

**BRANCH DISTRICT LIBRARY**  
**FINANCIAL STATEMENTS**  
**MARCH 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

April 8, 2016

*We have compiled the accompanying balance sheets of Branch District Library as of March 31, 2016 and 2015, and the related statements of revenues, expenditures and changes in fund balance, and other supplemental information for the three 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

April 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.

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**BRANCH DISTRICT LIBRARY**

**GENERAL FUND  
BALANCE SHEETS**

**ASSETS**

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
Cash	\$ 1,159,582.25	\$ 992,401.83
Investments	646,283.79	400,721.68
Due from County	15,000.00	29,314.80
Due from the City of Coldwater	0.00	46.10
Prepaid expenses	4,263.97	3,766.15
	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 1,825,130.01</u>	<u>\$ 1,426,250.56</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 17,232.40	\$ 18,376.94
Due to the City of Coldwater	120.05	122.00
Payroll taxes payable	2,182.59	8,270.90
Accrued wages	37,820.48	31,616.10
	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	57,355.52	58,385.94

**FUND BALANCE**

	<u>1,767,774.49</u>	<u>1,367,864.62</u>
<i>Total liabilities and fund equity</i>	<u>\$ 1,825,130.01</u>	<u>\$ 1,426,250.56</u>

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

**ASSETS**

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<u>          </u>	<u>          </u>
<i>Cash</i>	\$ 128,857.19	\$ 117,417.13
<i>Restricted assets:</i>		
<i>Cash</i>	<u>56,906.84</u>	<u>71,397.37</u>
 <i>Total assets</i>	 <u>\$ 185,764.03</u>	 <u>\$ 188,814.50</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

<i>Accounts payable</i>	\$ 98.71	\$ 895.11
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**FUND BALANCE**

<i>Restricted:</i>		
<i>Bronson operations</i>	7,597.78	4,358.54
<i>A. Barnett memorial</i>	7,768.28	7,734.71
<i>Fisher memorial</i>	2,686.07	28,236.96
<i>Dallen memorial</i>	855.04	847.98
<i>Morton memorial</i>	28,945.30	28,874.07
<i>Union City Facilities</i>	6,840.63	0.00
<i>G. Barnett memorial</i>	<u>2,213.74</u>	<u>1,297.04</u>
 <i>Total Restricted</i>	 56,906.84	 71,349.30
 <i>Committed</i>	 <u>128,758.48</u>	 <u>116,570.09</u>
 <i>Total fund balance</i>	 <u>185,665.32</u>	 <u>187,919.39</u>
 <i>Total liabilities and fund equity</i>	 <u>\$ 185,764.03</u>	 <u>\$ 188,814.50</u>

See accountant's compilation report

**BRANCH DISTRICT LIBRARY**

**CAPITAL PROJECTS FUND  
BALANCE SHEETS**

**ASSETS**

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<i>Cash</i>	\$ 397,056.18	\$ 249,653.83
<i>Investments</i>	<u>101,487.02</u>	<u>101,207.39</u>
<i>Total assets</i>	<u>\$ 498,543.20</u>	<u>\$ 350,861.22</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

<i>Accounts payable</i>	\$ 2,118.92	\$ 14,039.12
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**FUND BALANCE**

*Total liabilities and  
fund equity*

	<u>496,424.28</u>	<u>336,822.10</u>
	<u>\$ 498,543.20</u>	<u>\$ 350,861.22</u>

**BRANCH DISTRICT LIBRARY**

**PERMANENT TRUST FUND  
BALANCE SHEETS**

**ASSETS**

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<i>Restricted assets:</i>		
Cash	\$ 52,000.00	\$ 52,000.00
Investments	<u>90,133.62</u>	<u>90,133.62</u>
Total assets	<u>\$ 142,133.62</u>	<u>\$ 142,133.62</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

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

*Restricted:*

Sammelroth memorial	50,000.00	50,000.00
Dallen memorial	2,000.00	2,000.00
Barnett memorial	<u>90,133.62</u>	<u>90,133.62</u>

Total fund balance	<u>142,133.62</u>	<u>142,133.62</u>
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Total liabilities and fund equity	<u>\$ 142,133.62</u>	<u>\$ 142,133.62</u>
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**BRANCH DISTRICT LIBRARY**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE COMPARED TO BUDGET**

