

***BRANCH DISTRICT LIBRARY***

***FINANCIAL STATEMENTS***

***JUNE 30, 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

July 8, 2013

*We have compiled the accompanying balance sheets of Branch District Library as of June 30, 2013 and 2012, and the related statements of revenues, expenditures and changes in fund balance, and other supplemental information for the six 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**

	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
Cash	\$ 340,008.19	\$ 385,258.81
Investments	499,660.74	498,220.65
Due from County	10,000.00	26,098.34
Due from the City of Coldwater	319.59	91.34
Prepaid expenses	<u>4,046.26</u>	<u>0.00</u>
<i>Total assets</i>	<u>\$ 854,034.78</u>	<u>\$ 909,669.14</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 4,210.79	\$ 4,435.41
Due to the City of Coldwater	184.50	297.00
Payroll taxes payable	1,525.51	2,104.97
Accrued wages	<u>26,742.36</u>	<u>37,301.21</u>
<i>Total liabilities</i>	32,663.16	44,138.59

**FUND BALANCE**

	<u>821,371.62</u>	<u>865,530.55</u>
<i>Total liabilities and fund equity</i>	<u>\$ 854,034.78</u>	<u>\$ 909,669.14</u>

See accountant's compilation report

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

**ASSETS**

	<b>June 30,</b>	
	<u><b>2013</b></u>	<u><b>2012</b></u>
Cash	\$ 101,484.67	\$ 94,733.80
Restricted assets:		
Cash	<u>61,721.07</u>	<u>42,056.64</u>
Total assets	<u><u>\$ 163,205.74</u></u>	<u><u>\$ 136,790.44</u></u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 182.54	\$ 0.00
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**FUND BALANCE**

Restricted:

Bronson operations	4,418.02	11,590.62
Fisher memorial	27,467.99	26,000.36
Dallen memorial	838.06	832.11
Morton memorial	28,773.47	0.00
Barnett memorial	<u>223.53</u>	<u>3,633.55</u>

Total Restricted	61,721.07	42,056.64
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Committed	<u>101,302.13</u>	<u>94,733.80</u>
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Total fund balance	<u>163,023.20</u>	<u>136,790.44</u>
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Total liabilities and fund equity	<u><u>\$ 163,205.74</u></u>	<u><u>\$ 136,790.44</u></u>
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See accountant's compilation report

**BRANCH DISTRICT LIBRARY  
CAPITAL PROJECTS FUND  
BALANCE SHEETS**

**ASSETS**

	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
	<u>          </u>	<u>          </u>
Cash	\$ 90,564.31	\$ 43,604.25
Investments	<u>100,578.98</u>	<u>100,276.69</u>
 Total assets	 <u>\$ 191,143.29</u>	 <u>\$ 143,880.94</u>

**LIABILITIES AND FUND EQUITY**

<b>LIABILITIES</b>		
Accounts payable	\$ 0.00	\$ 0.00
 <b>FUND BALANCE</b>	 <u>191,143.29</u>	 <u>143,880.94</u>
 Total liabilities and fund equity	 <u>\$ 191,143.29</u>	 <u>\$ 143,880.94</u>

See accountant's compilation report

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

**ASSETS**

	<b>June 30,</b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
<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 June 30, 2013</u>	<u>Six Months Ended June 30, 2013</u>	<u>Budget Year to Date 2013</u>	
			<u>Amount</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 1,196.56	\$ 659,603.39	\$ 655,138.00	\$ 4,465.39
State shared revenue	0.00	11,689.10	23,633.00	(11,943.90)
Interest earned	352.74	886.77	2,700.00	(1,813.23)
Penal fines	10,174.04	71,437.56	100,500.00	(29,062.44)
Charges for services	1,028.53	6,164.23	21,000.00	(14,835.77)
Reimbursements	1,285.10	7,424.17	27,041.00	(19,616.83)
Miscellaneous	815.14	5,885.36	15,000.00	(9,114.64)
<b>Total revenues</b>	<b>14,852.11</b>	<b>763,090.58</b>	<b>845,012.00</b>	<b>(81,921.42)</b>
<b>EXPENDITURES</b>				
Library	65,337.23	480,696.19	957,402.00	(476,705.81)
<b>Total expenditures</b>	<b>65,337.23</b>	<b>480,696.19</b>	<b>957,402.00</b>	<b>(476,705.81)</b>
Excess (deficiency) of revenues over expenditures	(50,485.12)	282,394.39	(112,390.00)	394,784.39
<b>OTHER SOURCES (USES)</b>				
Transfers from (to) other funds	0.00	0.00	16,012.00	(16,012.00)
Excess (deficiency) of revenues and other sources over expenditures	\$ (50,485.12)	282,394.39	(96,378.00)	378,772.39
<b>FUND BALANCE - BEGINNING</b>		<u>538,977.23</u>	<u>490,000.00</u>	<u>48,977.23</u>
<b>FUND BALANCE - ENDING</b>		<u>\$ 821,371.62</u>	<u>\$ 393,622.00</u>	<u>\$ 427,749.62</u>

