

GENESEE DISTRICT LIBRARY

FLINT, MICHIGAN

AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	I - II
Management's Discussion and Analysis	III - VI
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	1
Statement of Activities	2
Budgetary Comparison Schedules:	
Operating Fund	3
Notes to the Financial Statements	4 - 12
Required Supplementary Information	
GASB Statement 25 Required Supplementary Information	13
GASB Statement 45 Required Supplementary Information	14
Other Supplemental Schedules:	
Schedule 1 - Schedule of Other Expenditures as Compared to Budget - Operating Fund for the Year Ended December 31, 2011	15 - 17



April 6, 2012

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Genesee District Library

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, 2011, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Genesee District Library's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 each major fund of Genesee District Library as of December 31, 2011, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress identified as required supplementary information in the table of contents 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genesee District Library's financial statements as a whole. The schedule of other expenditures as compared to budget-operating fund is presented for purposes of additional analysis and are not a required part of the financial statements. The schedule is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



LEWIS & KNOFF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GENESEE DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

USING THIS ANNUAL REPORT

This annual report consists of three parts: *Management's Discussion and Analysis* (this section), the *basic financial statements*, and *required supplementary information*.

- * The statement of net assets 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 Assets and the Statement of Activities provide information about the activities of the Library on a longer-term view of the Library's finances.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

CONDENSED FINANCIAL INFORMATION

The following table below shows key financial information in a condensed format:

	2011	2010
ASSETS		
Current Assets	\$2,736,346	\$2,753,699
Non-Current Assets	195,340	308,401
TOTAL ASSETS	\$2,931,686	\$3,062,100
LIABILITIES		
Current Liabilities	\$162,022	\$208,854
Non-Current Liabilities	3,060,996	2,306,504
Total Liabilities	\$3,223,018	\$2,515,358
NET ASSETS		
Invested in Capital Assets - Net of Related Debt	195,340	308,401
Unrestricted - As Restated (Deficit)	(486,672)	169,662
Total Net Assets (Deficit)	(\$291,332)	\$478,063
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$2,931,686	\$2,993,421
REVENUE		
Property Taxes	\$6,282,711	\$7,195,717
Other	1,721,251	1,787,865
Total Revenue	\$8,003,962	\$8,983,582
<u>EXPENDITURES - LIBRARY SERVICES</u>	8,729,959	9,601,512
CHANGE IN NET ASSETS	(\$725,997)	(\$617,930)

GENESEE DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

THE LIBRARY AS A WHOLE

- * The Library is reporting financial statements this year that meet the requirements of GASB 34.
- * The Library's primary source of revenue is from property taxes. For 2011, total tax collections were \$6,282,711. This represents approximately 79 percent of total revenue.
- * Salaries and fringe benefits are the largest overall expenditure of the Library. For 2011, this expenditure was \$5,633,473, representing 65 percent of the Library's total expenditures.
- * Library materials (books, periodicals and audio visuals) of \$1,103,803 are the second largest overall expenditure of the Library, representing 13 percent of the Library's total expenditures.

THE LIBRARY'S FUND

Our analysis of the Library's Operating Fund is included on pages 1 and 2 of the respective statements.

- * The fund balance of the Operating Fund decreased by \$725,997 for the year. This represents expenses greater than revenues. The excess expenditures over revenues was approved by the Genesee District Library board.
- * The Library Board has designated funds established for budget stabilization (see Note 7).

OPERATING FUND BUDGET & ACTUAL REVENUES & EXPENDITURES

OPERATING FUND BUDGET VS. ACTUAL

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Original & Final <u>Budget %</u>	Variance Actual & Final <u>Budget %</u>
Revenues	\$8,281,000	\$8,093,500	\$8,003,962	2.32	1.11
Expenditures	<u>8,922,400</u>	<u>8,922,400</u>	<u>8,729,959</u>	0.00	2.16
<u>TOTAL</u>	<u>(\$641,400)</u>	<u>(\$828,900)</u>	<u>(\$725,997)</u>		

GENESEE DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Original vs. Final Budgets

Changes to the original and final budgets are due to reduced property tax revenue, State Aid revenue and investment revenue.

