

***BRANCH DISTRICT LIBRARY***  
***FINANCIAL STATEMENTS***  
***FEBRUARY 28, 2013 AND 2012***

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

March 12, 2013

*We have compiled the accompanying balance sheets of Branch District Library as of February 28, 2013 and 2012, and the related statements of revenues, expenditures and changes in fund balance, and other supplemental information for the two 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.

**BRANCH DISTRICT LIBRARY**

**GENERAL FUND  
BALANCE SHEETS**

**ASSETS**

	<b>February 28,</b>	
	<b>2013</b>	<b>2012</b>
Cash	\$ 297,951.34	\$ 310,506.22
Investments	499,187.92	588,238.65
Due from County	27,015.17	46,854.93
Due from the City of Coldwater	52.74	56.00
Prepaid expenses	<u>4,046.26</u>	<u>0.00</u>
Total assets	<u>\$ 828,253.43</u>	<u>\$ 945,655.80</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 11,699.63	\$ 23,301.55
Due to the City of Coldwater	56.50	189.50
Payroll taxes payable	1,554.08	1,588.27
Accrued wages	<u>26,742.36</u>	<u>37,301.21</u>
Total liabilities	40,052.57	62,380.53

**FUND BALANCE**

	<u>788,200.86</u>	<u>883,275.27</u>
Total liabilities and fund equity	<u>\$ 828,253.43</u>	<u>\$ 945,655.80</u>

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

**ASSETS**

	<b>February 28,</b>	
	<u><b>2013</b></u>	<u><b>2012</b></u>
Cash	\$ 105,044.07	\$ 97,240.22
Restricted assets:		
Cash	<u>52,667.09</u>	<u>38,773.24</u>
Total assets	<u>\$ 157,711.16</u>	<u>\$ 136,013.46</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 940.57	\$ 559.93
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**FUND BALANCE**

Restricted:

Bronson operations	19,853.44	8,644.27
Fisher memorial	27,449.65	25,978.64
Dallen memorial	836.16	829.75
Barnett memorial	<u>4,488.84</u>	<u>3,033.18</u>

Total Restricted	52,628.09	38,485.84
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Committed	<u>104,142.50</u>	<u>96,967.69</u>
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Total fund balance	<u>156,770.59</u>	<u>135,453.53</u>
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Total liabilities and fund equity	<u>\$ 157,711.16</u>	<u>\$ 136,013.46</u>
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**BRANCH DISTRICT LIBRARY  
CAPITAL PROJECTS FUND  
BALANCE SHEETS**

**ASSETS**

	<b>February 28,</b>	
	<b>2013</b>	<b>2012</b>
Cash	\$ 81,426.44	\$ 66,937.79
Investments	<u>100,578.98</u>	<u>150,201.74</u>
<i>Total assets</i>	<u><u>\$ 182,005.42</u></u>	<u><u>\$ 217,139.53</u></u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 6,909.08	\$ 307.40
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**FUND BALANCE**

	<u>175,096.34</u>	<u>216,832.13</u>
<i>Total liabilities and fund equity</i>	<u><u>\$ 182,005.42</u></u>	<u><u>\$ 217,139.53</u></u>

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

**ASSETS**

	<b>February 28,</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**

*Restricted:*

<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>
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<i>Total liabilities and fund equity</i>	<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</u> <u>February 28, 2013</u>	<u>Two Months Ended</u> <u>February 28, 2013</u>	<u>Budget Year to Date</u> <u>2013</u>	
			<u>Amount</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 110,756.61	\$ 364,519.93	\$ 655,138.00	\$ (290,618.07)
State shared revenue	0.00	0.00	23,633.00	(23,633.00)
Interest earned	8.25	8.25	2,700.00	(2,691.75)
Penal fines	15,015.17	27,015.17	100,500.00	(73,484.83)
Charges for services	1,310.29	2,177.74	21,000.00	(18,822.26)
Reimbursements	2,155.69	3,396.17	27,041.00	(23,644.83)
Miscellaneous	1,199.04	2,094.64	15,000.00	(12,905.36)
<b>Total revenues</b>	<b>130,445.05</b>	<b>399,211.90</b>	<b>845,012.00</b>	<b>(445,800.10)</b>
<b>EXPENDITURES</b>				
Library	68,835.87	149,988.27	957,402.00	(807,413.73)
<b>Total expenditures</b>	<b>68,835.87</b>	<b>149,988.27</b>	<b>957,402.00</b>	<b>(807,413.73)</b>
Excess (deficiency) of revenues over expenditures	61,609.18	249,223.63	(112,390.00)	361,613.63
<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	\$ 61,609.18	249,223.63	(96,378.00)	345,601.63
<b>FUND BALANCE - BEGINNING</b>		538,977.23	490,000.00	48,977.23
<b>FUND BALANCE - ENDING</b>		\$ 788,200.86	\$ 393,622.00	\$ 394,578.86

