

**BRANCH DISTRICT LIBRARY**  
**FINANCIAL STATEMENTS**  
**AUGUST 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

September 12, 2016

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

September 12, 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.

**BRANCH DISTRICT LIBRARY**

**GENERAL FUND  
BALANCE SHEETS**

**ASSETS**

	<b>August 31,</b>	
	<b>2016</b>	<b>2015</b>
Cash		
Investments	\$ 851,981.28	\$ 700,855.08
Due from County	648,075.20	644,732.81
Due from the City of Coldwater	15,000.00	15,000.00
Prepaid expenses	0.00	2,710.48
	<u>8,778.92</u>	<u>3,766.15</u>
<b>Total assets</b>	<b><u>\$ 1,523,835.40</u></b>	<b><u>\$ 1,367,064.52</u></b>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable		
Due to the City of Coldwater	\$ 30,815.54	\$ 21,971.43
Payroll taxes payable	0.00	2,654.18
Accrued wages	2,393.68	8,973.18
	<u>37,820.48</u>	<u>31,616.10</u>
<b>Total liabilities</b>	<b>71,029.70</b>	<b>65,214.89</b>

**FUND BALANCE**

<b>Total liabilities and fund equity</b>	<b><u>1,452,805.70</u></b>	<b><u>1,301,849.63</u></b>
	<b><u>\$ 1,523,835.40</u></b>	<b><u>\$ 1,367,064.52</u></b>

See accountant's compilation report

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

**ASSETS**

	<b>August 31,</b>	
	<u><b>2016</b></u>	<u><b>2015</b></u>
Cash	\$ 120,793.67	\$ 116,995.58
Restricted assets:		
Cash	<u>57,184.02</u>	<u>65,910.33</u>
<b>Total assets</b>	<u><b>\$ 177,977.69</b></u>	<u><b>\$ 182,905.91</b></u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 1,839.51	\$ 647.42
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**FUND BALANCE**

*Restricted:*

Bronson operations	7,605.73	1,123.08
A. Barnett memorial	8,676.00	9,244.09
Fisher memorial	2,688.88	16,748.34
Dallen memorial	858.05	850.98
Morton memorial	28,975.65	28,904.34
Union City Facilities	5,373.86	7,275.44
G. Barnett memorial	<u>2,596.80</u>	<u>1,680.20</u>

Total Restricted	56,774.97	65,826.47
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Committed	<u>119,363.21</u>	<u>116,432.02</u>
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Total fund balance	<u>176,138.18</u>	<u>182,258.49</u>
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Total liabilities and fund equity	<u><b>\$ 177,977.69</b></u>	<u><b>\$ 182,905.91</b></u>
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See accountant's compilation report

**BRANCH DISTRICT LIBRARY**

**CAPITAL PROJECTS FUND  
BALANCE SHEETS**

**ASSETS**

	<b>August 31,</b>	
	<b>2016</b>	<b>2015</b>
Cash	\$ 372,569.51	\$ 284,117.57
Investments	<u>101,689.11</u>	<u>101,207.39</u>
Total assets	<u>\$ 474,258.62</u>	<u>\$ 385,324.96</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable

\$ 307.95 \$ 0.00

**FUND BALANCE**

473,950.67 385,324.96

Total liabilities and  
fund equity

\$ 474,258.62 \$ 385,324.96

See accountant's compilation report

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

**ASSETS**

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

<b>LIABILITIES</b>		
Accounts payable	\$ 0.00	\$ 0.00
 <b>FUND BALANCE</b>		
<i>Restricted:</i>		
Sammelroth memorial	50,000.00	50,000.00
Dallen memorial	2,000.00	2,000.00
Barnett memorial	90,133.62	90,133.62
	<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</u> <u>August 31, 2016</u>		<u>Eight Months Ended</u> <u>August 31, 2016</u>		<u>Budget Year to Date</u> <u>2016</u>	
					<u>Amount</u>	<u>Variance</u>
<b>REVENUES</b>						
Taxes	\$	58.81	\$	1,284,935.29	\$ 1,285,584.45	\$ (649.16)
State shared revenue		0.00		30,672.10	30,468.55	203.55
Interest earned		192.13		3,451.64	2,000.00	1,451.64
Penal fines		26,443.49		170,015.37	175,000.00	(4,984.63)
Charges for services		14,706.99		23,025.71	27,000.00	(3,974.29)
Reimbursements		11.00		46,704.12	28,074.00	18,630.12
Miscellaneous		799.70		7,907.27	16,000.00	(8,092.73)
<b>Total revenues</b>		<u>42,212.12</u>		<u>1,566,711.50</u>	<u>1,564,127.00</u>	<u>2,584.50</u>
<b>EXPENDITURES</b>						
Library		<u>144,952.11</u>		<u>1,040,711.20</u>	<u>1,654,749.23</u>	<u>(614,038.03)</u>
<b>Total expenditures</b>		<u>144,952.11</u>		<u>1,040,711.20</u>	<u>1,654,749.23</u>	<u>(614,038.03)</u>
Excess (deficiency) of revenues over expenditures		(102,739.99)		526,000.30	(90,622.23)	616,622.53
<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>(102,739.99)</u>		526,000.30	(69,950.23)	595,950.53
<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>1,452,805.70</u>	<u>795,252.27</u>	<u>\$ 657,553.43</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 August 31,</b>		<b>Eight Months Ended August 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
Interest earned	\$ 125.99	\$ 127.06	\$ 995.84	\$ 893.37
Donations	1,251.30	2,210.10	22,352.45	25,219.73
<b>Total revenues</b>	<b>1,377.29</b>	<b>2,337.16</b>	<b>23,348.29</b>	<b>26,113.10</b>
<b>EXPENDITURES</b>				
Expenses				
Fisher endowment	2,617.07	1,253.09	14,948.50	12,766.34
Aileen Barnett endowment	0.00	0.00	0.00	11,509.74
Friends of the Library	409.05	348.25	1,060.97	2,016.35
Union City facilities	0.00	0.00	7,200.00	4,800.00
	800.00	0.00	9,396.59	0.00
<b>Total expenditures</b>	<b>3,826.12</b>	<b>1,601.34</b>	<b>32,606.06</b>	<b>31,092.43</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (2,448.83)</b>	<b>\$ 735.82</b>	<b>(9,257.77)</b>	<b>(4,979.33)</b>
<b>FUND BALANCE - BEGINNING</b>			<b>185,395.95</b>	<b>187,237.82</b>
<b>FUND BALANCE - ENDING</b>			<b>\$ 176,138.18</b>	<b>\$ 182,258.49</b>

See accountant's compilation report

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

	<b>Month Ended August 31,</b>		<b>Eight Months Ended August 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
Taxes	\$ 0.00	\$ 0.00	\$ 233,677.17	\$ 222,674.18
Sale of fixed assets	0.00	0.00	0.00	87.10
Interest earned	79.50	52.26	786.52	359.61
<b>Total revenues</b>	<b>79.50</b>	<b>52.26</b>	<b>234,463.69</b>	<b>223,120.89</b>
<b>EXPENDITURES</b>				
Automation	0.00	0.00	0.00	68,247.40
Capital outlay	410.13	0.00	74,131.20	12,061.87
Other district projects	0.00	0.00	2,362.00	0.00
<b>Total expenditures</b>	<b>410.13</b>	<b>0.00</b>	<b>76,493.20</b>	<b>80,309.27</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(330.63)</b>	<b>52.26</b>	<b>157,970.49</b>	<b>142,811.62</b>
<b>OTHER SOURCES (USES)</b>				
Transfer from (to) other funds	0.00	0.00	0.00	(15,330.00)
Debt proceeds	0.00	80,000.00	0.00	80,000.00
Debt service	0.00	(200.00)	0.00	(200.00)
<b>Total other sources (uses)</b>	<b>0.00</b>	<b>79,800.00</b>	<b>0.00</b>	<b>64,470.00</b>
<b>Excess (deficiency) of revenues over expenditures and other uses</b>	<b>\$ (330.63)</b>	<b>\$ 79,852.26</b>	<b>157,970.49</b>	<b>207,281.62</b>
<b>FUND BALANCE - BEGINNING</b>			<b>315,980.18</b>	<b>178,043.34</b>
<b>FUND BALANCE - ENDING</b>			<b>\$ 473,950.67</b>	<b>\$ 385,324.96</b>