Actual Results vs. Final Budgets

Revenues

State Aid, penal fines and grant revenues were less than anticipated.

Expenditures

Actual expenditures in various categories were less due to reduction in staff and other cost cutting measures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As a result of GASB 34 implementation, the library adopted a capitalization policy of \$1,000. Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance <u>Jan. 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>Dec. 31, 2011</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Equipment and Furniture	\$1,530,091	\$0	\$264,176	\$1,265,915
Leasehold Improvement	707,719	0	0	707,719
Totals at Historical Cost	\$2,211,923	\$0	\$264,176	\$1,973,634
Less: Accumulated Depreciation	(1,929,408)	(112,358)	(263,472)	(1,778,294)
<u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS - NET</u>	<u>\$407,163</u>	<u>(\$112,358)</u>	<u>\$704</u>	<u>\$195,340</u>

Significant capital asset deductions consists of the computer equipment disposals.

DEBT

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

	Balance <u>Jan. 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>Dec. 31, 2011</u>
<u>Governmental Activities:</u>				
Compensated Absences	\$262,629	\$0	\$57,629	\$205,000

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

MILLAGE RATES

During 2007, the voters of the district approved a millage, authorized by election charter, of .7481 mills for a period of ten years.

During 2011, the voters of the district approved a millage, of .25 mills for a period of six years.

GENESEE DISTRICT LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Library's 2012 adopted budget is as follows:

REVENUE	\$9,393,000
EXPENDITURES	<u>9,393,000</u>
<u>NET (UNDER) BUDGET</u>	<u><u>\$0</u></u>

CONTACTING THE DISTRICT'S FINANCIAL 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 ASSETS
AS OF DECEMBER 31, 2011

	<u>General Fund - Modified Accrual Basis</u>	<u>Adjustments (Note 12)</u>	<u>State of Net Assets - Full Accrual Basis</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	\$2,447,510	\$0	\$2,447,510
Accounts Receivable	271,150	0	271,150
Prepaid Expenses	17,686	0	17,686
Total Current Assets	<u>\$2,736,346</u>	<u>\$0</u>	<u>\$2,736,346</u>
<u>NON-CURRENT ASSETS</u>			
Capital Assets	0	1,973,635	1,973,635
Less: Accumulated Depreciation	0	(1,778,295)	(1,778,295)
Total Noncurrent Assets	<u>\$0</u>	<u>\$195,340</u>	<u>\$195,340</u>
<u>TOTAL ASSETS</u>	<u>\$2,736,346</u>	<u>\$195,340</u>	<u>\$2,931,686</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$64,348	\$0	\$64,348
Deferred Revenue	97,674	0	97,674
Total Current Liabilities	<u>\$162,022</u>	<u>\$0</u>	<u>\$162,022</u>
<u>NON-CURRENT LIABILITIES</u>			
Compensated Absences	0	205,000	205,000
Net OPEB Obligation	0	2,855,996	2,855,996
Total Non-Current Liabilities	<u>\$0</u>	<u>\$3,060,996</u>	<u>\$3,060,996</u>
Total Liabilities	<u>\$162,022</u>	<u>\$3,060,996</u>	<u>\$3,223,018</u>
<u>FUND BALANCE/NET ASSETS</u>			
<u>FUND BALANCE</u>			
Non-Spendable	17,686		
Unassigned	2,556,638		
Total Fund Balance	<u>\$2,574,324</u>		
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$2,736,346</u>		
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt		195,340	195,340
Unrestricted		(3,060,996)	(486,672)
Total Net Assets (Deficit)		<u>(\$2,865,656)</u>	<u>(\$291,332)</u>
<u>TOTAL NET ASSETS</u>		<u>\$195,340</u>	<u>\$2,931,686</u>

See accompanying notes to the basic financial statements.

