

Auditing Procedures Report

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Issued under Public Act 2 of 1968, as amended.

Unit Name	SANILAC DISTRICT LIBRARY	County	SANILAC	Type	LIBRARY	MuniCode	76-8-002
Opinion Date-Use Calendar	Jun 20, 2008	Audit Submitted-Use Calendar	Jun 27, 2008	Fiscal Year-Use Drop List	2007		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

- 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
- 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
- 3. Were the local unit's actual expenditures within the amounts authorized in the budget?
- 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
- 5. Did the local unit adopt a budget for all required funds?
- 6. Was a public hearing on the budget held in accordance with State statute?
- 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
- 8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
- 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
- 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
- 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
- 12. Is the local unit free of repeated reported deficiencies from previous years?
- 13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
- 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
- 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
- 17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
- 18. Are there reported deficiencies? 19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 176,019.00
General Fund Expenditure:	\$ 163,608.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 33,911.00
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	JOE	Last Name	NARTKER	Ten Digit License Number	1101011752		
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CPA Firm Name	BRINING & NARTKER	Unit's Street Address	47 AUSTIN	City	SANDUSKY	LU Zip	48471

**SANILAC DISTRICT LIBRARY
PORT SANILAC, MICHIGAN**

**FINANCIAL REPORT
DECEMBER 31, 2007**

**BRINING & NARTKER, P.C.
Certified Public Accountants**

**SANILAC DISTRICT LIBRARY
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BRINING & NARTKER, P.C.

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INDEPENDENT AUDITORS' REPORT

Members of
Michigan Association of
Certified Public Accountants
American Institute of
Certified Public Accountants

Board of Trustees
Sanilac District Library
Port Sanilac, Michigan

We have audited the accompanying financial statements of the Sanilac District Library, as of December 31, 2007, and for the year then ended as listed in the table of contents. These financial statements are the responsibility of Sanilac 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 financial position of Sanilac District Library, Port Sanilac, Michigan, as of December 31, 2007, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



BRINING & NARTKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2008

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Sanilac District Library's annual financial report presents our discussion and analysis of the Library's financial performance during the year ended December 31, 2007. Please read it in conjunction with the Library's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader may understand the Library financially as a whole. The Government-Wide Financial Statements provide information about the activities of the whole Library, presenting both an aggregate view of the Library's finances and a longer-term view. The Fund Financial Statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The Fund Financial Statements look at the Library's operations in more detail than the Government-wide Financial Statements by providing information about the Library's most significant fund – The General Fund. The General 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

This annual report consists of three parts: Management's Discussion and Analysis, the basic financial statements, and required supplementary information. 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 adjustment 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 Assets and the Statement of Activities provide information about the activities of the Library on a longer-term view of the Library's finances.

Reporting the Library as a Whole – Government-wide Financial Statements

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

The Statement of Net Assets and the Statement of Activities, which appear first in the Library's financial statements, report information about the Library as a whole using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The Statement of Net Assets included all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

These two statements report the Library's net assets and how they have changed. Net assets, the difference between assets and liabilities, as reported in the statement of net assets, is one way to measure the Library's financial health or position. Over time, increases or decreases in the Library's net assets, as reported in the Statement of Activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Library's operating results. However, the library's goal is to provide services to our patrons, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided to assess the overall health of the Library.

The Statement of Net Assets and Statement of Activities report the governmental activities for the Library, which encompass all of the Library's services. Property taxes, Penal Fines and unrestricted State Aid finance most of these activities.

Table 1 provides a summary of the Library's net assets as of December 31, 2007. This Analysis is a requirement of Governmental Accounting Standards Board Statement 34 (GASB 34). The following table shows key financial information in a condensed format.

Condensed Financial Information

TABLE 1 – Statement of Net Assets

	<u>December 31,</u>	
	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets	\$ 165,284	\$ 154,847
Capital assets	253,080	268,512
Total Assets	<u>\$ 418,364</u>	<u>\$ 423,359</u>
LIABILITIES		
Deferred property taxes	\$ 126,000	\$ 122,600
Due to Sanilac County	5,373	10,747
Total Liabilities	<u>131,373</u>	<u>133,347</u>
NET ASSETS		
Investment in general capital assets	253,080	268,512
Unrestricted	17,263	7,503
Restricted	16,648	13,997
Total Net Assets	<u>\$ 286,991</u>	<u>\$ 290,012</u>

(Continued)

Reporting the Library as a Whole – Government-wide Financial Statements (Continued)

The results of 2007 operations for the Library as a whole are reported in Table 2 - Statement of Activities, which shows the sources of revenue.