	<u>Month Ended March 31, 2016</u>	<u>Three Months Ended March 31, 2016</u>	<u>Budget Year to Date 2016</u>	
			<u>Amount</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 499,023.09	\$ 1,140,936.26	\$ 1,285,584.45	\$ (144,648.19)
State shared revenue	0.00	0.00	30,468.55	(30,468.55)
Interest earned	314.08	512.49	2,000.00	(1,487.51)
Penal fines	27,757.00	62,130.06	175,000.00	(112,869.94)
Charges for services	145.55	465.25	27,000.00	(26,534.75)
Reimbursements	1,045.91	1,207.42	28,074.00	(26,866.58)
Miscellaneous	<u>2,068.34</u>	<u>5,819.23</u>	<u>16,000.00</u>	<u>(10,180.77)</u>
Total revenues	530,353.97	1,211,070.71	1,564,127.00	(353,056.29)
<b>EXPENDITURES</b>				
Library	<u>100,475.91</u>	<u>370,101.62</u>	<u>1,654,749.23</u>	<u>(1,284,647.61)</u>
Total expenditures	<u>100,475.91</u>	<u>370,101.62</u>	<u>1,654,749.23</u>	<u>(1,284,647.61)</u>
Excess (deficiency) of revenues over expenditures	429,878.06	840,969.09	(90,622.23)	931,591.32
<b>OTHER SOURCES (USES)</b>				
Transfers from (to) other funds	<u>0.00</u>	<u>0.00</u>	<u>20,672.00</u>	<u>(20,672.00)</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ 429,878.06</u>	840,969.09	(69,950.23)	910,919.32
<b>FUND BALANCE - BEGINNING</b>		<u>926,805.40</u>	<u>865,202.50</u>	<u>61,602.90</u>
<b>FUND BALANCE - ENDING</b>		<u>\$ 1,767,774.49</u>	<u>\$ 795,252.27</u>	<u>\$ 972,522.22</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 March 31,</b>		<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
<i>Interest earned</i>	\$ 122.58	\$ 121.13	\$ 364.85	\$ 262.62
<i>Donations</i>	255.00	939.10	4,271.75	5,351.43
<i>Total revenues</i>	377.58	1,060.23	4,636.60	5,614.05
<b>EXPENDITURES</b>				
<i>Books</i>	113.52	1,020.42	1,174.61	2,183.69
<i>Bronson endowment</i>	0.00	0.00	0.00	300.72
<i>Aileen Barnett endowment</i>	61.61	48.07	347.63	48.07
<i>Friends of the Library</i>	0.00	2,400.00	2,400.00	2,400.00
<i>Union City facilities</i>	0.00	0.00	444.99	0.00
<i>Total expenditures</i>	175.13	3,468.49	4,367.23	4,932.48
<i>Excess (deficiency) of revenues over expenditures</i>	\$ 202.45	\$ (2,408.26)	269.37	681.57
<b>FUND BALANCE - BEGINNING</b>			185,395.95	187,237.82
<b>FUND BALANCE - ENDING</b>			\$ 185,665.32	\$ 187,919.39

See accountant's compilation report

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

	<b>Month Ended March 31,</b>		<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
Taxes	\$ 92,510.60	\$ 60,530.84	\$ 211,046.08	\$ 174,461.71
Interest earned	74.52	46.69	164.73	98.58
<b>Total revenues</b>	92,585.12	60,577.53	211,210.81	174,560.29
<b>EXPENDITURES</b>				
Automation	(2,362.00)	13,929.13	0.00	13,929.13
Capital outlay	2,118.92	109.99	28,404.71	1,852.40
<b>Total expenditures</b>	(243.08)	14,039.12	28,404.71	15,781.53
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 92,828.20	\$ 46,538.41	182,806.10	158,778.76
<b>FUND BALANCE - BEGINNING</b>			315,980.18	178,043.34
<b>FUND BALANCE - ENDING</b>			\$ 498,786.28	\$ 336,822.10

See accountant's compilation report

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

	<b>Month Ended March 31,</b>		<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
Total revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>EXPENDITURES</b>				
Total expenditures	0.00	0.00	0.00	0.00
Excess (deficiency) of revenues over expenditures	\$ 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**