See accountant's compilation report

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

	<b>Month Ended August 31,</b>		<b>Eight Months Ended August 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
<i>Total revenues</i>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>EXPENDITURES</b>				
<i>Total expenditures</i>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Excess (deficiency) of     revenues over     expenditures</i>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	0.00	0.00
<b>FUND BALANCE - BEGINNING</b>			<u>142,133.62</u>	<u>142,133.62</u>
<b>FUND BALANCE - ENDING</b>			<u>\$ 142,133.62</u>	<u>\$ 142,133.62</u>

See accountant's compilation report

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

	<b>Month Ended</b>		<b>Eight Months</b>		<b>Budget Year to Date</b>	
	<b>August 31, 2016</b>		<b>Ended</b>		<b>2016</b>	
					<b>Amount</b>	<b>Variance</b>
Salaries	\$	65,780.42	\$	540,455.53	\$ 915,179.84	\$ (374,724.31)
Payroll taxes		5,000.95		41,475.56	73,214.39	(31,738.83)
Unemployment		0.00		0.00	10,000.00	(10,000.00)
Workers compensation		0.00		2,109.00	2,000.00	109.00
Longevity		0.00		2,375.00	4,275.00	(1,900.00)
Board per diem		0.00		1,125.00	2,160.00	(1,035.00)
Contract labor		0.00		0.00	300.00	(300.00)
Hospitalization		4,263.97		38,351.04	90,000.00	(51,648.96)
Deferred compensation		0.00		5,000.00	7,500.00	(2,500.00)
Employee relations		28.40		158.40	1,500.00	(1,341.60)
Employee benefits		15,000.00		15,000.00	0.00	15,000.00
Contracted services		15,336.05		18,751.05	18,000.00	751.05
Training		(154.50)		3,375.60	10,000.00	(6,624.40)
Education reimbursement		12,330.00		12,330.00	0.00	12,330.00
Facilities rent		102.00		912.00	600.00	312.00
Telephone		492.56		4,178.31	10,000.00	(5,821.69)
Utilities		2,998.32		23,284.76	49,160.00	(25,875.24)
Insurance		0.00		14,769.00	18,000.00	(3,231.00)
Capital outlay		0.00		6,714.00	0.00	6,714.00
Maintenance		3,288.30		92,047.96	75,000.00	17,047.96
Equipment maintenance		359.94		6,418.27	9,000.00	(2,581.73)
Network maintenance		1,383.13		26,978.33	40,360.00	(13,381.67)
Janitorial supplies		258.69		1,495.67	0.00	1,495.67
Office supplies		2,959.40		21,471.17	45,000.00	(23,528.83)
Interloan document delivery		50.00		293.81	500.00	(206.19)
Postage		421.29		2,456.97	3,000.00	(543.03)
Books		6,732.02		62,197.86	100,000.00	(37,802.14)
Periodicals		0.00		1,368.50	10,000.00	(8,631.50)
Audio visual		1,891.56		10,511.57	20,000.00	(9,488.43)
Membership and dues		85.00		1,596.12	3,000.00	(1,403.88)
Transportation		788.68		8,709.51	8,000.00	709.51
Community promotions		3,221.81		25,350.45	40,000.00	(14,649.55)
Printing and publishing		142.39		1,727.83	1,000.00	727.83
Bank service fees		54.54		985.43	500.00	485.43
Professional services		2,114.59		46,344.53	85,000.00	(38,655.47)
Correction of prior year taxes		22.60		392.97	2,500.00	(2,107.03)
<b>Total expenditures</b>	\$	<b>144,952.11</b>	\$	<b>1,040,711.20</b>	<b>\$ 1,654,749.23</b>	<b>\$ (614,038.03)</b>