GENESEE DISTRICT LIBRARY
STATEMENT OF GOVERNMENTAL REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE/ STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund - Modified Accrual Basis</u>	<u>Adjustments (Note 12)</u>	<u>Statement of Activities - Full Accrual Basis</u>
<u>REVENUE</u>			
Property Taxes	\$6,282,711	\$0	\$6,282,711
State Penal Fines/Single Business Tax	364,925	0	364,925
State Aid	138,965	0	138,965
Investment Earnings	8,672	0	8,672
Grants, Contributions, Legacies, and Bequests	30,118	0	30,118
Library Fines, Fees and Other	416,571	0	416,571
Mid Eastern Michigan Library Cooperative	2,000	0	2,000
Use of Contributed Facilities	760,000	0	760,000
Total Revenue	<u>\$8,003,962</u>	<u>\$0</u>	<u>\$8,003,962</u>
<u>EXPENDITURES</u>	<u>7,862,405</u>	<u>867,554</u>	<u>8,729,959</u>
<u>REVENUE OVER (UNDER) EXPENDITURES (DEFICIT)</u>	<u>\$141,557</u>	<u>(\$867,554)</u>	<u>(\$725,997)</u>
<u>FUND BALANCE - BEGINNING OF YEAR - AS RESTATED</u>	<u>2,432,767</u>	<u>(1,998,102)</u>	<u>434,665</u>
<u>FUND BALANCE - END OF YEAR (DEFICIT)</u>	<u>\$2,574,324</u>	<u>(\$2,865,656)</u>	<u>(\$291,332)</u>

See accompanying notes to the basic financial statements

GENESEE DISTRICT LIBRARY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Property Taxes	\$6,606,000	\$6,282,700	\$6,282,711	\$11
State Penal Fines/Single Business Tax	425,000	364,900	364,925	25
State Aid	75,000	202,000	138,965	(63,035)
Investment Earnings	15,000	8,600	8,672	72
Grants, Contributions, Legacies, and Bequests	25,000	59,000	30,118	(28,882)
Library Fines, Fees and Other	375,000	416,300	416,571	271
Mid Eastern Michigan Library Cooperative	0	0	2,000	2,000
Use of Contributed Facilities	760,000	760,000	760,000	0
Total Revenues	<u>\$8,281,000</u>	<u>\$8,093,500</u>	<u>\$8,003,962</u>	<u>(\$89,538)</u>
<u>EXPENDITURES</u>				
Salaries and Wages	3,575,500	3,540,500	3,293,620	246,880
Fringe Benefits	1,692,000	1,692,000	2,339,853	(647,853)
Supplies	231,000	231,000	179,838	51,162
Books	945,000	945,000	793,430	151,570
Periodicals	65,000	65,000	47,139	17,861
Audio Visual	300,000	300,000	263,234	36,766
Contractual Services	337,000	337,000	251,578	85,422
Telephone	225,000	225,000	203,946	21,054
Travel	35,000	35,000	29,693	5,307
Printing	145,000	200,000	175,621	24,379
Insurance	24,500	24,500	21,966	2,534
Utilities	45,000	45,000	41,251	3,749
Building & Maintenance	192,500	192,500	174,194	18,306
Miscellaneous	1,009,900	1,028,400	914,596	113,804
Capital Outlay	100,000	61,500	0	61,500
Total Expenditures	<u>\$8,922,400</u>	<u>\$8,922,400</u>	<u>\$8,729,959</u>	<u>\$192,441</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(\$641,400)</u>	<u>(\$828,900)</u>	<u>(\$725,997)</u>	<u>\$102,903</u>
<u>FUND BALANCE - BEGINNING OF YEAR - AS RESTATED</u>			<u>\$434,665</u>	
<u>FUND BALANCE - END OF YEAR (DEFICIT)</u>			<u>(\$291,332)</u>	

See accompanying notes to the basic financial statements.

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Genesee District 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 accompanying basic financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing arrangements. Based on application of the criteria, the entity does not contain component units.

REPORTING ENTITY

The Genesee District Library is the basic level of government that has financial accountability and control over all activities related to the Library within the geographical area known Genesee County, excluding the City of Flint. The Library receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the Library is not included in any other governmental "reporting entity" as defined by GASB pronouncement. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the Library's reporting entity.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The Library has one operating Fund.

The Operating Fund is budgeted and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due. Normally, expenditures are divided between years by the recording of prepaid expenses. The prepaid expenses reported on the balance sheet represent payments made in advance for 2012 expenditures.

In addition to presenting information for the Operating Fund, the statements combine all fund activity and present information for the Library as a whole, using the economic resources measurement focus and the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both modified accrual and full accrual columns, to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Library has elected not to follow private sector standards issued after November 30, 1989 for its full accrual presentation.