See accountant's compilation report

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

	<b>Month Ended February 28,</b>		<b>Two Months Ended February 28,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>				
Interest earned	\$ 92.71	\$ 190.39	\$ 178.04	\$ 377.90
Donations	1,580.00	1,050.00	7,545.05	7,488.84
Total revenues	1,672.71	1,240.39	7,723.09	7,866.74
<b>EXPENDITURES</b>				
Books	971.22	370.28	1,158.18	999.15
Branson endowment	39.00	345.49	154.38	345.49
Total expenditures	1,010.22	715.77	1,312.56	1,344.64
Excess (deficiency) of revenues over expenditures	\$ 662.49	\$ 524.62	6,410.53	6,522.10
<b>FUND BALANCE - BEGINNING</b>			150,360.06	128,931.43
<b>FUND BALANCE - ENDING</b>			\$ 156,770.59	\$ 135,453.53

See accountant's compilation report

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

	<b>Month Ended February 28,</b>		<b>Two Months Ended February 28,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>				
Taxes	\$ 18,459.41	\$ 22,429.44	\$ 60,645.08	\$ 67,000.86
Interest earned	14.01	11.62	22.64	18.29
Total revenues	18,473.42	22,441.06	60,667.72	67,019.15
<b>EXPENDITURES</b>				
Automation	5,048.64	0.00	5,048.64	21,404.60
Capital outlay	1,860.44	307.40	13,416.00	5,557.40
Total expenditures	6,909.08	307.40	18,464.64	26,962.00
Excess (deficiency) of revenues over expenditures	11,564.34	22,133.66	42,203.08	40,057.15
<b>OTHER SOURCES (USES)</b>				
Debt service	(10,101.69)	0.00	(10,101.69)	0.00
Total other sources (uses)	(10,101.69)	0.00	(10,101.69)	0.00
Excess (deficiency) of revenues over expenditures and other uses	\$ 1,462.65	\$ 22,133.66	32,101.39	40,057.15
<b>FUND BALANCE - BEGINNING</b>			142,994.95	176,774.98
<b>FUND BALANCE - ENDING</b>			\$ 175,096.34	\$ 216,832.13

See accountant's compilation report

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

	<b>Month Ended February 28,</b>		<b>Two Months Ended February 28,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</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>February 28, 2013</u>	<u>Two Months Ended</u> <u>February 28, 2013</u>	<u>Budget Year to Date</u> <u>2013</u>	
			<u>Amount</u>	<u>Variance</u>
Salaries	\$ 42,540.16	\$ 88,312.27	\$ 548,248.00	\$ (459,935.73)
Payroll taxes	3,288.06	6,817.63	43,860.00	(37,042.37)
Unemployment	0.00	0.00	14,100.00	(14,100.00)
Workers compensation	0.00	0.00	2,500.00	(2,500.00)
Longevity	575.00	1,075.00	4,500.00	(3,425.00)
Board per diem	0.00	0.00	900.00	(900.00)
Contract labor	31.44	31.44	200.00	(168.56)
Hospitalization	4,046.26	9,092.52	51,500.00	(42,407.48)
Deferred compensation	0.00	2,500.00	4,500.00	(2,000.00)
Employee relations	50.00	50.00	500.00	(450.00)
Contracted services	0.00	0.00	11,817.00	(11,817.00)
Training	496.00	496.00	3,000.00	(2,504.00)
Telephone	494.98	984.52	7,000.00	(6,015.48)
Utilities	3,464.07	6,597.54	38,000.00	(31,402.46)
Insurance	156.89	156.89	12,500.00	(12,343.11)
Maintenance	2,938.89	7,607.02	52,050.00	(44,442.98)
Equipment maintenance	169.25	260.80	9,000.00	(8,739.20)
Network maintenance	0.00	0.00	11,000.00	(11,000.00)
Office supplies	1,792.55	3,084.90	23,000.00	(19,915.10)
Interloan document delivery	21.23	56.23	7,500.00	(7,443.77)
Postage	47.24	390.30	4,000.00	(3,609.70)
Books	2,178.72	7,618.76	42,127.00	(34,508.24)
Periodicals	194.21	242.96	5,200.00	(4,957.04)
Audio visual	584.29	1,164.86	8,000.00	(6,835.14)
Membership and dues	0.00	0.00	2,000.00	(2,000.00)
Transportation	553.65	1,063.67	8,000.00	(6,936.33)
Community promotions	0.00	203.37	6,900.00	(6,696.63)
Printing and publishing	0.00	0.00	1,000.00	(1,000.00)
Payroll fees	36.30	80.40	500.00	(419.60)
Professional services	5,176.68	12,068.66	31,000.00	(18,931.34)
Correction of prior year taxes	0.00	32.53	3,000.00	(2,967.47)
<b>Total expenditures</b>	<b>\$ 68,835.87</b>	<b>\$ 149,988.27</b>	<b>\$ 957,402.00</b>	<b>\$ (807,413.73)</b>

