

BRANCH DISTRICT LIBRARY

FINANCIAL STATEMENTS

MAY 31, 2016 AND 2015

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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

June 9, 2016

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

June 9, 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

	May 31,	
	2016	2015
<i>Cash</i>	\$ 1,172,226.52	\$ 1,111,882.16
<i>Investments</i>	647,108.21	400,795.20
<i>Due from County</i>	30,000.00	24,799.27
<i>Due from the City of Coldwater</i>	0.00	355.23
<i>Prepaid expenses</i>	<u>4,263.97</u>	<u>3,766.15</u>
 <i>Total assets</i>	 <u>\$ 1,853,598.70</u>	 <u>\$ 1,541,598.01</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

<i>Accounts payable</i>	\$ 32,386.29	\$ 12,077.34
<i>Due to the City of Coldwater</i>	0.00	841.65
<i>Payroll taxes payable</i>	2,197.64	1,970.63
<i>Accrued wages</i>	<u>37,820.48</u>	<u>31,616.10</u>
 <i>Total liabilities</i>	 72,404.41	 46,505.72

FUND BALANCE

	<u>1,781,194.29</u>	<u>1,495,092.29</u>
 <i>Total liabilities and fund equity</i>	 <u>\$ 1,853,598.70</u>	 <u>\$ 1,541,598.01</u>

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

ASSETS

	May 31,	
	2016	2015
Cash	\$ 131,483.79	\$ 117,070.90
Restricted assets:		
Cash	<u>62,465.98</u>	<u>70,592.06</u>
Total assets	<u>\$ 193,949.77</u>	<u>\$ 187,662.96</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 5,848.24	\$ 0.00
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FUND BALANCE

Restricted:

Bronson operations	7,600.95	4,575.43
A. Barnett memorial	8,577.78	10,822.92
Fisher memorial	2,687.19	16,737.79
Dallen memorial	856.24	849.17
Morton memorial	28,957.40	28,886.13
Union City Facilities	11,420.01	7,270.87
G. Barnett memorial	<u>2,366.41</u>	<u>1,449.75</u>

Total Restricted	62,465.98	70,592.06
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Committed	<u>125,635.55</u>	<u>117,070.90</u>
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Total fund balance	<u>188,101.53</u>	<u>187,662.96</u>
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Total liabilities and fund equity	<u>\$ 193,949.77</u>	<u>\$ 187,662.96</u>
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BRANCH DISTRICT LIBRARY

**CAPITAL PROJECTS FUND
BALANCE SHEETS**

ASSETS

	May 31,	
	2016	2015
<i>Cash</i>	\$ 414,205.46	\$ 259,397.27
<i>Investments</i>	<u>101,689.11</u>	<u>101,207.39</u>
<i>Total assets</i>	<u>\$ 515,894.57</u>	<u>\$ 360,604.66</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

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

*Total liabilities and
fund equity*

	<u>515,894.57</u>	<u>360,604.66</u>
	<u>\$ 515,894.57</u>	<u>\$ 360,604.66</u>

BRANCH DISTRICT LIBRARY

**PERMANENT TRUST FUND
BALANCE SHEETS**

ASSETS

	May 31,	
	2016	2015
<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:

Semmelroth 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 May 31, 2016</u>	<u>Five Months Ended May 31, 2016</u>	<u>Budget Year to Date 2016</u>	
			<u>Amount</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 134.53	\$ 1,284,729.25	\$ 1,285,584.45	\$ (855.20)
State shared revenue	15,234.36	15,234.36	30,468.55	(15,234.19)
Interest earned	1,083.68	1,837.73	2,000.00	(162.27)
Penal fines	15,000.00	107,452.45	175,000.00	(67,547.55)
Charges for services	1,307.57	5,757.84	27,000.00	(21,242.16)
Reimbursements	10.00	45,803.70	28,074.00	17,729.70
Miscellaneous	882.63	4,661.93	16,000.00	(11,338.07)
Total revenues	33,652.77	1,465,477.26	1,564,127.00	(98,649.74)
EXPENDITURES				
Library	140,896.64	611,088.37	1,654,749.23	(1,043,660.86)
Total expenditures	140,896.64	611,088.37	1,654,749.23	(1,043,660.86)
Excess (deficiency) of revenues over expenditures	(107,243.87)	854,388.89	(90,622.23)	945,011.12
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	\$ (107,243.87)	854,388.89	(69,950.23)	924,339.12
FUND BALANCE - BEGINNING		926,805.40	865,202.50	61,602.90
FUND BALANCE - ENDING		\$ 1,781,194.29	\$ 795,252.27	\$ 985,942.02

