

**BRANCH DISTRICT LIBRARY**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012 AND 2011**

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# Taylor, Plant & Watkins, P.C.

Certified Public Accountants  
and Business Advisors

20 Tibbits Plaza • Coldwater, MI 49036 • (517) 279-7931

## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

October 9, 2012

*We have compiled the accompanying balance sheets of Branch District Library as of September 30, 2012 and 2011, and the related statements of revenues, expenditures and changes in fund balance, and other supplemental information for the nine 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, 2012, 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.  
(Formerly Rumsey & Watkins, P.C.)

**BRANCH DISTRICT LIBRARY**

**GENERAL FUND  
BALANCE SHEETS**

**ASSETS**

	<b>September 30,</b>	
	<b>2012</b>	<b>2011</b>
Cash	\$ 231,779.75	\$ 56,871.63
Investments	498,484.03	737,311.18
Due from County	20,960.80	22,177.70
Due from the City of Coldwater	<u>97.55</u>	<u>579.36</u>
Total assets	<u>\$ 751,322.13</u>	<u>\$ 816,939.87</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 9,932.30	\$ 9,249.98
Due to the City of Coldwater	323.35	311.85
Payroll taxes payable	6,928.15	7,753.02
Accrued wages	<u>37,301.21</u>	<u>29,021.00</u>
Total liabilities	54,485.01	46,335.85

**FUND BALANCE**

	<u>696,837.12</u>	<u>770,604.02</u>
Total liabilities and fund equity	<u>\$ 751,322.13</u>	<u>\$ 816,939.87</u>

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

**ASSETS**

	<b>September 30,</b>	
	<b>2012</b>	<b>2011</b>
Cash	\$ 95,595.22	\$ 89,314.33
Restricted assets:		
Cash	<u>44,895.02</u>	<u>33,381.70</u>
 Total assets	 <u>\$ 140,490.24</u>	 <u>\$ 122,696.03</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 166.95	\$ 1,450.00
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**FUND BALANCE**

Restricted:		
Bronson operations	13,787.10	4,343.16
Fisher memorial	26,016.74	24,486.69
Dallen memorial	833.89	826.93
Barnett memorial	<u>4,090.34</u>	<u>2,274.92</u>
 Total Restricted	 44,728.07	 31,931.70
 Committed	 <u>95,595.22</u>	 <u>89,314.33</u>
 Total fund balance	 <u>140,323.29</u>	 <u>121,246.03</u>
 Total liabilities and fund equity	 <u>\$ 140,490.24</u>	 <u>\$ 122,696.03</u>

**BRANCH DISTRICT LIBRARY**

**CAPITAL PROJECTS FUND  
BALANCE SHEETS**

**ASSETS**

	<b>September 30,</b>	
	<b>2012</b>	<b>2011</b>
Cash	\$ 41,375.33	\$ 199,046.37
Investments	<u>100,276.69</u>	<u>0.00</u>
Total assets	<u>\$ 141,652.02</u>	<u>\$ 199,046.37</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 17,912.73	\$ 0.00
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**FUND BALANCE**

Total liabilities and fund equity	<u>123,739.29</u>	<u>199,046.37</u>
	<u>\$ 141,652.02</u>	<u>\$ 199,046.37</u>

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

**ASSETS**

	<b>September 30,</b>	
	<b><u>2012</u></b>	<b><u>2011</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>



