

**Brandon Township Public Library
Oakland County, Michigan**

**Financial Report
December 31, 2007**

Brandon Township Public Library

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Independent Auditor's Report

To the Brandon Township Public Library Board
Brandon Township
Oakland County, Michigan

We have audited the financial statements of the governmental activities and the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Brandon Township Public Library, Oakland County Michigan as of and for the year ended December 31, 2007, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated June 17, 2008, which expressed unqualified opinions on the financial statements of the governmental activities and the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. Those basic financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on those basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Brandon Township's basic financial statements. The accompanying financial statements of Brandon Township Public Library are presented for the purpose of additional analysis and are not a required part of the Library's basic financial statements. The information presented has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

June 17, 2008

Brandon Township Public Library

Management's Discussion and Analysis

Our discussion and analysis of Brandon Township Public Library's financial performance provides an overview of the Library's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the Library's financial statements.

Using this Annual Report

The basic financial statements for the Library are comprised of the governmental fund balance sheet/statement of net assets, statement of governmental fund revenue, expenditures, and changes in fund balance/statement of activities, and notes to the financial statements.

The statement of net assets presents the information of the governmental fund for both the assets and liabilities, with the difference between the two reported as net assets.

The statement of activities presents information showing how the governmental fund's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the governmental fund financial statements.

Brandon Township Public Library

Management's Discussion and Analysis (Continued)

Governmental Activities

The following table shows, in a condensed format, the current year's net assets and changes in net assets, compared to the prior year:

	2005	2006	2007	Change in:	
				Dollars	%
Assets:					
Cash and investments	\$ 201,012	\$ 178,847	\$ 139,272	\$ (39,575)	-22%
Property taxes receivable	848,587	942,615	980,244	37,629	4%
Other assets	26,879	-	4,222	4,222	0%
Capital assets	<u>4,195,495</u>	<u>4,025,401</u>	<u>3,887,484</u>	<u>(137,917)</u>	-3%
Total assets	5,271,973	5,146,863	5,011,222	(135,641)	-3%
Liabilities:					
Current liabilities	260,494	238,795	243,884	5,089	2%
Deferred revenue	848,587	942,615	980,244	37,629	4%
Long-term liabilities	<u>3,030,521</u>	<u>2,839,569</u>	<u>2,630,509</u>	<u>(209,060)</u>	-7%
Total liabilities	<u>4,139,602</u>	<u>4,020,979</u>	<u>3,854,637</u>	<u>(166,342)</u>	-4%
Net assets:					
Invested in capital assets - Net of debt	1,005,495	1,015,401	1,067,484	52,083	5%
Unrestricted	<u>126,876</u>	<u>110,483</u>	<u>89,101</u>	<u>(21,382)</u>	-19%
Total net assets	<u>\$ 1,132,371</u>	<u>\$ 1,125,884</u>	<u>\$ 1,156,585</u>	<u>\$ 30,701</u>	3%
	2005	2006	2007	Change in:	
				Dollars	%
Revenue:					
Property tax	\$ 1,156,913	\$ 1,212,662	\$ 1,269,287	\$ 56,625	5%
All other revenues	<u>135,088</u>	<u>103,377</u>	<u>119,168</u>	<u>15,791</u>	15%
Total revenue	1,292,001	1,316,039	1,388,455	72,416	6%
Expenses:					
Salaries and fringes	642,747	610,452	670,657	60,205	10%
Other current services	259,229	262,218	254,968	(7,250)	-3%
Depreciation expense	402,569	314,011	304,146	(9,865)	-3%
Interest expense	<u>143,135</u>	<u>135,845</u>	<u>127,983</u>	<u>(7,862)</u>	-6%
Total expenses	<u>1,447,680</u>	<u>1,322,526</u>	<u>1,357,754</u>	<u>35,228</u>	3%
Change in net assets	<u>\$ (155,679)</u>	<u>\$ (6,487)</u>	<u>\$ 30,701</u>	<u>\$ 37,188</u>	N/A

Brandon Township Public Library

Management's Discussion and Analysis (Continued)

There were a few areas of interest that changed from the prior year. Property taxes increased due to a continued strong growth in property valuations. Revenues increased primarily due to a state aid increase of \$6,552, and an increase in donations.

