

GENESEE DISTRICT LIBRARY

FLINT, MICHIGAN

AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

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April 1, 2015

## INDEPENDENT AUDITOR'S REPORT

To the Trustees of the  
Genesee District Library

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Genesee District Library as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Genesee District Library as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress on pages III - VI, 3, 14 and 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genesee District Library's basic financial statements. The schedule of expenditures as compared to budget – operating fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures as compared to budget – operating fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures as compared to budget – operating fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



LEWIS & KNOPF, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

GENESEE DISTRICT LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Our discussion and analysis of Genesee District Library's (the "Library") financial performance provides an overview of the Library's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the Library's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of three parts: (1) Management's Discussion and Analysis (this section), (2) the basic financial statements, and (3) required supplementary information. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplemental information that further explains and supports the information in the financial statements.

The basic financial statements include information that presents two different views of the Library.

- The first column of the financial statements includes information on the Library's General Fund under the modified accrual method. These fund financial statements focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.
- The adjustments column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full accrual method of accounting.
- The third column presents the Library's operations on a full accrual basis, which provides both long- and short-term information about the Library's overall financial status. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.

GENESEE DISTRICT LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

CONDENSED FINANCIAL INFORMATION

The following table below shows key financial information in a condensed format for the government-wide statement of net position and the statement of activities:

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current Assets	\$6,510,472	\$5,408,706
Capital assets - Net	<u>115,101</u>	<u>134,475</u>
<u>TOTAL ASSETS</u>	<u>\$6,625,573</u>	<u>\$5,543,181</u>
<u>LIABILITIES</u>		
Current Liabilities	\$376,599	\$335,126
Non-Current Liabilities	<u>4,557,869</u>	<u>4,172,599</u>
Total Liabilities	<u>\$4,934,468</u>	<u>\$4,507,725</u>
<u>NET POSITION</u>		
Net investment in capital assets	115,101	134,475
Unrestricted	<u>1,576,004</u>	<u>900,981</u>
<u>TOTAL NET POSITION</u>	<u>\$1,691,105</u>	<u>\$1,035,456</u>
<u>REVENUE</u>		
Property Taxes	\$7,397,594	\$7,432,615
Other	<u>1,771,807</u>	<u>2,045,062</u>
Total Revenue	<u>\$9,169,401</u>	<u>\$9,477,677</u>
<u>EXPENDITURES - LIBRARY SERVICES</u>		
	<u>8,513,752</u>	<u>8,915,350</u>
<u>CHANGE IN NET POSITION</u>	<u>\$655,649</u>	<u>\$562,327</u>

THE LIBRARY AS A WHOLE

- \* The Library reports net position of \$1,691,105 this year on a full accrual basis, as compared to a fund balance of \$6,133,873 on the modified accrual basis of accounting.
- \* The Library's primary source of revenue is from property taxes. For 2014, total tax collections were \$7,397,594. This represents approximately 81 percent of total revenue.
- \* Salaries and fringe benefits are the largest overall expenditure of the Library. For 2014, this expenditure was \$4,703,362, representing approximately 58 percent of the Library's total expenditures.
- \* Library materials (books, periodicals and audio visuals) of \$784,101 are the second largest overall expenditure of the Library, representing 10 percent of the Library's total expenditures.
- \* The Library's conversion to meet GASB Statement No. 34 standards, which includes capitalization of Library-owned assets and associated depreciation expense, is reflected in the statement of activities on page 2 of this financial report.

GENESEE DISTRICT LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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THE LIBRARY'S FUND

Our analysis of the Library's general fund is included on pages 1 and 2 of the first column of the respective statements. The fund column provides detailed information about the General Fund on a modified accrual method, which is a short-term perspective measuring the flow of financial resources, not the Library's operations on a full accrual basis of accounting, which provides a longer-term measurement of total economic resources. The Library's only fund is the General Fund. The fund balance of the General Fund increased by approximately \$1,035,000 for the year.

LIBRARY BUDGETARY HIGHLIGHTS

As required by the State of Michigan law, the Library amended the budget to take into account events during the year.

Revenues exceeded budgeted amounts by \$252,401, due to penal fines, state aid, and grants, contributions, legacies, and bequests being higher than anticipated.

Expenditures were \$493,892 lower than the budget for the year, primarily due to the Library budgets for depreciation which is not recorded within the General Fund under the modified accrual basis.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of the year, the Library had approximately \$115,000 invested in furniture, equipment, leasehold improvements, and vehicles. In 2014, the Library added approximately \$1,700 of furniture and equipment and disposed of approximately \$500,000 of furniture and equipment, and leasehold improvements.