**BRANCH DISTRICT LIBRARY**

**GENERAL FUND**

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

	<u>Month Ended September 30, 2012</u>	<u>Nine Months Ended September 30, 2012</u>	<u>Budget Year to Date 2012</u>	
			<u>Amount</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 243.28	\$ 661,083.53	\$ 651,895.00	\$ 9,188.53
State shared revenue	0.00	21,006.12	20,920.00	86.12
Interest earned	425.64	2,038.56	6,000.00	(3,961.44)
Penal fines	9,706.31	135,225.61	229,501.00	(94,275.39)
Charges for services	922.41	24,383.69	20,000.00	4,383.69
Reimbursements	1,552.46	15,293.21	35,392.00	(20,098.79)
Miscellaneous	<u>1,180.28</u>	<u>11,178.15</u>	<u>14,000.00</u>	<u>(2,821.85)</u>
 Total revenues	 14,030.38	 870,208.87	 977,708.00	 (107,499.13)
<b>EXPENDITURES</b>				
Library	<u>74,315.57</u>	<u>799,073.70</u>	<u>1,090,302.00</u>	<u>(291,228.30)</u>
 Total expenditures	 <u>74,315.57</u>	 <u>799,073.70</u>	 <u>1,090,302.00</u>	 <u>(291,228.30)</u>
 Excess (deficiency) of revenues over expenditures	 (60,285.19)	 71,135.17	 (112,594.00)	 183,729.17
<b>OTHER SOURCES (USES)</b>				
Transfers from (to) other funds	<u>25,934.00</u>	<u>25,934.00</u>	<u>25,934.00</u>	<u>0.00</u>
 Excess (deficiency) of revenues and other sources over expenditures	 <u>\$ (34,351.19)</u>	 97,069.17	 (86,660.00)	 183,729.17
<b>FUND BALANCE - BEGINNING</b>		<u>599,767.95</u>	<u>616,660.00</u>	<u>(16,892.05)</u>
<b>FUND BALANCE - ENDING</b>		<u>\$ 696,837.12</u>	<u>\$ 530,000.00</u>	<u>\$ 166,837.12</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 September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>REVENUES</b>				
Interest earned	\$ 192.56	\$ 188.87	\$ 1,708.33	\$ 1,763.23
Donations	570.06	1,400.00	14,980.90	13,430.17
Total revenues	762.62	1,588.87	16,689.23	15,193.40
<b>EXPENDITURES</b>				
Books	0.00	0.00	4,490.26	5,503.20
Bronson endowment	166.95	1,666.38	807.11	2,612.12
Friends of the Library	0.00	0.00	0.00	4,000.00
Total expenditures	166.95	1,666.38	5,297.37	12,115.32
Excess (deficiency) of revenues over expenditures	\$ 595.67	\$ (77.51)	11,391.86	3,078.08
<b>FUND BALANCE - BEGINNING</b>			128,931.43	118,167.95
<b>FUND BALANCE - ENDING</b>			\$ 140,323.29	\$ 121,246.03

See accountant's compilation report

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

	<b>Month Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>REVENUES</b>				
Taxes	\$ 34.97	\$ 4.20	\$ 108,656.65	\$ 110,817.98
Sale of fixed assets	0.00	0.00	700.00	20.00
Interest earned	11.18	42.17	205.17	535.57
Total revenues	46.15	46.37	109,561.82	111,373.55
<b>EXPENDITURES</b>				
Automation	1,950.00	10,000.00	137,876.60	36,801.99
Capital outlay	15,962.73	0.00	36,381.50	83,781.44
Total expenditures	17,912.73	10,000.00	174,258.10	120,583.43
Excess (deficiency) of revenues over expenditures	(17,866.58)	(9,953.63)	(64,696.28)	(9,209.88)
<b>OTHER SOURCES (USES)</b>				
Transfer from (to) other funds	(25,934.00)	0.00	(25,934.00)	0.00
Debt proceeds	0.00	0.00	37,619.00	0.00
Debt repayments	0.00	0.00	(24.41)	0.00
Total other sources (uses)	(25,934.00)	0.00	11,660.59	0.00
Excess (deficiency) of revenues over expenditures and other uses	\$ (43,800.58)	\$ (9,953.63)	(53,035.69)	(9,209.88)
<b>FUND BALANCE - BEGINNING</b>			176,774.98	208,256.25
<b>FUND BALANCE - ENDING</b>			\$ 123,739.29	\$ 199,046.37

See accountant's compilation report

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

	<i>Month Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</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**