See accountant's compilation report

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

	<b>Month Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>				
Interest earned	\$ 93.03	\$ 191.97	\$ 543.61	\$ 1,133.42
Donations	635.00	0.00	43,394.20	11,569.84
Total revenues	728.03	191.97	43,937.81	12,703.26
<b>EXPENDITURES</b>				
Books	1,541.35	887.50	7,814.13	4,490.26
Bronson endowment	0.00	0.00	24,070.40	353.99
Friends of the Library	2,400.00	0.00	2,400.00	0.00
Total expenditures	3,941.35	887.50	34,284.53	4,844.25
Excess (deficiency) of revenues over expenditures	(3,213.32)	(695.53)	9,653.28	7,859.01
<b>OTHER SOURCES (USES)</b>				
Transfer from (to) other funds	0.00	0.00	3,009.86	0.00
Excess (deficiency) of revenues over expenditures and other uses	\$ (3,213.32)	\$ (695.53)	12,663.14	7,859.01
<b>FUND BALANCE - BEGINNING</b>			150,360.06	128,931.43
<b>FUND BALANCE - ENDING</b>			\$ 163,023.20	\$ 136,790.44

See accountant's compilation report

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

	<i>Month Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>				
Taxes	\$ 6.16	\$ 314.66	\$ 108,442.22	\$ 108,549.70
Sale of fixed assets	0.00	0.00	170.00	650.00
Interest earned	<u>14.90</u>	<u>14.64</u>	<u>84.62</u>	<u>166.31</u>
<i>Total revenues</i>	21.06	329.30	108,696.84	109,366.01
<b>EXPENDITURES</b>				
Automation	0.00	104,085.00	19,353.94	128,873.60
Capital outlay	<u>170.24</u>	<u>1,532.14</u>	<u>17,981.32</u>	<u>13,386.45</u>
<i>Total expenditures</i>	<u>170.24</u>	<u>105,617.14</u>	<u>37,335.26</u>	<u>142,260.05</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(149.18)	(105,287.84)	71,361.58	(32,894.04)
<b>OTHER SOURCES (USES)</b>				
Transfer from (to) other funds	0.00	0.00	(3,009.86)	0.00
Debt service	<u>0.00</u>	<u>0.00</u>	<u>(20,203.38)</u>	<u>0.00</u>
<i>Total other sources (uses)</i>	<u>0.00</u>	<u>0.00</u>	<u>(23,213.24)</u>	<u>0.00</u>
<i>Excess (deficiency) of revenues over expenditures and other uses</i>	<u>\$ (149.18)</u>	<u>\$ (105,287.84)</u>	48,148.34	(32,894.04)
<b>FUND BALANCE - BEGINNING</b>			<u>142,994.95</u>	<u>176,774.98</u>
<b>FUND BALANCE - ENDING</b>			<u>\$ 191,143.29</u>	<u>\$ 143,880.94</u>

See accountant's compilation report

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

	<i>Month Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>				
<i>Total revenues</i>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>EXPENDITURES</b>				
<i>Total expenditures</i>	0.00	0.00	0.00	0.00
<i>Excess (deficiency) of revenues over expenditures</i>	\$ 0.00	\$ 0.00	0.00	0.00
<b>FUND BALANCE - BEGINNING</b>			142,133.62	142,133.62
<b>FUND BALANCE - ENDING</b>			\$ 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>June 30, 2013</u>	<u>Six Months Ended</u> <u>June 30, 2013</u>	<u>Budget Year to Date</u> <u>2013</u>	
			<u>Amount</u>	<u>Variance</u>
Salaries	\$ 42,106.36	\$ 280,834.26	\$ 548,248.00	\$ (267,413.74)
Payroll taxes	3,216.17	21,574.12	43,860.00	(22,285.88)
Unemployment	0.00	0.00	14,100.00	(14,100.00)
Workers compensation	495.00	990.00	2,500.00	(1,510.00)
Longevity	0.00	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	25,277.56	51,500.00	(26,222.44)
Deferred compensation	0.00	2,500.00	4,500.00	(2,000.00)
Employee relations	0.00	123.45	500.00	(376.55)
Contracted services	0.00	5,844.55	11,817.00	(5,972.45)
Training	12.70	3,501.03	3,000.00	501.03
Telephone	468.34	2,907.70	7,000.00	(4,092.30)
Utilities	2,430.58	18,916.28	38,000.00	(19,083.72)
Insurance	0.00	11,442.89	12,500.00	(1,057.11)
Maintenance	2,330.24	27,175.31	52,050.00	(24,874.69)
Equipment maintenance	519.73	2,081.62	9,000.00	(6,918.38)
Network maintenance	948.00	2,419.15	11,000.00	(8,580.85)
Operating supplies	75.00	75.00	0.00	75.00
Office supplies	2,657.62	12,133.38	23,000.00	(10,866.62)
Interloan document delivery	0.00	3,911.32	7,500.00	(3,588.68)
Postage	12.12	988.24	4,000.00	(3,011.76)
Books	2,956.46	26,317.19	42,127.00	(15,809.81)
Periodicals	217.40	587.11	5,200.00	(4,612.89)
Audio visual	605.31	4,156.23	8,000.00	(3,843.77)
Membership and dues	0.00	420.00	2,000.00	(1,580.00)
Transportation	468.78	3,452.33	8,000.00	(4,547.67)
Community promotions	254.58	1,335.24	6,900.00	(5,564.76)
Printing and publishing	0.00	18.00	1,000.00	(982.00)
Payroll fees	42.60	233.85	500.00	(266.15)
Professional services	1,473.98	19,587.42	31,000.00	(11,412.58)
Correction of prior year taxes	0.00	55.08	3,000.00	(2,944.92)
<b>Total expenditures</b>	<b>\$ 65,337.23</b>	<b>\$ 480,696.19</b>	<b>\$ 957,402.00</b>	<b>\$ (476,705.81)</b>