General Fund and Budgetary Highlights

The General Fund is budgeted and accounted for on the modified accrual basis of accounting. This method best answers the "accountability" question of how much money the Library has to spend, and how the Library spent the resources given to it during the year. A summary of the General Fund's revenue and expenditures, on a modified accrual basis, follows:

	2005	2006	2007	Change in:	
				Dollars	%
Revenue:					
Property tax	\$ 848,778	\$ 896,817	\$ 941,776	\$ 44,959	5%
All other revenues	135,088	110,891	119,168	8,277	7%
Total revenue	983,866	1,007,708	1,060,944	53,236	5%
Expenses:					
Salaries and fringes	639,778	607,771	670,189	62,418	10%
Other current services	249,202	265,698	264,234	(1,464)	-1%
Capital outlay	145,639	147,951	156,963	9,012	6%
Total expenses	1,034,619	1,021,420	1,091,386	69,966	7%
Change in fund balance	\$ (50,753)	\$ (13,712)	\$ (30,442)	\$ (16,730)	122%

The Library expenditures exceeded its revenue in each of the last four years. As a result, its fund balance has decreased to \$107,629, or 9.9 percent of annual expenditures. The four-year trend in this key number is as follows:

	2004	2005	2006	2007
Fund balance (unreserved)	\$ 202,536	\$ 151,783	\$ 138,071	\$ 107,629
General Fund expenditures	952,366	1,034,619	1,021,420	1,091,386
Fund balance as a % of annual expenditures	21.3%	14.7%	13.5%	9.9%

The Library's long term goal is to maintain the current level of services while increasing the fund balance to five to eight percent per year over the next three years. The Library's long term goal is to maintain a fund balance approximately 20% to 30% of expenditures, keeping in mind that the current economic conditions may prolong that process.

During the current year, the amendments to the original budget were not very significant.

Brandon Township Public Library

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

At the end of 2007, the Library had approximately \$4 million invested in capital assets, primarily land, buildings, furnishings, and library materials. The Library's long term goal is to maintain its capital assets at approximately its current level and condition.

Economic Factors and Next Year's Budget

For 2008, the Library is budgeting \$971,749, reflecting a growth in property taxes, which should result in revenues exceeding expenditures. For 2009, there is some concern about the continued growth in property taxable values. The 2008 property assessments (which will be used for the 2009 budget) show the effects of a weakening real estate market. Many economists are predicting two to four years before we see a return to the strong real estate market values that we have historically seen. In the meantime, the Library will monitor the impact that a slowdown in property taxes could have on its future budgets and is in the process of completing a three year forecast based on this anticipated reduction in projected property tax payments.

Contacting the Library's Management

This financial report is intended to provide our citizens with a general overview of Brandon Township Public Library's finances and to show the Library's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Library's office.

Brandon Township Public Library

Governmental Fund Balance Sheet/ Statement of Net Assets December 31, 2007

	Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Assets - Full Accrual
Assets			
Cash and cash equivalents (Note 3)	\$ 138,817	\$ -	\$ 138,817
Investments (Note 3)	455	-	455
Prepaid expenses	4,222	-	4,222
Property taxes receivable (Note 1)	980,244	-	980,244
Capital assets not depreciated (Note 4)	-	171,000	171,000
Capital assets depreciated (Note 4)	-	3,716,484	3,716,484
Total assets	<u>\$ 1,123,738</u>	<u>\$ 3,887,484</u>	<u>\$ 5,011,222</u>
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 14,992	\$ -	\$ 14,992
Deferred revenue (Note 1)	980,244	-	980,244
Accrued salaries and wages	20,873	-	20,873
Lease payable (Note 9)			-
Due within one year	-	200,000	200,000
Due in more than one year	-	2,620,000	2,620,000
Long-term debt and other liabilities (Note 5):			
Due within one year	-	8,019	8,019
Due in more than one year	-	10,509	10,509
Total liabilities	1,016,109	2,838,528	3,854,637
Fund Balance - Unreserved and undesignated	<u>107,629</u>	(107,629)	-
Total liabilities and fund balance	<u>\$ 1,123,738</u>		
Net Assets			
Invested in capital assets - Net of related debt		1,067,484	1,067,484
Unrestricted		89,101	89,101
Total net assets		<u>\$ 1,048,956</u>	<u>\$ 1,156,585</u>