The Library had approximately \$4,558,000 of long-term debt. This represents an estimate of the Library's liability for compensated absences and net OPEB obligation. The Library accrues vested or accumulated sick, vacation, and paid time-off (PTO) leave when it is earned by the employees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Library board has addressed the decrease in 2014 revenue by continuing to implement cost-saving measures. For 2014, the Library board has addressed the anticipated decrease in revenue by cutting the book budget, fringe benefits budget, book budget, and miscellaneous items budget.

CONTACTING THE LIBRARY'S MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Library's finances. If you have questions about this report or need additional information, contact the Executive Director at Genesee District Library, G-4195 W. Pasadena Avenue, Flint, MI 48504.

GENESEE DISTRICT LIBRARY  
GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2014

	<u>General Fund - Modified Accrual Basis</u>	<u>Adjustments (Note 11)</u>	<u>Statement of Net Assets - Full Accrual Basis</u>
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and Cash Equivalents	\$6,239,877	\$0	\$6,239,877
Accounts Receivable	201,575	0	201,575
Prepaid Expenses	69,020	0	69,020
Total Current Assets	<u>\$6,510,472</u>	<u>\$0</u>	<u>\$6,510,472</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Capital Assets	0	1,495,510	1,495,510
Less: Accumulated Depreciation	<u>0</u>	<u>(1,380,409)</u>	<u>(1,380,409)</u>
Total Noncurrent Assets	<u>\$0</u>	<u>\$115,101</u>	<u>\$115,101</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$6,510,472</u></b>	<b><u>\$115,101</u></b>	<b><u>\$6,625,573</u></b>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts Payable	\$81,146	\$0	\$81,146
Accrued and Other Liabilities	37,984	0	37,984
Contribution Advances	257,469	0	257,469
Total Current Liabilities	<u>\$376,599</u>	<u>\$0</u>	<u>\$376,599</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Compensated Absences	0	145,000	145,000
Net OPEB Obligation	<u>0</u>	<u>4,412,869</u>	<u>4,412,869</u>
Total Non-Current Liabilities	<u>\$0</u>	<u>\$4,557,869</u>	<u>\$4,557,869</u>
Total Liabilities	<u>\$376,599</u>	<u>\$4,557,869</u>	<u>\$4,934,468</u>
<b><u>FUND BALANCE/NET POSITION</u></b>			
<b><u>FUND BALANCE</u></b>			
Non-Spendable	69,020		
Committed - Tax Appeals	38,893		
Assigned	906,551		
Unassigned	<u>5,119,409</u>		
Total Fund Balance	<u>\$6,133,873</u>		
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<b><u>\$6,510,472</u></b>		
<b><u>NET ASSETS</u></b>			
Net investment in capital assets		115,101	115,101
Unrestricted (Deficit)		<u>(4,557,869)</u>	<u>1,576,004</u>
<b><u>TOTAL NET POSITION</u></b>		<b><u>(\$4,442,768)</u></b>	<b><u>\$1,691,105</u></b>

The notes to financial statements are an integral part of this statement.



GENESEE DISTRICT LIBRARY  
STATEMENT OF GOVERNMENTAL REVENUE, EXPENDITURES AND CHANGES IN  
FUND BALANCE/ STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General Fund - Modified Accrual Basis</u>	<u>Adjustments (Note 11)</u>	<u>Statement of Activities - Full Accrual Basis</u>
<u>REVENUE</u>			
Property Taxes	\$7,397,594	\$0	\$7,397,594
Penal Fines	324,317	0	324,317
State Aid	237,083	0	237,083
Investment Earnings	7,248	0	7,248
Grants, Contributions, Legacies, and Bequests	68,277	0	68,277
Library Fines, Fees and Other	382,937	0	382,937
Mid Eastern Michigan Library Cooperative	4,000	0	4,000
Use of Contributed Facilities	747,945	0	747,945
Total Revenue	<u>\$9,169,401</u>	<u>\$0</u>	<u>\$9,169,401</u>
<u>EXPENDITURES</u>	<u>8,109,108</u>	<u>404,644</u>	<u>8,513,752</u>
<u>REVENUE OVER EXPENDITURES</u>	<u>\$1,060,293</u>	<u>(\$404,644)</u>	<u>\$655,649</u>
<u>FUND BALANCE/NET POSITION - BEGINNING OF YEAR</u>	<u>5,073,580</u>	<u>(4,038,124)</u>	<u>1,035,456</u>
<u>FUND BALANCE/NET POSITION - END OF YEAR</u>	<u>\$6,133,873</u>	<u>(\$4,442,768)</u>	<u>\$1,691,105</u>

The notes to financial statements are an integral part of this statement.