	<u>Month Ended</u> <u>September 30, 201</u>	<u>Nine Months Ended</u> <u>September 30, 2012</u>	<u>Budget Year to Date</u> <u>2012</u>	
			<u>Amount</u>	<u>Variance</u>
Salaries	\$ 48,448.95	\$ 472,566.09	\$ 648,379.00	\$ (175,812.91)
Payroll taxes	3,696.11	36,205.96	51,870.00	(15,664.04)
Workers compensation	0.00	1,128.00	2,500.00	(1,372.00)
Longevity	0.00	2,025.00	3,550.00	(1,525.00)
Board per diem	0.00	25.00	0.00	25.00
Contract labor	31.44	157.20	0.00	157.20
Hospitalization	4,387.15	46,342.25	61,000.00	(14,657.75)
Deferred compensation	0.00	2,500.00	6,500.00	(4,000.00)
Employee relations	25.00	170.80	0.00	170.80
Contracted services	0.00	10,503.06	10,500.00	3.06
Training	60.00	740.56	1,500.00	(759.44)
Telephone	407.71	4,998.12	7,000.00	(2,001.88)
Utilities	2,743.37	27,069.92	40,000.00	(12,930.08)
Insurance	0.00	11,421.49	13,000.00	(1,578.51)
Maintenance	2,798.58	33,552.78	50,400.00	(16,847.22)
Equipment maintenance	766.97	8,106.98	8,000.00	106.98
Network maintenance	2,879.00	5,828.56	10,000.00	(4,171.44)
Operating supplies	344.60	6,504.66	10,000.00	(3,495.34)
Office supplies	152.63	10,487.24	10,000.00	487.24
Interloan document delivery	0.00	3,766.44	700.00	3,066.44
Postage	18.00	1,756.93	4,500.00	(2,743.07)
Books	4,222.53	62,498.67	83,253.00	(20,754.33)
Periodicals	39.00	384.07	5,200.00	(4,815.93)
Audio visual	1,243.18	10,050.15	14,000.00	(3,949.85)
Membership and dues	0.00	1,278.95	2,500.00	(1,221.05)
Transportation	445.82	6,504.67	8,000.00	(1,495.33)
Community promotions	96.00	3,152.21	5,550.00	(2,397.79)
Printing and publishing	0.00	126.12	1,000.00	(873.88)
Payroll fees	36.45	348.45	500.00	(151.55)
Professional services	1,473.08	23,823.36	30,900.00	(7,076.64)
Correction of prior year taxes	0.00	5,000.01	0.00	5,000.01
Miscellaneous	0.00	50.00	0.00	50.00
<b>Total expenditures</b>	<b>\$ 74,315.57</b>	<b>\$ 799,073.70</b>	<b>\$1,090,302.00</b>	<b>\$ (291,228.30)</b>

See accountant's compilation report

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

	<b>Month Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Salaries	\$ 48,448.95	\$ 71,413.08	\$ 472,566.09	\$ 510,376.04
Payroll taxes	3,696.11	5,494.67	36,205.96	39,221.79
Workers compensation	0.00	504.00	1,128.00	1,570.00
Longevity	0.00	675.00	2,025.00	2,325.00
Board per diem	0.00	0.00	25.00	1,275.00
Contract labor	31.44	31.44	157.20	62.88
Hospitalization	4,387.15	4,823.29	46,342.25	44,269.93
Deferred compensation	0.00	0.00	2,500.00	4,000.00
Employee relations	25.00	25.00	170.80	95.15
Contracted services	0.00	4,472.42	10,503.06	11,292.67
Training	60.00	57.00	740.56	2,066.07
Education reimbursement	0.00	0.00	0.00	(2,819.75)
Telephone	407.71	450.97	4,998.12	4,418.92
Utilities	2,743.37	3,308.01	27,069.92	35,817.86
Insurance	0.00	0.00	11,421.49	12,299.78
Maintenance	2,798.58	2,128.34	33,552.78	31,384.63
Equipment maintenance	766.97	796.25	8,106.98	11,176.47
Network maintenance	2,879.00	235.21	5,828.56	8,045.85
Operating supplies	344.60	933.93	6,504.66	6,906.93
Office supplies	152.63	716.08	10,487.24	9,378.03
Interloan document delivery	0.00	22.94	3,766.44	71.88
Postage	18.00	215.68	1,756.93	2,235.13
Books	4,222.53	5,785.17	62,498.67	63,494.16
Periodicals	39.00	0.00	384.07	483.77
Audio visual	1,243.18	598.24	10,050.15	11,160.11
Membership and dues	0.00	85.00	1,278.95	1,309.00
Transportation	445.82	873.86	6,504.67	6,432.51
Community promotions	96.00	295.00	3,152.21	6,486.20
Printing and publishing	0.00	0.00	126.12	237.50
Payroll fees	36.45	39.60	348.45	367.05
Professional services	1,473.08	1,971.18	23,823.36	24,218.36
Correction of prior year tax	0.00	674.37	5,000.01	1,650.53
Miscellaneous	0.00	0.00	50.00	0.00
<b>Total expenditures</b>	<b>\$ 74,315.57</b>	<b>\$ 106,625.73</b>	<b>\$ 799,073.70</b>	<b>\$ 851,309.45</b>