Brandon Township Public Library

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities Year Ended December 31, 2007

	Revenue and Expenditures - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
Revenue			
Property tax	\$ 941,776	\$ 327,511	\$ 1,269,287
Penal fines	22,249	-	22,249
State aid	17,217	-	17,217
Charges for services	16,028	-	16,028
Library fines and fees	12,329	-	12,329
Interest income	22,236	-	22,236
Other income:			
Contributions and donations	13,288	-	13,288
Art community events	9,826	-	9,826
Sale of capital assets	3,900	-	3,900
Miscellaneous	2,095	-	2,095
Total revenue	1,060,944	327,511	1,388,455
Expenditures			
Staff salaries and wages	561,387	468	561,855
Fringe benefits	108,802	-	108,802
Supplies	29,191	-	29,191
Cooperative expenses	32,252	-	32,252
Professional and contractual services	47,236	-	47,236
Professional development	9,693	-	9,693
Property and liability insurance	24,302	-	24,302
Community relations	30,269	-	30,269
Public utilities	51,256	-	51,256
Repairs and maintenance	25,031	-	25,031
Equipment rental	13,868	-	13,868
Administrative expenses	1,136	-	1,136
Capital outlay/Depreciation expense:			
Building, furnishings, and equipment	68,380	50,790	119,170
Library collection materials	88,583	87,127	175,710
Lease interest expense	-	127,983	127,983
Total expenditures	1,091,386	266,368	1,357,754
Change in Fund Balance/Net Assets	(30,442)	61,143	30,701
Fund Equity/Net Assets			
Beginning of year	138,071	987,813	1,125,884
End of year	<u>\$ 107,629</u>	<u>\$ 1,048,956</u>	<u>\$ 1,156,585</u>

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 1 - Summary of Significant Accounting Policies

Brandon Township Public Library (the "Library") is located in the Charter Township of Brandon, Oakland County, Michigan. The Library is primarily funded through a tax levy, fines and fees, and state aid.

Reporting Entity

The Library is governed by an elected six-member board. 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 entity. Based on these criteria, there are no component units that are to be included in these financial statements.

The Library's financial statements are included in the Charter Township of Brandon's financial statements for the year ended December 31, 2007, as a discretely presented component unit.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major fund).

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) are reported 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, property taxes, charges for services, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements

Governmental fund financial statements are reported 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.

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Interest earned on investments is recorded on the accrual basis.

The General Fund, the Library's major governmental fund, is the operating fund. It accounts for all financial resources of the Library. General Fund activities are financed by revenue from property taxes, program fees, and other sources.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in the government-wide statements 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.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Library's policy is to first apply restricted resources.

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments - Investments are recorded at fair value based on quoted market prices.

Property Taxes - Properties are assessed as of December 31 and the related property taxes are billed and become a lien on December 1 of the following year. They are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. Property taxes billed during the month of December will be used to finance the following year's operations. As such, these taxes are recorded as deferred revenue at December 31.

The 2006 taxable valuation of the Library totaled \$535 million, on which taxes levied consisted of total mills of 1.773, all of which were for operating purposes. This resulted in approximately \$942,000 for operations. This amount is recognized as tax revenue.