TABLE 2 – Statement of Activities

	For Year Ended December 31,	
	2007	2006
Program Revenues:		
Charges for services	\$ 12,913	\$ 12,502
Operating grants and contributions	7,037	8,059
Total Program Revenues	19,950	20,561
Program Expenses	(179,040)	(177,244)
Net Program Expense	(159,090)	(156,683)
General Revenues:		
Taxes:		
County	34,697	32,068
District	87,907	84,073
State aid	3,593	3,283
Penal fines	19,667	18,745
Investment earnings	1,379	1,161
Other:		
Miscellaneous	350	899
Rebates	8,476	4,679
Total General Revenues	156,069	144,908
Change in Net Assets	\$ (3,021)	\$ (11,775)

- Sanilac District Library is reporting financial statements that meet the requirements of GASB Number 34. The primary change requires reporting all assets at full cost less depreciation expense.
- As a result of this change, the Library reports net assets of \$286,991 as of December 31, 2007 on a full accrual basis, as compared to fund balances of \$33,911 on the modified accrual basis of accounting.

Reporting the Library's Funds – Fund Financial Statements

The Library's fund financial statements provide detailed information about the Library funds, not the Library as a whole. Some funds are required to be established by State law. The Library establishes funds to help control and manage money for particular purposes and to show that it is meeting its legal responsibilities for using certain taxes, grants and other income. The Library uses the following accounting approach: Governmental fund reporting focuses on showing how money follows into and out of funds and balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Library and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that may be spent in the near future to finance the Library's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in reconciliation.

Analysis of the Library's General Fund is included on page nine in the first column of the respective statements. The fund column provides detailed information about the General Fund, not the library as a whole. The Library Board has the authority to create separate funds to help manage money for specific purposes and to maintain accountability for certain activities such as special property tax millages. The Library's major fund consists solely of the General Fund. The fund balance of the General Fund was \$33,911 for the year 2007. This represents unspent revenue greater than expenses.

Library Budgetary Highlights

Sanilac District Library's budget is prepared according to Michigan Law. Over the course of the year, the Library Board amended the budget to take into account events that occurred during the year.

Revenues:

- The Library's primary source of revenue is from property taxes. For 2007, total tax collections were \$122,604. This represents approximately 71% percent of total revenue.
- The library continues to be dependent upon Penal Fine revenues. Penal Fines are an unstable source of revenue impacted by many factors including economic effects on tourism, decisions on judgments by the courts, the number of police assigned to road patrols and legislative action to designate and/or redefine penal fines to other fees.
- State Aid: while it is written into Michigan law to pay libraries \$1 per capita, the Michigan legislature budgeted only \$0.79 per capita in 2007. State Aid enables the Library to continue membership in the White Pine Library Cooperative. Half of the State Aid revenue is the required fee for membership dues. Membership provides statewide delivery, interlibrary loan, continuing education and discounts to various vendors for equipment, materials and supplies. The Library must meet State Aid Guidelines in order to qualify for State Aid.
- Universal Service Funds provided a 70% rebate for telephone service and Internet access. This discount was applied as a credit on 2007 charges.
- A \$1,500 donation was received to sponsor the Summer Reading Program.
- A \$1,000 donation was received to finance the landscaping project.
- The library will continue to seek grant funding and donations for various projects.

(Continued)

Library Budgetary Highlights (Continued)

Expenditures:

- Salaries and fringe benefits such as Social Security and Medicare are the largest overall expenditure of the Library. For 2007, this expenditure was \$91,166, representing 56 % of the Library's total expenditures.
- After the building expansion and renovation project was completed in 2001, the Library Board approved a Long Term Maintenance Plan to set aside a total of \$35,000 by 2017 for the repair and/or replacement of the air conditioner, carpet, furnace, parking lot and roof.
- In 2006, the Library Board decided to raise the total goal of the Long Term Maintenance Plan by \$5,000 as an Opportunities Fund.
- The library purchases a \$2,000 Certificate of Deposit annually. The balance of the combined CDs plus interest at the end of the 2007 fiscal year was \$16,648.
- Library materials represented 16% of the Library's total expenditures and cost \$27,315. As separate items, the cost of books, magazines and audio-visual materials are insignificant but as a collection it defines this agency.
- The Library expended \$5,146 for capital assets which included:
 - Building Improvements: energy efficient light fixtures in the older section of the facility were upgraded at a cost of \$2,799.
 - Computer Hardware: A network printer, slip printer and 3 flat screen monitors were purchased to replace outdated models.
 - Furniture: \$870 was spent to purchase a book spinner.
 - Landscaping: The property behind the library was tiled and rocks placed around flower beds for \$1,477.
- Computers were not purchased as per the Library's Technology Plan since the Library received 2 computers from the Gates Foundation PAC HUG Grant in December 2006.
- Sanilac County overpaid the 2003 delinquent property taxes by \$21,494. The Library has made arrangements with the Sanilac County Treasurer to repay this amount in four annual payments of \$5,373. As of December 31, 2007, \$16,120 has been paid.
- Total expenditures for the entire year under the modified accrual method of accounting were \$163,608.