See accountant's compilation report

**BRANCH DISTRICT LIBRARY**  
**OTHER SUPPLEMENTAL INFORMATION**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**

	<i>Month Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<i>Salaries</i>	\$ 42,106.36	\$ 48,699.01	\$ 280,834.26	\$ 302,247.91
<i>Payroll taxes</i>	3,216.17	3,730.56	21,574.12	23,157.45
<i>Workers compensation</i>	495.00	68.00	990.00	1,128.00
<i>Longevity</i>	0.00	200.00	1,775.00	1,575.00
<i>Board per diem</i>	0.00	0.00	0.00	25.00
<i>Contract labor</i>	0.00	31.44	62.88	62.88
<i>Hospitalization</i>	4,046.26	6,403.36	25,277.56	30,717.58
<i>Deferred compensation</i>	0.00	0.00	2,500.00	2,500.00
<i>Employee relations</i>	0.00	135.82	123.45	145.80
<i>Contracted services</i>	0.00	0.00	5,844.55	5,242.24
<i>Training</i>	12.70	0.00	3,501.03	680.56
<i>Telephone</i>	468.34	467.36	2,907.70	3,386.21
<i>Utilities</i>	2,430.58	2,156.78	18,916.28	17,911.50
<i>Insurance</i>	0.00	11,421.49	11,442.89	11,421.49
<i>Maintenance</i>	2,330.24	2,896.52	27,175.31	24,996.56
<i>Equipment maintenance</i>	519.73	775.82	2,081.62	5,939.13
<i>Network maintenance</i>	948.00	0.00	2,419.15	2,010.37
<i>Operating supplies</i>	75.00	382.51	75.00	2,933.35
<i>Office supplies</i>	2,657.62	1,562.56	12,133.38	9,485.22
<i>Interloan document delivery</i>	0.00	16.00	3,911.32	187.94
<i>Postage</i>	12.12	38.75	988.24	1,593.97
<i>Books</i>	2,956.46	5,090.99	26,317.19	44,919.91
<i>Periodicals</i>	217.40	233.21	587.11	296.32
<i>Audio visual</i>	605.31	718.03	4,156.23	6,914.01
<i>Membership and dues</i>	0.00	0.00	420.00	1,208.95
<i>Transportation</i>	468.78	693.28	3,452.33	4,586.52
<i>Community promotions</i>	254.58	750.00	1,335.24	2,717.50
<i>Printing and publishing</i>	0.00	0.00	18.00	126.12
<i>Payroll fees</i>	42.60	36.30	233.85	230.85
<i>Professional services</i>	1,473.98	1,722.80	19,587.42	18,415.20
<i>Correction of prior year tax</i>	0.00	0.00	55.08	4,464.67
<i>Total expenditures</i>	<u>\$ 65,337.23</u>	<u>\$ 88,230.59</u>	<u>\$ 480,696.19</u>	<u>\$ 531,228.21</u>

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. BARNE	(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

TOTAL INCOME \$13,552.51

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)

TOTAL DISBURSEMENTS (26,470.40)  
(#655-201: #640-201: #680-200)

BALANCE ENDOWMENT RESERVED FUND \$4,418.02  
(#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

TOTAL INCOME \$338.86

EXPENSES:

BRUSSEE/BRADY (4,488.00)

#640202 TOTAL DISBURSEMENTS (4,488.00)

BALANCE ENDOWMENT RESERVED FUND \$223.53

#304300



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
ALLOCATED INTEREST	(JUN)	4.73

TOTAL INCOME \$28,773.47

EXPENSES:

TOTAL DISBURSEMENTS 0.00

BALANCE ENDOWMENT RESERVED FUND \$28,773.47  
(#304400)