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets, which include buildings, improvements, furniture, fixtures, and library materials, are reported in the statement of net assets. Capital assets are defined by the Library as assets with an initial individual cost of more than \$100 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	40 years
Furniture and fixtures	5 years
Library collection materials	10 years

Compensated Absences - It is the Library's policy to permit full-time employees to accumulate earned but unused sick, vacation, and personal day benefits. All compensated absence pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Deferred Revenue - The governmental fund modified accrual basis financial statements and the government-wide full accrual financial statements report deferred revenue in connection with revenue that has not been earned since it relates to advance collection of property taxes, program fees, or grant money for programs which will be provided subsequent to the end of the current year.

Long-term Obligations - In the statement of net assets, long-term debt and other long-term obligations are reported as liabilities.

Fund Equity - In the fund financial statements, the governmental fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

Total fund balance and the net change in fund balance of the Library's General Fund differ from net assets and change in net assets reported in the statement of net assets and the statement of activities. This difference results primarily from the current economic focus of the statement of net assets and the statement of activities versus the current economic focus of the statement of the governmental fund balance sheet and the 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 equity - Modified accrual basis	\$ 107,629
Amounts reported in the statement of net assets are different because:	
Capital assets are not financial resources and are not reported in the fund	3,887,484
Long-term liabilities are not due and payable in the current period and are not reported in the fund	<u>(2,838,528)</u>
Total net assets - Full accrual basis	<u>\$ 1,156,585</u>
Net change in fund equity - Modified accrual basis	\$ (30,442)
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:	
Capital outlay	166,229
Depreciation	(304,146)
The statement of activities column recognizes the property taxes collected by the Township to support the building lease, as well as the interest expense related to the lease	199,528
Changes in accumulated employee sick and vacation pay are recorded when earned in the statement of activities	<u>(468)</u>
Change in net assets of governmental activities - Full accrual basis	<u>\$ 30,701</u>

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Library is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; local government investment pools; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Library has designated 15 banks for the deposit of its funds. The investment policy adopted by the Library in accordance with Public Act 196 of 1997 has authorized investment in all of the investments allowable by the state statutory authority as listed above.

The Library's deposits and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does not have a deposit policy for custodial credit risk. At year end, the Library had \$454 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Library believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Library evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Credit Risk of Investments

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Library has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Agency
Mutual funds	\$ 455	AAA	S&P

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 4 - Capital Assets

A summary of capital assets is as follows:

	Balance - January 1, 2007	Additions	Deletions	Balance - December 31, 2007
Capital assets not being depreciated:				
Land	\$ 171,000	\$ -	\$ -	\$ 171,000
Construction in progress	46,000	-	46,000	-
Net capital assets not being depreciated	217,000	-	46,000	171,000
Capital assets being depreciated:				
Buildings and improvements	3,716,654	79,760	-	3,796,414
Furniture and fixtures	863,828	41,920	4,507	901,241
Library materials	1,632,994	90,549	56,797	1,666,746
Subtotal	6,213,476	212,229	61,304	6,364,401
Accumulated depreciation:				
Buildings and improvements	650,326	94,910	-	745,236
Furniture and fixtures	817,524	31,560	4,507	844,577
Library materials	937,225	177,676	56,797	1,058,104
Subtotal	2,405,075	304,146	61,304	2,647,917
Net capital assets being depreciated	3,808,401	(91,917)	-	3,716,484
Net capital assets	\$ 4,025,401	\$ (91,917)	\$ 46,000	\$ 3,887,484

Note 5 - Long-term Debt and Other

Long-term debt of the Library consists of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease payable (Note 9)	\$ 3,010,000	\$ -	\$ 190,000	\$ 2,820,000	\$ 200,000
Personal property taxes contingent liability	9,528	-	9,528	-	-
Accumulated employee benefits	18,060	468	-	18,528	8,019
Total	\$ 3,037,588	\$ 468	\$ 199,528	\$ 2,838,528	\$ 208,019

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 5 - Long-term Debt and Other (Continued)

Accumulated employee benefits represent the estimated liability to be paid to Library employees under the Library's vacation pay policy. Under the Library's policy, employees earn vacation time based on time of service with the Library.

Personal property taxes represent the estimated liability to be paid to the utility companies that are currently contesting their assessment.