See accountant's compilation report

BRANCH DISTRICT LIBRARY  
BRONSON FIDUCIARY RESERVED FUND

BRONSON INCOME 2011 (BEGINNING BALANCE) \$5,508.64

INCOME:

ALLOCATED INTEREST (JAN)	1.35
DONATIONS (JAN)	3,428.00
DONATIONS (FEB)	50.00
ALLOCATED INTEREST (FEB)	1.77
DONATIONS (MAR)	305.00
ALLOCATED INTEREST (MAR)	1.90
DONATIONS (APR)	2,641.00
ALLOCATED INTEREST (APR)	2.11
ALLOCATED INTEREST (MAY)	2.46
ALLOCATED INTEREST (JUNE)	2.38
DONATIONS (JULY)	2,641.00
ALLOCATED INTEREST (JULY)	2.74
ALLOCATED INTEREST (AUG)	2.99
ALLOCATED INTEREST (SEPT)	2.87

TOTAL INCOME \$9,085.57

EXPENSES:

LYNNELL EASH (FEB)	(58.09)
UPSTART (FEB)	(21.00)
LYNNELL EASH (FEB)	(66.56)
TAYLOR'S STATIONERS (FEB)	(199.84)
FAMILY DOLLAR (MAR)	(8.50)
LYNNELL EASH (JULY)	(56.50)
LYNNELL EASH (AUG)	(229.67)
LYNNELL EASH (SEPT)	(75.05)
FAMILY DOLLAR (SEPT)	(91.90)

TOTAL DISBURSEMENTS (807.11)  
(#655-201: #640-201: #680-200)

BALANCE ENDOWMENT RESERVED FUND \$13,787.10  
(#302200)

BRANCH DISTRICT LIBRARY  
BARNETT FIDUCIARY RESERVED FUND

BARNETT INCOME 2011 (BEGINNING BALANCE) \$2,725.87

INCOME:

DEPOSIT	(JAN)	153.10
ALLOCATED INTEREST	(JAN)	0.52
DEPOSIT	(FEB)	153.10
ALLOCATED INTEREST	(FEB)	0.59
DEPOSIT	(MAR)	143.23
ALLOCATED INTEREST	(MAR)	0.66
DEPOSIT	(APR)	153.10
ALLOCATED INTEREST	(APR)	0.67
DEPOSIT	(MAY)	148.16
ALLOCATED INTEREST	(MAY)	0.72
DEPOSIT	(JUNE)	153.10
ALLOCATED INTEREST	(JUNE)	0.73
DEPOSIT	(JULY)	148.16
ALLOCATED INTEREST	(JULY)	0.79
DEPOSIT	(AUG)	153.10
ALLOCATED INTEREST	(AUG)	0.82
DEPOSIT	(SEPT)	153.10
ALLOCATED INTEREST	(SEPT)	0.82

TOTAL INCOME \$1,364.47

EXPENSES:

#640202 TOTAL DISBURSEMENTS 0.00

BALANCE ENDOWMENT RESERVED FUND \$4,090.34

#304300