,043.34
FUND BALANCE - ENDING			\$ 433,763.62	\$ 239,554.82

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,	
	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	Ten Months	Budget Year to Date	
	October 31, 2016	Ended	2016	Variance
		October 31, 2016	Amount	Variance
Salaries	\$ 70,320.68	\$ 676,992.74	\$ 915,179.84	\$ (238,187.10)
Payroll taxes	5,386.96	51,896.88	73,214.39	(21,317.51)
Unemployment	5,792.00	5,792.00	10,000.00	(4,208.00)
Workers compensation	0.00	2,812.00	2,000.00	812.00
Longevity	0.00	2,375.00	4,275.00	(1,900.00)
Board per diem	475.00	1,600.00	2,160.00	(560.00)
Contract labor	0.00	0.00	300.00	(300.00)
Hospitalization	7,186.23	53,151.09	90,000.00	(36,848.91)
Deferred compensation	0.00	5,000.00	7,500.00	(2,500.00)
Employee relations	20.00	198.40	1,500.00	(1,301.60)
Employee benefits	0.00	15,000.00	0.00	15,000.00
Contracted services	0.00	18,751.05	18,000.00	751.05
Training	1,149.10	6,475.85	10,000.00	(3,524.15)
Education reimbursement	0.00	12,330.00	0.00	12,330.00
Facilities rent	0.00	1,014.00	600.00	414.00
Telephone	465.04	5,334.43	10,000.00	(4,665.57)
Utilities	2,818.65	29,276.19	49,160.00	(19,883.81)
Insurance	0.00	14,769.00	18,000.00	(3,231.00)
Capital outlay	0.00	6,714.00	0.00	6,714.00
Maintenance	1,938.64	104,035.24	75,000.00	29,035.24
Equipment maintenance	70.00	7,753.81	9,000.00	(1,246.19)
Network maintenance	2,245.63	29,816.13	40,360.00	(10,543.87)
Janitorial supplies	311.18	2,121.43	0.00	2,121.43
Office supplies	3,122.89	27,443.17	45,000.00	(17,556.83)
Interloan document delivery	46.10	347.90	500.00	(152.10)
Postage	28.20	2,569.77	3,000.00	(430.23)
Books	13,988.68	84,936.74	100,000.00	(15,063.26)
Periodicals	52.39	7,213.15	10,000.00	(2,786.85)
Audio visual	1,724.69	13,408.91	20,000.00	(6,591.09)
Membership and dues	260.00	1,025.00	3,000.00	(1,975.00)
Transportation	986.36	10,490.22	8,000.00	2,490.22
Community promotions	2,112.80	31,342.45	40,000.00	(8,657.55)
Printing, publishing & advertising	0.00	2,342.78	1,000.00	1,342.78
Bank service fees	53.36	1,090.01	500.00	590.01
Professional services	2,185.30	51,896.63	85,000.00	(33,103.37)
Correction of prior year taxes	91.27	484.24	2,500.00	(2,015.76)
Total expenditures	\$ 122,831.15	\$ 1,287,800.21	\$1,654,749.23	\$ (366,949.02)

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,	
	2016	2015	2016	2015
<i>Salaries</i>	\$ 70,320.68	\$ 53,215.45	\$ 676,992.74	\$ 590,068.94
<i>Payroll taxes</i>	5,386.96	4,067.37	51,896.88	45,197.67
<i>Unemployment</i>	5,792.00	0.00	5,792.00	0.00
<i>Workers compensation</i>	0.00	610.00	2,812.00	1,830.00
<i>Longevity</i>	0.00	0.00	2,375.00	1,925.00
<i>Board per diem</i>	475.00	125.00	1,600.00	350.00
<i>Contract labor</i>	0.00	130.44	0.00	195.66
<i>Hospitalization</i>	7,186.23	3,675.68	53,151.09	43,474.53
<i>Deferred compensation</i>	0.00	0.00	5,000.00	4,500.00
<i>Employee relations</i>	20.00	105.66	198.40	600.61
<i>Employee benefits</i>	0.00	0.00	15,000.00	0.00
<i>Contracted services</i>	0.00	0.00	18,751.05	17,728.96
<i>Training</i>	1,149.10	35.25	6,475.85	5,771.42
<i>Education reimbursement</i>	0.00	0.00	12,330.00	0.00
<i>Facilities rent</i>	0.00	0.00	1,014.00	600.00
<i>Telephone</i>	465.04	592.18	5,334.43	5,163.64
<i>Utilities</i>	2,818.65	2,636.57	29,276.19	31,182.56
<i>Insurance</i>	0.00	0.00	14,769.00	15,059.89
<i>Capital outlay</i>	0.00	0.00	6,714.00	0.00
<i>Maintenance</i>	1,938.64	21,723.87	104,035.24	64,315.23
<i>Equipment maintenance</i>	70.00	1,837.93	7,753.81	7,309.14
<i>Network maintenance</i>	2,245.63	49,684.88	29,816.13	70,497.35
<i>Janitorial supplies</i>	311.18	0.00	2,121.43	0.00
<i>Office supplies</i>	3,122.89	1,930.06	27,443.17	30,959.31
<i>Interloan document delivery</i>	46.10	0.00	347.90	226.90
<i>Postage</i>	28.20	412.62	2,569.77	1,971.40
<i>Books</i>	13,988.68	11,823.97	84,936.74	68,992.63
<i>Periodicals</i>	52.39	4,256.58	7,213.15	5,739.82
<i>Audio visual</i>	1,724.69	548.39	13,408.91	6,049.90
<i>Membership and dues</i>	260.00	0.00	1,025.00	1,649.00
<i>Transportation</i>	986.36	1,338.75	10,490.22	7,167.71
<i>Community promotions</i>	2,112.80	1,449.06	31,342.45	12,129.24
<i>Printing, publishing & advertisin</i>	0.00	649.28	2,342.78	1,089.87
<i>Bank service fees</i>	53.36	36.15	1,090.01	395.87
<i>Professional services</i>	2,185.30	7,391.88	51,896.63	50,811.85
<i>Correction of prior year tax</i>	91.27	0.00	484.24	2,668.36
<i>Total expenditures</i>	<u>\$ 122,831.15</u>	<u>\$ 168,277.02</u>	<u>\$ 1,287,800.21</u>	<u>\$ 1,095,622.46</u>

See accountant's compilation report