Note 6 - Defined Contribution Retirement Plan

The Library provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The Library contributes 12 percent of employees' gross earnings and there are no employee contributions. The Library's contributions for each employee (plus interest allocated to the employee's account) are fully vested immediately. In accordance with these requirements, the Library contributed approximately \$36,000 during the current year.

Note 7 - Risk Management

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library has purchased commercial insurance to cover these risks. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 8 - Budgetary Compliance

There were several budgetary overruns, resulting primarily from unbudgeted expenditures but the amounts were not significant.

Brandon Township Public Library

Notes to Financial Statements December 31, 2007

Note 9 - Lease Payable

The Library building was funded through a bond issued by the Township. The bond is supported by a millage that is being paid by taxpayers of the Township. The lease payable recorded in the statement of net assets represents the outstanding liability related to the building that is currently being repaid by the Township through the special tax levy. Lease payments due on the Township's bond, which will be funded by the Township debt millage, are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 319,695
2009	320,983
2010	321,845
2011	322,283
2012	322,175
2013	321,486
2014	325,121
2015	327,925
2016	329,988
2017	331,375
2018	<u>327,200</u>
Total lease payments	3,570,076
Less interest portion	<u>(750,076)</u>
Net present value	<u><u>\$ 2,820,000</u></u>

Required Supplemental Information

Brandon Township Public Library

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property tax	\$ 942,615	\$ 942,615	\$ 941,776	\$ (839)
Penal fines	23,000	23,000	22,249	(751)
State aid	14,508	17,217	17,217	-
Charges for services	15,600	15,650	16,028	378
Library fines and fees	10,000	12,352	12,329	(23)
Interest income	20,000	22,500	22,236	(264)
Other income:				
Contributions and donations	14,690	21,230	13,288	(7,942)
Art community events	5,000	5,000	9,826	4,826
Sale of fixed assets	1,050	3,900	3,900	-
Miscellaneous	2,800	750	2,095	1,345
Total revenue	<u>1,049,263</u>	<u>1,064,214</u>	<u>1,060,944</u>	<u>(3,270)</u>
Expenditures				
Staff salaries and wages	551,369	558,290	561,387	(3,097)
Fringe benefits	116,826	111,215	108,802	2,413
Office and custodial supplies	37,864	30,089	29,191	898
Cooperative expenses	29,044	29,127	32,252	(3,125)
Professional and contractual services	24,050	46,550	47,236	(686)
Professional development	9,700	10,097	9,693	404
Property and liability insurance	30,003	24,997	24,302	695
Community relations	30,522	28,249	30,269	(2,020)
Public utilities	46,900	51,110	51,256	(146)
Repairs and maintenance	31,518	29,090	25,031	4,059
Equipment rental	14,770	14,270	13,868	402
Administrative expenses	525	525	1,136	(611)
Capital outlay:				
Building, furnishings, and equipment	23,033	68,841	68,380	461
Library collection materials	103,150	92,224	88,583	3,641
Total expenditures	<u>1,049,274</u>	<u>1,094,674</u>	<u>1,091,386</u>	<u>3,288</u>
Change in Fund Balance/Net Assets	(11)	(30,460)	(30,442)	18
Fund Equity/Net Assets				
Beginning of year	<u>138,071</u>	<u>138,071</u>	<u>138,071</u>	-
End of year	<u>\$ 138,060</u>	<u>\$ 107,611</u>	<u>\$ 107,629</u>	<u>\$ 18</u>

Brandon Township Public Library

Note to Budgetary Comparison Schedule

The annual budget is prepared by the Library management and adopted by the Library board; subsequent amendments are approved by the Library board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at December 31, 2007 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The budget statement (budgetary comparison schedule - General Fund) is presented on the same basis of accounting used in preparing the adopted budget and has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget has been adopted for the Library 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 is included in the other required supplemental information of the basic financial statements. The amounts shown on this statement are in greater detail than the budget as adopted and are used to provide additional analysis for management purposes.