See accountant's compilation report

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

	<b>Month Ended</b>		<b>Two Months Ended</b>	
	<b>February 28,</b>		<b>February 28,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Salaries	\$ 42,540.16	\$ 42,887.24	\$ 88,312.27	\$ 100,307.09
Payroll taxes	3,288.06	3,285.22	6,817.63	7,699.39
Workers compensation	0.00	0.00	0.00	530.00
Longevity	575.00	250.00	1,075.00	725.00
Contract labor	31.44	0.00	31.44	0.00
Hospitalization	4,046.26	4,859.47	9,092.52	9,735.81
Deferred compensation	0.00	0.00	2,500.00	2,500.00
Employee relations	50.00	0.00	50.00	0.00
Training	496.00	135.00	496.00	135.00
Telephone	494.98	551.62	984.52	1,543.40
Utilities	3,464.07	4,206.50	6,597.54	6,494.89
Insurance	156.89	0.00	156.89	0.00
Maintenance	2,938.89	4,450.97	7,607.02	8,178.06
Equipment maintenance	169.25	333.75	260.80	1,335.50
Network maintenance	0.00	76.11	0.00	133.33
Operating supplies	0.00	442.84	0.00	1,381.01
Office supplies	1,792.55	1,268.60	3,084.90	1,857.04
Interloan document delivery	21.23	30.00	56.23	30.00
Postage	47.24	164.53	390.30	557.44
Books	2,178.72	14,190.12	7,618.76	20,186.21
Periodicals	194.21	39.00	242.96	130.15
Audio visual	584.29	1,672.68	1,164.86	2,871.05
Transportation	553.65	643.81	1,063.67	1,066.40
Community promotions	0.00	0.00	203.37	206.50
Payroll fees	36.30	39.00	80.40	82.80
Professional services	5,176.68	4,540.00	12,068.66	11,219.04
Correction of prior year tax	0.00	1,536.75	32.53	1,536.75
<b>Total expenditures</b>	<b>\$ 68,835.87</b>	<b>\$ 85,603.21</b>	<b>\$ 149,988.27</b>	<b>\$ 180,441.86</b>

See accountant's compilation report

BRANCH DISTRICT LIBRARY  
BRONSON FIDUCIARY RESERVED FUND

BRONSON INCOME 2012 (BEGINNING BALANCE) \$17,335.91

INCOME:

ALLOCATED INTEREST (JAN) 2.54  
DONATIONS (JAN) 2,666.00  
ALLOCATED INTEREST (FEB) 3.37

TOTAL INCOME \$2,671.91

EXPENSES:

SANTA CLAUS PUBLISHIN (JAN) (77.38)  
LYNELL EASH (JAN) (38.00)  
FAMILY DOLLAR (FEB) (39.00)

TOTAL DISBURSEMENTS (154.38)  
(#655-201: #640-201: #680-200)

BALANCE ENDOWMENT RESERVED FUND \$19,853.44  
(#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

TOTAL INCOME \$116.17

EXPENSES:

#640202 TOTAL DISBURSEMENTS 0.00

BALANCE ENDOWMENT RESERVED FUND \$4,488.84

#304300