GENESEE DISTRICT LIBRARY  
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Property Taxes	\$7,500,000	\$7,397,500	\$7,397,594	\$94
Penal Fines	295,000	295,000	324,317	29,317
State Aid	75,000	75,000	237,083	162,083
Investment Earnings	7,500	7,000	7,248	248
Grants, Contributions, Legacies, and Bequests	9,500	9,500	68,277	58,777
Library Fines, Fees and Other	270,000	373,000	382,937	9,937
Mid Eastern Michigan Library Cooperative	0	0	4,000	4,000
Use of Contributed Facilities	760,000	760,000	747,945	(12,055)
Total Revenues	<u>\$8,917,000</u>	<u>\$8,917,000</u>	<u>\$9,169,401</u>	<u>\$252,401</u>
<b><u>EXPENDITURES</u></b>				
Salaries and Wages	3,376,000	3,330,850	3,333,096	(2,246)
Fringe Benefits	1,524,000	1,427,450	1,370,266	57,184
Supplies	240,000	240,000	173,350	66,650
Books	859,000	859,000	784,101	74,899
Periodicals	51,000	51,000	63,963	(12,963)
Audio Visual	483,000	483,350	445,775	37,575
Contractual Services	298,000	298,000	252,079	45,921
Telephone	215,000	215,900	215,854	46
Travel	39,000	34,000	30,731	3,269
Printing	140,000	148,000	173,746	(25,746)
Insurance	32,500	32,500	24,829	7,671
Utilities	45,000	45,000	44,100	900
Building & Maintenance	218,000	251,000	285,932	(34,932)
Miscellaneous	1,032,500	1,136,950	902,328	234,622
Capital Outlay	50,000	50,000	8,958	41,042
Total Expenditures	<u>\$8,603,000</u>	<u>\$8,603,000</u>	<u>\$8,109,108</u>	<u>\$493,892</u>
<b><u>REVENUES OVER EXPENDITURES</u></b>	<u>\$314,000</u>	<u>\$314,000</u>	<u>\$1,060,293</u>	<u>\$746,293</u>
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>			<u>5,073,580</u>	
<b><u>FUND BALANCE - END OF YEAR</u></b>			<u>\$6,133,873</u>	

The notes to financial statements are an integral part of this statement.

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Genesee District Library (the Library) was organized under the provisions of the District Library Act of the State of Michigan. The electorate created the Genesee District Library on January 1, 1980. The primary purpose of Genesee District Library is to provide support services for nineteen county locations. The Library is located in Flint Township, Michigan. The Library is funded primarily through a tax levy, state aid, fines, and fees. Revenue is used to operate and staff the Library.

The accounting policies of the Genesee District Library conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

REPORTING ENTITY

The Genesee District Library is governed by an appointed eight member board of which four appointees are from Genesee County Board of Commissioners and four appointees are from Grand Blanc Township. The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting unit. Based on these criteria, there are no component units of the Library that are to be included in the reporting entity.

ACCOUNTING AND REPORTING PRINCIPLES

The Library follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

REPORT PRESENTATION

Governmental accounting principles require that financial reports include two different perspectives – the government-wide perspective and the fund-based perspective. The individual fund column presents the Library’s activities on the modified accrual basis of accounting, as discussed above, which demonstrates accountability for how the current resources have been spent. The government-wide columns are presented on the economic resources measurement focus and the full accrual basis of accounting, in order to measure the cost of providing government services, and the extent to which constituents have paid the full cost of government services.

On the full accrual basis of accounting, revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

FUND ACCOUNTING

The Library accounts for its various activities in one fund, the General Fund. The General Fund accounts for all financial resources used to provide general governmental services.

BASIS OF ACCOUNTING

The General Fund uses the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as sick and vacation pay) are not counted until they become due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the Library considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: property taxes, penal fines, state aid, library fines, fees and other.

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT AMOUNTS

CASH AND CASH EQUIVALENTS

The Library considers highly liquid investments with an original maturity of one year or less when purchased to be cash equivalents. Investments are reported at fair market value and determined using selected bases. Short-term investments are reported at cost, which approximate fair values. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

PREPAID EXPENSES

Prepaid balances are for payments made by the Library in the current year to provide services occurring in the subsequent fiscal year.