See accountant's compilation report

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

	<b>Month Ended August 31,</b>		<b>Eight Months Ended August 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<i>Salaries</i>	\$ 65,780.42	\$ 56,964.85	\$ 540,455.53	\$ 484,074.52
<i>Payroll taxes</i>	5,000.95	4,372.32	41,475.56	37,103.06
<i>Workers compensation</i>	0.00	0.00	2,109.00	1,220.00
<i>Longevity</i>	0.00	325.00	2,375.00	1,925.00
<i>Board per diem</i>	0.00	0.00	1,125.00	225.00
<i>Contract labor</i>	0.00	0.00	0.00	65.22
<i>Hospitalization</i>	4,263.97	3,646.09	38,351.04	36,123.17
<i>Deferred compensation</i>	0.00	0.00	5,000.00	4,500.00
<i>Employee relations</i>	28.40	0.00	158.40	394.95
<i>Employee benefits</i>	15,000.00	0.00	15,000.00	0.00
<i>Contracted services</i>	15,336.05	0.00	18,751.05	17,728.96
<i>Training</i>	(154.50)	0.00	3,375.60	5,736.17
<i>Education reimbursement</i>	12,330.00	0.00	12,330.00	0.00
<i>Facilities rent</i>	102.00	0.00	912.00	0.00
<i>Telephone</i>	492.56	408.12	4,178.31	4,063.88
<i>Utilities</i>	2,998.32	2,711.32	23,284.76	25,795.14
<i>Insurance</i>	0.00	0.00	14,769.00	15,059.89
<i>Capital outlay</i>	0.00	720.00	6,714.00	360.00
<i>Maintenance</i>	3,288.30	3,311.73	92,047.96	37,394.36
<i>Equipment maintenance</i>	359.94	587.90	6,418.27	5,038.91
<i>Network maintenance</i>	1,383.13	99.00	26,978.33	20,812.47
<i>Janitorial supplies</i>	258.69	0.00	1,495.67	0.00
<i>Operating supplies</i>	0.00	(230.26)	0.00	0.00
<i>Office supplies</i>	2,959.40	2,525.50	21,471.17	27,213.66
<i>Interloan document delivery</i>	50.00	46.94	293.81	168.93
<i>Postage</i>	421.29	437.82	2,456.97	1,433.49
<i>Books</i>	6,732.02	6,312.13	62,197.86	46,348.62
<i>Periodicals</i>	0.00	0.00	1,368.50	1,183.24
<i>Audio visual</i>	1,891.56	793.27	10,511.57	4,120.44
<i>Membership and dues</i>	85.00	(250.00)	1,596.12	1,649.00
<i>Transportation</i>	788.68	678.66	8,709.51	5,119.89
<i>Community promotions</i>	3,221.81	731.39	25,350.45	8,887.40
<i>Printing and publishing</i>	142.39	0.00	1,727.83	0.00
<i>Bank service fees</i>	54.54	16.35	985.43	300.62
<i>Professional services</i>	2,114.59	1,819.06	46,344.53	41,308.17
<i>Correction of prior year tax</i>	22.60	460.88	392.97	2,191.17
<i>Miscellaneous</i>	0.00	(349.10)	0.00	0.00
<b>Total expenditures</b>	<b>\$ 144,952.11</b>	<b>\$ 86,138.97</b>	<b>\$ 1,040,711.20</b>	<b>\$ 837,545.33</b>

See accountant's compilation report