Operating Fund

The operating fund represents resources over which the trustees have discretionary control and are used to carry out the operations of the organization.

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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 three months 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

Generally, 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 district library does not actually own or control the locations. The Genesee District Library furnishes services and personnel for these various locations.

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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.

DEFERRED REVENUE

Income is recognized as revenue as it is earned. Prepayments are recorded as deferred until the revenue is earned over the year.

INCOME TAX STATUS

The Library has been granted exemption from federal income taxes as an organization other than a private foundation under Internal Revenue Code.

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

Beginning with fiscal year 2011, the District implemented, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Fund balances for each of the District'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 District's highest level of decision-making authority, the Board of Trustees.
- * Assigned fund balance - amounts the District 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 District's General Fund.

The District 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
FOR THE YEAR ENDED DECEMBER 31, 2011

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

UPCOMING ACCOUNTING PRONOUNCEMENTS

In November 2010, GASB issued Statement No. 61, The Financial Reporting Entity Omnibus. This pronouncement, which is an amendment to Statement 14 and Statement 34, modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting components units as if they were part of the primary government (that is, blending) in certain circumstances. Lastly, the Statement also clarifies the reporting of equity interests in legally separate organizations. The District is currently evaluating the impact this standard will have on the financial statements when adopted, during the District's 2012-2013 fiscal year.

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. The District is currently evaluating the impact this standard will have on the financial statements when adopted, during the District's 2012-2013 fiscal year.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The Statement will be effective for the District's 2012-2013 fiscal year. The Statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This Statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Once implemented, this Statement will impact the format and reporting of the balance sheet at the government-wide level and also at the fund level.

2) 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, 2011: Chase Bank, Citizens Bank, Security Federal Credit Union, ELGA Credit Union, Bank of America, Dort Federal Credit Union and Chemical Bank.

At December 31, 2011, the carrying amount of the Library's deposits, on the books was \$2,447,510. The bank balance with financial institutions classified as to risk was as follows:

Insured (FDIC or FSLIC)	\$ 1,345,097
Uninsured – Uncollateralized	<u>1,191,728</u>
<u>TOTAL</u>	<u>\$ 2,536,825</u>

A significant portion of the uninsured balance is deposited in government money market accounts.

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

3) 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.

4) CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2011, was as follows:

	Balance Jan. 1, 2011	Additions	Deductions	Balance Dec. 31, 2011
<u>GOVERNMENTAL ACTIVITIES</u>				
Equipment and Furniture	\$1,530,091	\$0	\$264,176	\$1,265,915
Leasehold Improvement	707,719	0	0	707,719
Totals at Historical Cost	\$2,237,810	\$0	\$264,176	\$1,973,634
Less: Accumulated Depreciation	(1,929,408)	(112,358)	(263,472)	(1,778,294)
 <u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS - NET</u>	\$407,163	(\$112,358)	\$704	\$195,340

Depreciation expense was \$113,058 for the year ended December 31, 2011.

5) LONG-TERM DEBT

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

	Balance Jan. 1, 2011	Additions	Deductions	Balance Dec. 31, 2011
<u>Governmental Activities:</u>				
Compensated Absences	\$262,629	\$0	\$57,629	\$205,000

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.

6) DEFERRED REVENUE

Changes in deferred revenue are summarized below:

Balance – Beginning	\$ 68,678
Additions	
Contributions, Legacies and Bequests	59,114
Total	\$ 127,792
Deductions - Funds Expended During the Year	30,118
 <u>BALANCE – ENDING</u>	 \$ 97,674

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

7) DESIGNATED FUND BALANCE

With the implementation of GASB 34, designated fund balance is not presented on the financial statements but the board of directors have made some designations as of December 31, 2011. They are as follows:

Equipment Fund	\$ 305,900
Election Fund	1
LSCA Title II (20 year/2014, HQ Building Grant)	101,250
Retiree Health Care Premium Fund	250,000
 <u>TOTAL</u>	 <u>\$ 657,151</u>

8) LEASE

The Library leases various pieces of branch and office equipment including multiple copy machines. The Library also has a lease with Genesee Valley Partners, LP. The branch is located within Genesee Valley Center, Flint, MI. Monthly lease payments are \$2,313. The lease expires on July 31, 2013.