CAPITAL ASSETS

Capital assets are defined by the Library with an initial cost of more than \$1,000. Such assets are recorded at cost or, if donated, at their estimated fair value on the date donated.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred.

Depreciation on such capital assets is charged as an expense against the operations on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities</u> <u>Estimated Lives (Years)</u>
Equipment and Furniture	5 – 7
Leasehold Improvements	10 – 15

Inexhaustible Collections and Books

Because the values of the existing inexhaustible collections, including research books, are not readily determinable, the library has not capitalized them.

REVENUE RECOGNITION

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Library reports any donor-restricted contributions whose restrictions are not in the same accounting period as unrestricted support.

CONTRIBUTED FACILITIES

The Library occupies certain premises, which are located in government owned buildings, without charge or at a nominal charge of \$1. The estimated fair rental value of the premises is reported as support and the corresponding expenses are shown in the period in which the premises are used. The Library does not actually own or control the locations. The Library furnishes services and personnel for these various locations.

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

The Library reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Sick and vacation leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick and vacation leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the Library's past experience of making termination payments.

The compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

CONTRIBUTION ADVANCES

Gift advances from donors are recognized as revenue as they are earned. Prepayments are recorded as advanced until the revenue is earned over the year.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

FUND BALANCE

Fund balances for each of the Library's governmental funds are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- \* Nonspendable fund balance - amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- \* Committed fund balance - amounts that can be spent only for specific purposes determined by a formal action resolution of the Library's highest level of decision-making authority, the Board of Trustees.
- \* Assigned fund balance - amounts the Library intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The intent is expressed by the Board of Trustees.
- \* Unassigned fund balance - amounts that are available for any purpose; these amounts can be reported only in the Library's General Fund.

The Library would typically use restricted fund balance first, followed by committed resources, and then assigned resources as appropriate opportunities arise, but reserve the right to selectively spend unassigned resources first to defer the use of these classified funds.

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, was issued by the GASB in June 2012 and will be effective for the Library's 2015 fiscal year. The Statement requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. Statement 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the pension liabilities and expense.

2) BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at fiscal year end. The annual budget is prepared by the Library's departments head and finance department. The budget is presented to the Library board for adoption. Subsequent amendments are approved by the Library board.

The budget has been adopted for the Library's activity in total; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the General Fund budget as prepared by the Library board is included in the subtotals for total revenue and total expenditures. The remaining budget-to-actual detail is used to provide additional analysis for management purposes.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

3) DEPOSITS

Michigan Compiled Laws, Section 129.91, authorizes the Library to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA).

Deposits - The Board authorized the following financial institutions for the deposit of the Library's funds for the year ended December 31, 2014: Chase Bank, First Merit Bank, Security Federal Credit Union, ELGA Credit Union, Dort Federal Credit Union, Chemical Bank, Huntington National Bank, and Financial Plus Federal Credit Union.

At December 31, 2014, the carrying amount of the Library's deposits, on the books was \$6,235,877. The bank balance with financial institutions classified as to risk was as follows:

Insured (FDIC or FSLIC)	\$1,507,901
Uninsured – Uncollateralized	<u>4,823,157</u>
<u>TOTAL</u>	<u><u>\$6,331,058</u></u>

A significant portion of the uninsured balance is deposited in Chase Bank.

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

4) PROPERTY TAXES

Property taxes for the Library are levied on December 1 by various cities and townships in the County of Genesee, and are due 90 days after the levy date. The taxes are collected by each levying governmental unit and remitted to the Library. The delinquent real property taxes are purchased by the County, and delinquent personal property taxes continue to be collected by the municipalities and recorded as revenue as they are collected. The county sells tax notes, the proceeds of which have been used to pay the Library for these delinquent real property taxes. These delinquent real property taxes have been recorded as revenue in the current year.

5) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Ending</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Equipment and Furniture	\$1,200,400	\$1,669	\$126,245	\$1,075,824
Leasehold Improvement	768,913	0	374,609	394,304
Vehicles	25,382	0	0	25,382
Totals at Historical Cost	<u>\$1,994,695</u>	<u>\$1,669</u>	<u>\$500,854</u>	<u>\$1,495,510</u>
Less: Accumulated Depreciation	<u>(1,860,220)</u>	<u>(21,043)</u>	<u>(500,854)</u>	<u>(1,380,409)</u>
 <u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS - NET</u>	<u>\$134,475</u>	<u>(\$19,374)</u>	<u>\$0</u>	<u>\$115,101</u>

Depreciation expense was \$21,043 for the year ended December 31, 2014.