See accountant's compilation report

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

	Month Ended May 31,		Five Months Ended May 31,	
	2016	2015	2016	2015
REVENUES				
<i>Interest earned</i>	\$ 126.89	\$ 126.09	\$ 618.61	\$ 515.87
<i>Donations</i>	<u>2,279.20</u>	<u>8,770.20</u>	<u>17,843.43</u>	<u>18,720.63</u>
<i>Total revenues</i>	2,406.09	8,896.29	18,462.04	19,236.50
EXPENDITURES				
<i>Expenses</i>	6,058.79	2,049.68	7,263.84	4,552.83
<i>Fisher endowment</i>	0.00	11,509.74	0.00	11,509.74
<i>Bronson endowment</i>	0.00	0.00	0.00	300.72
<i>Alleen Barnett endowment</i>	0.00	0.00	347.63	48.07
<i>Friends of the Library</i>	0.00	0.00	4,800.00	2,400.00
<i>Union City facilities</i>	<u>2,900.00</u>	<u>0.00</u>	<u>3,344.99</u>	<u>0.00</u>
<i>Total expenditures</i>	<u>8,958.79</u>	<u>13,559.42</u>	<u>15,756.46</u>	<u>18,811.36</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>\$ (6,552.70)</u>	<u>\$ (4,663.13)</u>	2,705.58	425.14
FUND BALANCE - BEGINNING			<u>185,395.95</u>	<u>187,237.82</u>
FUND BALANCE - ENDING			<u>\$ 188,101.53</u>	<u>\$ 187,662.96</u>

See accountant's compilation report

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

	Month Ended May 31,		Five Months Ended May 31,	
	2016	2015	2016	2015
REVENUES				
Taxes	\$ 0.00	\$ 65.67	\$ 233,677.17	\$ 222,674.18
Interest earned	<u>290.03</u>	<u>56.98</u>	<u>538.11</u>	<u>209.70</u>
Total revenues	290.03	122.65	234,215.28	222,883.88
EXPENDITURES				
Automation	0.00	17,318.66	0.00	38,312.30
Capital outlay	137.79	98.90	31,938.89	2,010.26
Other district projects	<u>0.00</u>	<u>0.00</u>	<u>2,362.00</u>	<u>0.00</u>
Total expenditures	<u>137.79</u>	<u>17,417.56</u>	<u>34,300.89</u>	<u>40,322.56</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 152.24</u>	<u>\$ (17,294.91)</u>	199,914.39	182,561.32
FUND BALANCE - BEGINNING			<u>315,980.18</u>	<u>178,043.34</u>
FUND BALANCE - ENDING			<u>\$ 515,894.57</u>	<u>\$ 360,604.66</u>

See accountant's compilation report

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

	<i>Month Ended May 31,</i>		<i>Five Months Ended May 31,</i>	
	2016	2015	2016	2015
REVENUES				
<i>Total revenues</i>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
EXPENDITURES				
<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
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		Five Months		Budget Year to Date	
	May 31, 2016		Ended		2016	
			May 31, 2016		Amount	Variance
Salaries	\$	59,420.24	\$	316,911.77	\$ 915,179.84	\$ (598,268.07)
Payroll taxes		4,532.41		24,322.14	73,214.39	(48,892.25)
Unemployment		0.00		0.00	10,000.00	(10,000.00)
Workers compensation		703.00		2,109.00	2,000.00	109.00
Longevity		0.00		1,875.00	4,275.00	(2,400.00)
Board per diem		0.00		100.00	2,160.00	(2,060.00)
Contract labor		0.00		0.00	300.00	(300.00)
Hospitalization		4,263.97		21,319.85	90,000.00	(68,680.15)
Deferred compensation		0.00		2,500.00	7,500.00	(5,000.00)
Employee relations		20.00		110.00	1,500.00	(1,390.00)
Contracted services		0.00		0.00	18,000.00	(18,000.00)
Training		255.01		2,493.94	10,000.00	(7,506.06)
Facilities rent		102.00		504.00	600.00	(96.00)
Telephone		603.28		2,738.66	10,000.00	(7,261.34)
Utilities		2,588.65		14,892.39	49,160.00	(34,267.61)
Insurance		14,769.00		14,769.00	18,000.00	(3,231.00)
Capital outlay		6,714.00		6,714.00	0.00	6,714.00
Maintenance		8,874.78		49,422.68	75,000.00	(25,577.32)
Equipment maintenance		726.64		3,708.51	9,000.00	(5,291.49)
Network maintenance		0.00		14,258.56	40,360.00	(26,101.44)
Janitorial supplies		164.00		930.12	0.00	930.12
Office supplies		2,717.98		12,698.84	45,000.00	(32,301.16)
Interloan document delivery		24.00		172.82	500.00	(327.18)
Postage		323.65		1,470.09	3,000.00	(1,529.91)
Books		8,675.97		43,964.97	100,000.00	(56,035.03)
Periodicals		150.00		588.50	10,000.00	(9,411.50)
Audio visual		1,530.83		6,746.86	20,000.00	(13,253.14)
Membership and dues		1,181.12		1,426.12	3,000.00	(1,573.88)
Transportation		3,810.33		6,338.99	8,000.00	(1,661.01)
Community promotions		1,780.42		15,185.38	40,000.00	(24,814.62)
Printing and publishing		143.30		1,585.44	1,000.00	585.44
Bank service fees		45.00		838.69	500.00	338.69
Professional services		16,777.06		40,025.34	85,000.00	(44,974.66)
Correction of prior year taxes		0.00		366.71	2,500.00	(2,133.29)
Total expenditures	\$	140,896.64	\$	611,088.37	\$ 1,654,749.23	\$ (1,043,660.86)