The future obligations are as follows:

2012	36,188
2013	24,628
2014	8,442
2015	7,032
 <u>TOTAL</u>	 <u>\$ 76,290</u>

9) DEFINED BENEFIT PENSION PLAN

The Library has a defined benefit pension plan covering substantially all employees. The plan is operated by the Genesee County Employees Retirement System (GCERS), which is an agent multiple-employer public employee retirement system (PERS). The pension plan provides retirement, survivor and disability benefits. Separate financial statements for the Library are prepared by GCERS on an annual basis.

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 1.0% of their gross compensation for each payroll period to the Retirement System. Employees hired prior to January 1, 1998, shall be required to contribute 0.5% 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.

The Library's current year covered payroll and its total current year payroll for all employees amounted to \$2,980,216 and \$3,293,619, respectively.

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

9) DEFINED BENEFIT PENSION PLAN (Continued)

The “pension benefit obligation” is a standardized disclosure measure of the present value of pension benefits adjusted for the effects of the projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the GCERS’s funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among GCERS and employers. The GCERS makes separate measurements of assets and pension benefit obligation for individual municipalities. The pension benefit obligation at December 31, 2010 (latest reporting date available) for the Library, determined through an actuarial valuation performed as of that date, was \$14,951,000. The benefit obligation is for vested and nonvested current employees. The Library’s net assets available for benefits on that date (valued at cost) were \$12,848,000, leaving an underfunded pension benefit obligation of \$(2,103,000). The Library made contributions of \$396,578 for the year ended December 31, 2011. The investment return rate and pay increase assumption used in making the actuarial valuation was 13%. The Library funding policy is to contribute annually an amount sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the Library may determine to be appropriate. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligations.

Ten year historical trend information showing the GCERS’s progress in accumulating sufficient assets to pay benefits when due is presented in the December 31, 2010 comprehensive annual financial report. Three year historical trend information is as follows:

VALUATION DATE	NET ASSETS AVAILABLE FOR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENT FUNDED	AMOUNT
12-31-08	\$ 439,812,757	\$ 527,639,697	83.4%	\$ 87,826,940
12-31-09	424,482,866	543,307,372	78.1%	118,824,506
12-31-10	401,700,454	564,033,044	71.2%	162,332,590

10) 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:

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

10) OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Annual Required Contribution	\$1,135,448
Interest on Net OPEB Obligation	50,831
Adjustment to Annual Required Contribution	<u>(77,821)</u>
Annual OPEB Cost (Expense)	\$1,108,458
Contributions Made	<u>(296,337)</u>
Increase in Net OPEB Obligation	\$812,121
 Net OPEB Obligation - Beginning of Year	 <u>2,043,875</u>
 Net OPEB Obligation - End of Year	 <u><u>\$2,855,996</u></u>

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>Change in</u> <u>Net OPEB</u> <u>Obligation</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2008	\$702,236	\$279,403	\$422,833	40%	\$795,013
2009	779,167	303,392	475,775	39%	1,270,788
2010	1,108,458	335,372	773,086	30%	2,043,875
2011	1,108,458	296,337	812,121	27%	2,855,996

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$11,603,048 and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$11,603,048.

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, 2010, actuarial valuation, the projected unit actuarial cost 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, 2010 was 27 years.

GENESEE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

11) NET ASSET RESTATEMENT

	<u>General Fund</u>
Net Assets - As Previously Stated	\$546,742
Adjustment to Correct Prior Year Receivables	(112,077)
 <u>NET ASSETS - AS RESTATED</u>	 \$434,665

12) 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	\$2,574,324
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Amounts Reported in the Statement of Net Assets Are

Different Because:

Capital Assets are Not Financial Resources, and are Not Reported in the Funds	195,340
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Long-Term Liabilities	(3,060,996)
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<u>NET ASSETS OF GENERAL FUND - FULL ACCRUAL BASIS</u>	<u>(\$291,332)</u>
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Net Changes in Fund Balances - Modified Accrual Basis	\$141,557
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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	57,629
Healthcare - OPEB	(812,121)
Loss Due to Sale of Assets	(704)
Depreciation	(112,358)