6) LONG-TERM DEBT

A summary of the debt outstanding at the Library is as follows:

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Ending</u>
<u>Governmental Activities:</u>				
Compensated Absences	<u>\$155,000</u>	<u>\$0</u>	<u>\$10,000</u>	<u>\$145,000</u>

The compensated absences represent the estimated liability to be paid to employees under various sick and vacation pay contracts. Under the Library's various contracts, employees earn vacation and sick time based on time of service with the Library.

7) CONTRIBUTION ADVANCES

Changes in contribution advances are summarized below:

Balance – Beginning	\$298,436
Additions	
Contributions, Legacies and Bequests	39,279
Total	<u>\$337,715</u>
Deductions - Funds Expended During the Year	<u>90,246</u>
<u>BALANCE – ENDING</u>	<u>\$247,469</u>

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

8) ASSIGNED FUND BALANCE

Assigned fund balance as of December 31, 2014 is as follows:

Equipment Fund	\$305,300
Election Fund	1
LSCA Title II (20 year/2014, HQ Building Grant)	101,250
Retiree Health Care Premium Fund	500,000
 <u>TOTAL</u>	 \$906,551

9) LEASE

The Library leases various pieces of branch and office equipment. The Library has a lease with Genesee Valley Partners, LP. The branch is located within Genesee Valley Center, Flint, MI. On December 17, 2014, the Library amended the lease with Genesee Valley Partners, L.P. that changed the monthly lease payments to \$2,662 beginning on January 1, 2015 and continuing through December 31, 2017. The Library also has a lease with Xerox for 17 copiers for 60 months beginning in April 2014 with minimum monthly lease payments of \$123.

The future obligations are as follows:

2015	\$57,047
2016	57,047
2017	57,047
2018	25,104
2019	8,368
 <u>TOTAL</u>	 \$204,613

10) DEFINED BENEFIT PENSION PLAN

Plan Description and Provisions

The County administers a contributory agent-multiple employer defined benefit pension plan known as the Genesee County Employees Retirement System (GCERS). GCERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the system as a whole. This report can be obtained from the Retirement Coordinator at the County's administrative offices, located at 1101 Beach Street, Flint, MI 48502.

GCERS was organized pursuant to Section 12a of Act 156, State of Michigan Public Acts of 1851 (MSA 5.33(a); MCLA 46.12a) as amended. GCERS was established by ordinance in 1946, beginning with general County employees and the County Road Commission. Genesee County Water and Waste Services joined the system in 1956, Genesee County Mental Health joined in 1966, the City of Mt. Morris in 1969, and the Genesee District Library in 1980. The GCERS is regulated under the Genesee County Employees' Retirement System Ordinance, the sections of which have been approved by the State of Michigan Pension Commission. All new-hire general County and Community Mental Health employees may only join the defined contribution plan.



GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

10) DEFINED BENEFIT PENSION PLAN (Continued)

Most of the Library employees are eligible to participate in the GCERS. Employees hired on or after January 1, 1998, shall be required to contribute 2.0% of their gross compensation for each payroll period to the Retirement System. Employees hired prior to January 1, 1998, shall be required to contribute 1.5% of their gross compensation for each payroll period to the Retirement System. A basic plan member, hired before July 1, 1995, may retire at age 60 with 8 or more years of credited service. A basic plan member, hired after July 1, 1995, may retire at age 60 with 12 or more years of credited service. The annual retirement benefit, payable monthly for life, is equal to the final average compensation (FAC) times the sum of a) 2.3% for the first 25 years of service plus b) 1.0% for years of service in excess of 25 years. Maximum employer financed portion is 60% of FAC. Final average compensation is the employee's average salary over the last highest 5 years out of the last 10 years of credited service. For 3 administration employees FAC is the highest 2 years.

Membership in the plan at December 31, 2013, the date of the latest actuarial valuation, was comprised of 793 active plan members, 75 inactive vested members, and 1,657 retirees and beneficiaries.

Annual Pension Cost

The annual pension cost (APC), percentage of APC contributed, and net pension obligation (NPO), for the years ended December 31, 2013, 2012, and 2011, are summarized as follows:

Year End December 31,	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation (Asset)
2011	\$386,393	100%	0
2012	395,471	100%	0
2013	485,039	100%	0

Actuarial Methods and Assumptions

In the December 31, 2013 actuarial valuation (the most recent actuarial valuation) the individual entry age cost method was used. Significant actuarial assumptions used include an (1) 8.0% investment rate of return, (2) projected salary increased of 3.0% across-the-board, and (3) postretirement benefit increases depending on benefit group. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The amortization method being used is a level of percentage-of-payroll on an open basis. The remaining amortization period for unfunded actuarial accrued liability is 25 years.