	<b>Month Ended</b>		<b>Three Months</b>		<b>Budget Year to Date</b>	
	<b>March 31, 2016</b>		<b>Ended</b>		<b>2016</b>	
			<b>March 31, 2016</b>		<b>Amount</b>	<b>Variance</b>
Salaries	\$	58,613.37	\$	199,792.76	\$ 915,179.84	\$ (715,387.08)
Payroll taxes		4,507.05		15,350.75	73,214.39	(57,863.64)
Unemployment		0.00		0.00	10,000.00	(10,000.00)
Workers compensation		0.00		703.00	2,000.00	(1,297.00)
Longevity		475.00		1,475.00	4,275.00	(2,800.00)
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		12,791.91	90,000.00	(77,208.09)
Deferred compensation		0.00		2,500.00	7,500.00	(5,000.00)
Employee relations		0.00		70.00	1,500.00	(1,430.00)
Contracted services		0.00		0.00	18,000.00	(18,000.00)
Training		827.00		985.00	10,000.00	(9,015.00)
Facilities rent		0.00		300.00	600.00	(300.00)
Telephone		598.33		1,689.98	10,000.00	(8,310.02)
Utilities		2,770.04		9,361.92	49,160.00	(39,798.08)
Insurance		0.00		0.00	18,000.00	(18,000.00)
Maintenance		5,256.20		35,391.64	75,000.00	(39,608.36)
Equipment maintenance		546.63		2,406.45	9,000.00	(6,593.55)
Network maintenance		5.00		8,063.83	40,360.00	(32,296.17)
Janitorial supplies		174.84		491.37	0.00	491.37
Office supplies		2,506.16		6,767.01	45,000.00	(38,232.99)
Interloan document delivery		68.85		138.83	500.00	(361.17)
Postage		168.24		674.89	3,000.00	(2,325.11)
Books		10,454.36		28,605.54	100,000.00	(71,394.46)
Periodicals		0.00		416.00	10,000.00	(9,584.00)
Audio visual		1,580.95		4,623.74	20,000.00	(15,376.26)
Membership and dues		0.00		245.00	3,000.00	(2,755.00)
Transportation		652.04		1,652.06	8,000.00	(6,347.94)
Community promotions		5,060.07		12,626.04	40,000.00	(27,373.96)
Printing and publishing		0.00		1,442.14	1,000.00	442.14
Bank service fees		95.03		220.94	500.00	(279.06)
Professional services		1,852.78		21,301.78	85,000.00	(63,698.22)
Correction of prior year taxes		0.00		14.04	2,500.00	(2,485.96)
<b>Total expenditures</b>	<b>\$</b>	<b>100,475.91</b>	<b>\$</b>	<b>370,101.62</b>	<b>\$ 1,654,749.23</b>	<b>\$ (1,284,647.61)</b>

See accountant's compilation report

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

	<b>Month Ended March 31,</b>		<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<i>Salaries</i>	\$ 58,613.37	\$ 52,464.65	\$ 199,792.76	\$ 179,203.28
<i>Payroll taxes</i>	4,507.05	4,008.95	15,350.75	13,728.30
<i>Workers compensation</i>	0.00	0.00	703.00	610.00
<i>Longevity</i>	475.00	0.00	1,475.00	650.00
<i>Board per diem</i>	0.00	75.00	0.00	75.00
<i>Contract labor</i>	0.00	0.00	0.00	65.22
<i>Hospitalization</i>	4,263.97	4,497.47	12,791.91	17,061.48
<i>Deferred compensation</i>	0.00	0.00	2,500.00	2,500.00
<i>Employee relations</i>	0.00	69.95	70.00	394.95
<i>Training</i>	827.00	648.22	985.00	908.22
<i>Facilities rent</i>	0.00	0.00	300.00	0.00
<i>Telephone</i>	598.33	541.71	1,689.98	1,533.63
<i>Utilities</i>	2,770.04	4,325.93	9,361.92	11,664.65
<i>Maintenance</i>	5,256.20	3,850.80	35,391.64	15,514.62
<i>Equipment maintenance</i>	546.63	442.90	2,406.45	1,738.41
<i>Network maintenance</i>	5.00	4,594.54	8,063.83	6,197.72
<i>Janitorial supplies</i>	174.84	0.00	491.37	0.00
<i>Office supplies</i>	2,506.16	3,043.55	6,767.01	12,498.38
<i>Interloan document delivery</i>	68.85	(1.37)	138.83	80.00
<i>Postage</i>	168.24	19.80	674.89	407.02
<i>Books</i>	10,454.36	6,723.50	28,605.54	19,608.58
<i>Periodicals</i>	0.00	607.70	416.00	709.50
<i>Audio visual</i>	1,580.95	437.79	4,623.74	1,848.34
<i>Membership and dues</i>	0.00	0.00	245.00	435.00
<i>Transportation</i>	652.04	605.16	1,652.06	1,563.82
<i>Community promotions</i>	5,060.07	1,029.82	12,626.04	2,549.66
<i>Printing and publishing</i>	0.00	0.00	1,442.14	0.00
<i>Bank service fees</i>	95.03	42.92	220.94	121.22
<i>Professional services</i>	1,852.78	2,370.50	21,301.78	15,197.00
<i>Correction of prior year tax</i>	0.00	0.00	14.04	1,730.29
<b>Total expenditures</b>	<b>\$ 100,475.91</b>	<b>\$ 90,399.49</b>	<b>\$ 370,101.62</b>	<b>\$ 308,594.29</b>

See accountant's compilation report