<u>CHANGES IN NET ASSETS OF GENERAL FUND - FULL ACCRUAL BASIS</u>	<u>(\$725,997)</u>
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13) 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 25 REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of covered payroll (b-a)/c</u>
12-31-05	\$412,739,184	\$467,582,019	\$54,842,835	88.3%	\$70,433,450	77.9%
12-31-06	445,962,298	490,334,814	44,372,516	91.0%	70,204,587	63.2%
12-31-07	461,349,321	514,859,339	53,510,018	89.6%	68,341,150	78.3%
12-31-08	439,812,757	527,639,697	87,826,940	83.4%	67,720,817	129.7%
12-31-09	424,482,866	543,307,372	118,824,506	78.1%	65,511,481	181.4%
12-31-10	401,700,454	564,033,044	162,332,590	71.2%	57,794,546	280.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12-31-05	12/31/2003	\$187,453	100.0%
12-31-06	12/31/2004	321,451	100.0%
12-31-07	12/31/2005	497,896	100.0%
12-31-08	12/31/2006	447,683	100.0%
12-31-09	12/31/2007	333,088	100.0%
12-31-10	12/31/2008	396,578	100.0%

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 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)
12-31-10	0	11,603,048	11,603,048	0.0%	3,538,705	327.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	% Contributed	Annual Net OPEB Obligation	Percentage Contributed
12-31-07	\$631,947	\$259,767	41.1%	372,180	0.0%
12-31-08	702,236	279,403	39.8%	795,013	0.0%
12-31-09	779,167	303,392	38.9%	1,270,789	0.0%
12-31-10	1,108,458	335,372	30.3%	2,043,875	0.0%
12-31-11	1,108,458	296,337	26.7%	2,855,996	0.0%

**OTHER SUPPLEMENTAL
INFORMATION**

GENESEE DISTRICT LIBRARY
SCHEDULE OF OTHER EXPENDITURES AS COMPARED TO BUDGET - OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>SALARIES</u>				
Salary - Administration	\$511,000	\$511,000	\$490,284	\$20,716
Salary - Full Time	2,540,600	2,505,600	2,325,353	180,247
Salary - Part Time	29,600	29,600	29,578	22
Salary - Overtime	65,000	65,000	54,239	10,761
Salary - Shelves	346,500	346,500	311,366	35,134
Longevity	82,800	82,800	82,800	0
Total Salaries	<u>\$3,575,500</u>	<u>\$3,540,500</u>	<u>\$3,293,620</u>	<u>\$246,880</u>
<u>FRINGE BENEFITS</u>				
Social Security	280,000	280,000	253,219	26,781
Retirement	385,000	385,000	360,544	24,456
Medical Insurance	810,000	807,500	733,099	74,401
Dental Insurance	77,000	77,000	62,884	14,116
Life and Disability	34,500	34,500	32,827	1,673
Worker's Compensation	14,000	16,500	16,053	447
Unemployment	35,000	35,000	26,847	8,153
Optical Insurance	15,000	15,000	12,276	2,724
Educational Reimbursemen	6,000	6,000	0	6,000
Annuity Expenditure	35,500	35,500	29,983	5,517
Healthcare - OPEB	0	0	812,121	(812,121)
Total Fringe Benefits	<u>\$1,692,000</u>	<u>\$1,692,000</u>	<u>\$2,339,853</u>	<u>(\$647,853)</u>
<u>SUPPLIES</u>				
Office Supplies	5,000	5,000	1,771	3,229
Operating Expenditures	190,000	190,000	145,819	44,181
Postage and Shipping	36,000	36,000	32,248	3,752
Total Supplies	<u>\$231,000</u>	<u>\$231,000</u>	<u>\$179,838</u>	<u>\$51,162</u>
<u>BOOKS</u>				
Books - e-Books	10,000	10,000	5,307	4,693
Books - Paperbacks	40,000	40,000	39,249	751
Books - Reference	245,000	245,000	219,153	25,847
Books - System	650,000	650,000	529,721	120,279
Total Books	<u>\$945,000</u>	<u>\$945,000</u>	<u>\$793,430</u>	<u>\$151,570</u>
<u>PERIODICALS</u>				
Magazines and Newspapers	65,000	65,000	47,139	17,861
<u>AUDIO - VISUAL</u>				
CD's and Video Media	20,000	20,000	11,757	8,243
A-V Microfilm - Materials	5,000	5,000	3,682	1,318
Digital Video Disks	200,000	193,500	166,773	26,727
Audio Media	75,000	81,500	81,022	478
Total Audio - Visual	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$263,234</u>	<u>\$36,766</u>