Funding Progress

Actuarial Valuation as of	12/31/2011	12/31/2012	12/31/2013
Actuarial Value of Assets	\$11,621,634	\$12,061,376	\$12,681,711
Actuarial Accrued Liability (Entry Age)	15,497,117	15,038,357	15,289,817
Unfunded AAL	3,875,483	2,976,981	2,608,106
Funded Ratio	75.0%	80.2%	82.9%
Covered Payroll	3,246,428	2,891,440	2,760,554
UAAL as a % of Covered Payroll	119.4%	103.0%	94.5%

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

11) DEFINED CONTRIBUTION PLAN

Effective January 1, 2013, the Library implemented a new defined contributions plan administered by Municipal Employees' Retirement System (MERS). The plan may be amended according to the provisions of 1996 PA 220. All new employees with a hire date on or after January 1, 2013 are eligible for this plan and no new participants will be enrolled in the library's defined benefit plan.

Employees covered by the plan are eligible to participate from the date of employment. The Plan defines the library's contribution at 3 percent of the employee's gross pay. Employees are one hundred percent vested in their contributions immediately. Employer and employee contributions to the Plan for the year ended December 31, 2014 totaled \$19,631 and \$25,483, respectively.

12) OTHER POST-EMPLOYMENT BENEFITS PLAN

The Library provides post-employment insurance benefits to certain eligible employees through a single-employer defined benefit plan administered by the Library. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the Library.

Annual OPEB Cost and Net OPEB Obligation

The Library's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the Library, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Nos. 43 and 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Library's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Library's net OPEB obligation to the plan:

Annual OPEB Cost and Net OPEB Obligation (Continued)

Annual Required Contribution	\$922,868
Interest on Net OPEB Obligation	160,704
Adjustment to Annual Required Contribution	<u>(270,421)</u>
Annual OPEB Cost (Expense)	\$813,151
Contributions Made	<u>(417,881)</u>
Increase in Net OPEB Obligation	\$395,270
 Net OPEB Obligation - Beginning of Year	 <u>4,017,599</u>
 Net OPEB Obligation - End of Year	 <u><u>\$4,412,869</u></u>

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

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12) OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Employer</u> <u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2012	1,108,458	368,153	33%	3,596,301
2013	792,337	371,039	47%	4,017,599
2014	792,337	417,881	53%	4,580,750

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$9,581,524 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,581,524.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013, actuarial valuation, the projected unit credit method was used. The actuarial assumptions include: a 4% discount rate and an initial inflation rate of 5%. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at December 31, 2013 was 24 years.

GENESEE DISTRICT LIBRARY  
NOTES TO FINANCIAL STATEMENTS

13) RECONCILIATION OF FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Total fund balance and the net change in fund balance of the Library's General Fund differs from net assets and change in net assets of the governmental activities reported in the statement of net assets and statement of activities. This difference primarily results from the long-term economic focus of the statement of net assets and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net assets and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$6,133,873
Amounts Reported in the Statement of Net Assets Are	
Different Because:	
Capital Assets are Not Financial Resources, and are Not Reported in the Funds	115,101
Long-Term Liabilities	<u>(4,557,869)</u>
<u>NET ASSETS OF GENERAL FUND - FULL ACCRUAL BASIS</u>	<u>\$1,691,105</u>
Net Changes in Fund Balances - Modified Accrual Basis	\$1,060,293
Amounts Reported in the Statement of Activities Are	
Different Because:	
Capital Outlays are Reported as Expenditures in the Statement of Revenue, Expenditures, and Changes in Fund Balance; in the Statement of Activities, These Costs are Allocated Over Their Estimated Useful Lives as Depreciation:	
Decrease in Long-Term Liabilities	10,000
Healthcare - OPEB	(395,270)
Purchase of capital assets	1,669
Depreciation	<u>(21,043)</u>
<u>CHANGES IN NET ASSETS OF GENERAL FUND - FULL ACCRUAL BASIS</u>	<u>\$655,649</u>

14) CONTINGENT LIABILITIES

During 2013, a former employee of the Library filed suit regarding a termination of employment matter. As of the date of the report, the matter has not been resolved and a potential loss amount, if any, has not been determined.