See accountant's compilation report

BRANCH DISTRICT LIBRARY
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES

	Month Ended		Five Months Ended	
	May 31,		May 31,	
	2016	2015	2016	2015
<i>Salaries</i>	\$ 59,420.24	\$ 52,681.76	\$ 316,911.77	\$ 292,115.92
<i>Payroll taxes</i>	4,532.41	4,019.83	24,322.14	22,397.08
<i>Workers compensation</i>	703.00	610.00	2,109.00	1,220.00
<i>Longevity</i>	0.00	0.00	1,875.00	1,325.00
<i>Board per diem</i>	0.00	0.00	100.00	75.00
<i>Contract labor</i>	0.00	0.00	0.00	65.22
<i>Hospitalization</i>	4,263.97	4,119.48	21,319.85	24,238.12
<i>Deferred compensation</i>	0.00	2,000.00	2,500.00	4,500.00
<i>Employee relations</i>	20.00	0.00	110.00	394.95
<i>Contracted services</i>	0.00	6,838.88	0.00	10,758.13
<i>Training</i>	255.01	1,378.00	2,493.94	3,778.01
<i>Facilities rent</i>	102.00	0.00	504.00	0.00
<i>Telephone</i>	603.28	456.60	2,738.66	2,493.67
<i>Utilities</i>	2,588.65	2,750.59	14,892.39	17,580.66
<i>Insurance</i>	14,769.00	0.00	14,769.00	0.00
<i>Capital outlay</i>	6,714.00	0.00	6,714.00	0.00
<i>Maintenance</i>	8,874.78	6,660.87	49,422.68	26,019.95
<i>Equipment maintenance</i>	726.64	172.66	3,708.51	2,094.75
<i>Network maintenance</i>	0.00	8,762.24	14,258.56	17,277.72
<i>Janitorial supplies</i>	164.00	0.00	930.12	0.00
<i>Office supplies</i>	2,717.98	2,781.71	12,698.84	18,682.21
<i>Interloan document delivery</i>	24.00	13.00	172.82	93.00
<i>Postage</i>	323.65	155.52	1,470.09	776.67
<i>Books</i>	8,675.97	2,890.09	43,964.97	28,852.00
<i>Periodicals</i>	150.00	0.00	588.50	847.25
<i>Audio visual</i>	1,530.83	428.21	6,746.86	2,445.22
<i>Membership and dues</i>	1,181.12	0.00	1,426.12	1,899.00
<i>Transportation</i>	3,810.33	807.51	6,338.99	3,104.38
<i>Community promotions</i>	1,780.42	4,482.90	15,185.38	7,556.02
<i>Printing and publishing</i>	143.30	0.00	1,585.44	0.00
<i>Bank service fees</i>	45.00	36.15	838.69	193.97
<i>Professional services</i>	16,777.06	7,745.50	40,025.34	24,961.50
<i>Correction of prior year tax</i>	0.00	0.00	366.71	1,730.29
Total expenditures	\$ 140,896.64	\$ 109,791.50	\$ 611,088.37	\$ 517,475.69

See accountant's compilation report