GENESEE DISTRICT LIBRARY
SCHEDULE OF OTHER EXPENDITURES AS COMPARED TO BUDGET - OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>CONTRACTUAL SERVICES</u>				
Attorney	\$28,000	\$28,000	\$13,245	\$14,755
Payroll	10,000	10,000	7,142	2,858
Auditor	12,000	12,000	8,500	3,500
Programming	100,000	100,000	97,695	2,305
Software	80,000	80,000	36,778	43,222
Staff Development	7,000	7,000	2,067	4,933
Collection Costs	40,000	40,000	34,528	5,472
O.C.L.C. and M.L.C.	60,000	60,000	51,623	8,377
Total Contractual Services	\$337,000	\$337,000	\$251,578	\$85,422
<u>TELEPHONE</u>				
Telephone	225,000	225,000	203,946	21,054
<u>TRAVEL</u>				
Travel - Regular	25,000	25,000	21,122	3,878
Travel - Workshop	5,000	5,000	4,213	787
Gas and Oil	5,000	5,000	4,358	642
Total Travel	\$35,000	\$35,000	\$29,693	\$5,307
<u>PRINTING AND ADVERTISING</u>				
Public Relations	65,000	69,000	68,620	380
Election Expenditures	0	55,000	54,448	552
Printing and Publishing	50,000	46,000	31,879	14,121
Events, Sponsorships, and Themes	30,000	30,000	20,674	9,326
Total Printing and Advertising	\$145,000	\$200,000	\$175,621	\$24,379
<u>INSURANCE</u>				
Building and Contents	12,000	14,000	13,740	260
Liability and Bonds	10,000	8,000	6,802	1,198
Automobile Insurance	2,500	2,500	1,424	1,076
Total Insurance	\$24,500	\$24,500	\$21,966	\$2,534
<u>UTILITIES</u>				
Public Utilities	45,000	45,000	41,251	3,749
<u>BUILDING AND MAINTENANCE</u>				
Equipment Repairs and Maintenance	6,000	7,000	6,882	118
Equipment Service Contracts	65,000	64,000	61,699	2,301
Equipment Lease	25,000	25,000	23,189	1,811
Building Repairs and Maintenance	11,500	13,000	12,702	298
Building Service Contracts	77,000	75,500	62,938	12,562
Building Supplies	5,000	5,000	3,286	1,714
Computer Parts and Supplies	3,000	3,000	3,498	(498)
Total Building and Maintenance	\$192,500	\$192,500	\$174,194	\$18,306

GENESEE DISTRICT LIBRARY
SCHEDULE OF OTHER EXPENDITURES AS COMPARED TO BUDGET - OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>MISCELLANEOUS</u>				
Rent	\$1,200	\$2,700	\$2,262	\$438
Refunds	3,200	4,200	4,006	194
Memberships	3,800	3,800	3,785	15
Director's Business Expenditure	200	200	97	103
Contributed Facilities	760,000	760,000	760,000	0
Depreciation and Disposal	225,000	225,000	113,058	111,942
Gift and Grant Expenditures	15,000	31,000	30,493	507
Board Expenditure	1,500	1,500	895	605
Total Miscellaneous	<u>\$1,009,900</u>	<u>\$1,028,400</u>	<u>\$914,596</u>	<u>\$113,804</u>
<u>OTHER</u>				
Capital Outlay	<u>100,000</u>	<u>61,500</u>	<u>0</u>	<u>61,500</u>
<u>TOTAL OPERATING EXPENDITURES</u>	<u>\$8,922,400</u>	<u>\$8,922,400</u>	<u>\$8,729,959</u>	<u>\$192,441</u>