15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditor's opinion, the date on which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**(unaudited – not covered by audit opinion)**

GENESEE DISTRICT LIBRARY  
GASB STATEMENT 27 REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered payroll ((b-a)/c)
12-31-11	11,621,634	15,497,117	3,875,483	75.0%	3,246,428	119.4%
12-31-12	12,061,376	15,038,357	2,976,981	80.2%	2,891,440	103.0%
12-31-13	12,681,711	15,289,817	2,608,106	82.9%	2,760,554	94.5%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12-31-11	12/31/2011	386,393	100.0%
12-31-12	12/31/2012	395,471	100.0%
12-31-13	12/31/2013	485,039	100.0%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2013, the latest actuarial valuation, follows:

Amortization method	Level percent-of-payroll, Open
Amortization period	25 years
Asset valuation method	4-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases *	3.00% to 7.03%
* Includes inflation at	3.00%
Cost of living adjustments	None

GENESEE DISTRICT LIBRARY  
GASB STATEMENT 45 REQUIRED SUPPLEMENTARY INFORMATION

RETIRED EMPLOYEES HEALTHCARE PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered payroll ((b-a)/c)
12-31-07	0	6,904,200	6,904,200	0.0%	3,966,626	174.1%
12-31-10	0	11,603,048	11,603,048	0.0%	3,523,681	329.3%
12-31-13	0	9,581,524	9,581,524	0.0%	2,872,866	333.5%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	% Contributed	Annual Net OPEB Obligation	Percentage Contributed
12-31-12	1,108,458	368,153	33.2%	3,596,301	0.0%
12-31-13	792,337	371,039	46.8%	4,017,599	0.0%
12-31-14	813,151	417,881	51.4%	4,412,869	0.0%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2013, the latest actuarial valuation, follows:

Amortization method	Level dollar, closed
Amortization period	24 years
Asset valuation method	N/A - plan is not pre-funded
Actuarial assumptions:	
Discount rate	4.00%
Projected salary increases	N/A
Medical inflation rate	7.00% graded down to 5% over 2 years
Cost of living adjustments	None

**OTHER SUPPLEMENTAL  
INFORMATION**



GENESEE DISTRICT LIBRARY  
SCHEDULE OF OTHER EXPENDITURES AS COMPARED TO BUDGET - OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b><u>SALARIES</u></b>				
Salary - Administration	\$531,000	\$481,000	\$488,944	(\$7,944)
Salary - Full Time	2,320,000	2,320,000	2,316,267	3,733
Salary - Part Time	71,000	72,850	72,814	36
Salary - Overtime	60,000	53,000	51,573	1,427
Salary - Shelves	347,000	357,000	356,498	502
Longevity	47,000	47,000	47,000	0
Total Salaries	<u>\$3,376,000</u>	<u>\$3,330,850</u>	<u>\$3,333,096</u>	<u>(\$2,246)</u>
<b><u>FRINGE BENEFITS</u></b>				
Social Security	264,000	256,850	254,810	2,040
Retirement	436,000	396,000	384,507	11,493
Medical Insurance	625,000	575,000	564,681	10,319
Dental Insurance	73,000	73,000	62,036	10,964
Life and Disability	40,000	40,000	38,989	1,011
Worker's Compensation	20,000	20,600	20,579	21
Unemployment	10,000	10,000	0	10,000
Optical Insurance	10,000	10,000	8,797	1,203
Educational Reimbursement	6,000	6,000	4,800	1,200
Annuity Expenditure	40,000	40,000	31,067	8,933
Total Fringe Benefits	<u>\$1,524,000</u>	<u>\$1,427,450</u>	<u>\$1,370,266</u>	<u>\$57,184</u>
<b><u>SUPPLIES</u></b>				
Office Supplies	5,000	5,000	2,295	2,705
Operating Expenditures	200,000	200,000	142,628	57,372
Postage and Shipping	35,000	35,000	28,427	6,573
Total Supplies	<u>\$240,000</u>	<u>\$240,000</u>	<u>\$173,350</u>	<u>\$66,650</u>
<b><u>BOOKS</u></b>				
Books - e-Books	22,000	22,000	21,600	400
Books - Paperbacks	39,000	39,000	32,956	6,044
Books - Reference	186,000	186,000	151,088	34,912
Books - System	612,000	612,000	578,457	33,543
Total Books	<u>\$859,000</u>	<u>\$859,000</u>	<u>\$784,101</u>	<u>\$74,899</u>
<b><u>PERIODICALS</u></b>				
Magazines and Newspapers	51,000	51,000	63,963	(12,963)
<b><u>AUDIO - VISUAL</u></b>				
CD's and Video Media	13,000	13,000	9,608	3,392
A-V Microfilm - Materials	4,000	4,350	4,316	34
Digital Video Disks	220,000	220,000	210,933	9,067
Digital Media	185,000	185,000	170,926	14,074
Audio Media	61,000	61,000	49,992	11,008
Total Audio - Visual	<u>\$483,000</u>	<u>\$483,350</u>	<u>\$445,775</u>	<u>\$37,575</u>

GENESEE DISTRICT LIBRARY  
SCHEDULE OF OTHER EXPENDITURES AS COMPARED TO BUDGET - OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b><u>CONTRACTUAL SERVICES</u></b>				
Attorney	\$30,000	\$22,400	\$16,313	\$6,087
Payroll	13,000	13,000	7,304	5,696
Auditor	10,000	10,000	9,700	300
Consultant	0	7,600	7,550	50
Programming	80,000	80,000	66,059	13,941
Software	64,000	64,000	56,803	7,197
Staff Development	8,000	8,000	6,279	1,721
Collection Costs	35,000	35,000	28,228	6,772
O.C.L.C. and M.L.C.	58,000	58,000	53,843	4,157
Total Contractual Services	<u>\$298,000</u>	<u>\$298,000</u>	<u>\$252,079</u>	<u>\$45,921</u>
<b><u>TELEPHONE</u></b>				
Telephone	215,000	215,900	215,854	46
<b><u>TRAVEL</u></b>				
Travel - Regular	25,000	23,000	21,710	1,290
Travel - Workshop	7,000	5,000	3,375	1,625
Gas and Oil	7,000	6,000	5,646	354
Total Travel	<u>\$39,000</u>	<u>\$34,000</u>	<u>\$30,731</u>	<u>\$3,269</u>
<b><u>PRINTING AND ADVERTISING</u></b>				
Public Relations	70,000	78,000	77,916	84
Printing and Publishing	40,000	40,000	37,488	2,512
Events, Sponsorships, and Themes	30,000	30,000	58,342	(28,342)
Total Printing and Advertising	<u>\$140,000</u>	<u>\$148,000</u>	<u>\$173,746</u>	<u>(\$25,746)</u>
<b><u>INSURANCE</u></b>				
Building and Contents	15,000	15,000	14,812	188
Liability and Bonds	12,000	12,000	7,353	4,647
Automobile Insurance	5,500	5,500	2,664	2,836
Total Insurance	<u>\$32,500</u>	<u>\$32,500</u>	<u>\$24,829</u>	<u>\$7,671</u>
<b><u>UTILITIES</u></b>				
Public Utilities	45,000	45,000	44,100	900
<b><u>BUILDING AND MAINTENANCE</u></b>				
Equipment Repairs and Maintenance	6,000	6,000	3,801	2,199
Equipment Service Contracts	94,000	121,400	127,023	(5,623)
Equipment Lease	15,000	30,500	30,270	230
Building Repairs and Maintenance	15,000	15,000	12,256	2,744
Building Service Contracts	77,000	65,000	63,797	1,203
Building Supplies	6,000	6,000	3,821	2,179
Computer Parts and Supplies	5,000	7,100	44,964	(37,864)
Total Building and Maintenance	<u>\$218,000</u>	<u>\$251,000</u>	<u>\$285,932</u>	<u>(\$34,932)</u>

GENESEE DISTRICT LIBRARY  
SCHEDULE OF OTHER EXPENDITURES AS COMPARED TO BUDGET - OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>MISCELLANEOUS</u>				
Rent	\$1,500	\$1,750	\$1,704	\$46
Refunds	5,000	5,000	3,235	1,765
Memberships	4,000	4,000	3,932	68
Director's Business Expenditure	500	500	11	489
Contributed Facilities	760,000	760,000	747,945	12,055
Depreciation and Disposal	250,000	250,000	0	250,000
Gift and Grant Expenditures	10,000	114,200	144,882	(30,682)
Transfers	0	0	0	0
Board Expenditure	1,500	1,500	619	881
Total Miscellaneous	<u>\$1,032,500</u>	<u>\$1,136,950</u>	<u>\$902,328</u>	<u>\$234,622</u>
 <u>OTHER</u>				
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>8,958</u>	<u>41,042</u>
 <u>TOTAL OPERATING EXPENDITURES</u>	 <u>\$8,603,000</u>	 <u>\$8,603,000</u>	 <u>\$8,109,108</u>	 <u>\$493,892</u>