Budget Notes for the next fiscal year

- The 2008 Budget was determined by the previous year's revenue receipts and actual expenses.
- The final payment of \$5,373 will be made to Sanilac County in June, 2008.

CAPITAL ASSETS

At the end of the 2007 fiscal year, the Library had invested \$5,146 in capital outlay of building improvements, computer equipment and furniture. The Library spent \$27,315. In new collection items consisting mainly of books, audio books, movies and magazines.

The Library had a total of \$253,080 invested in capital assets, including art, the building, computers, equipment, furniture, library materials and land. As a result of GASB 34 implementation, the library adopted a capitalization policy of \$500.

<u>Capital Assets Summary</u>	<u>December 31,</u>	
	<u>2007</u>	<u>2006</u>
Assets not being depreciated: Art & Land	\$ 23,200	\$ 23,200
Building & building improvements	268,346	264,070
Furniture & Equipment	148,713	147,843
Library materials	2,748	2,748
Totals at Historical Cost	<u>443,007</u>	<u>437,861</u>
Less: Accumulated Depreciation	<u>(189,927)</u>	<u>(169,349)</u>
Capital Assets - Net	<u>\$ 253,080</u>	<u>\$ 268,512</u>

Debt Administration

Long-term liabilities consisted of a payable due to Sanilac County representing an overpayment on the 2003 delinquent property taxes. See note 5 for further details

Scheduled maturities of the long-term liabilities at December 31, 2007, are as follows:

<u>Year Ending</u>	<u>Amount</u>
December 31, 2008	\$ 5,374
Total Scheduled Maturities	<u>\$ 5,374</u>

MILLAGE RATES

- In August 2004, the voters of Sanilac County approved a four year county wide millage renewal of .2 mills to be distributed to the eight libraries in Sanilac County.
- A District Library Millage is levied to residents of the Carsonville – Port Sanilac School District and Sanilac Township to support the operating budget. The original millage rate of 0.625 was authorized by election on June 14, 1999. The difference between the authorized and levied rate is due to the Headlee Override. This millage expires on December 31, 2008.
- The 2007 Tax Rate Request was 0.5696 mills. The Millage Reduction Fraction was 0.9935. These funds were collected in 2007. The taxable value of the library district increased enough to prevent significant loss of revenue.

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 Library Director at Sanilac District Library, 7130 Main Street, P.O. Box 525, Port Sanilac, MI 48469.

BASIC FINANCIAL STATEMENTS

**SANILAC DISTRICT LIBRARY
BALANCE SHEET/STATEMENT OF NET ASSETS
DECEMBER 31, 2007**

	General Fund, Modified Accrual Basis	Adjustments (Note 2)	Statement of Net Assets- Full Accrual
ASSETS			
Cash and cash equivalents (Note 1 and 3)	\$ 19,687	\$ -	\$ 19,687
Investments (Note 1 and 3)	16,648	-	16,648
Taxes receivable	126,000	-	126,000
Rebate receivables	2,949	-	2,949
Capital assets, net (Note 4)	-	253,080	253,080
Total Assets	<u>\$ 165,284</u>	<u>\$ 253,080</u>	<u>\$ 418,364</u>
LIABILITIES			
Deferred property taxes	\$ 126,000	\$ -	\$ 126,000
Long-term liabilities: (Note 5)			
Due within one year	5,373	-	5,373
Total Liabilities	<u>131,373</u>	<u>NONE</u>	<u>131,373</u>
FUND BALANCE/NET ASSETS			
Fund balance:			
Undesignated	17,263	(17,263)	-
Designated for long-term maintenance (Note 6)	16,648	(16,648)	-
Total Fund Balances	<u>33,911</u>	<u>(33,911)</u>	<u>NONE</u>
Total Liabilities and Fund Balances	<u>\$ 165,284</u>	<u>\$ (33,911)</u>	<u>131,373</u>
Net Assets:			
Invested in capital assets - Net of debt		\$ 253,080	253,080
Unrestricted		33,911	33,911
Total Net Assets		<u>\$ 286,991</u>	<u>\$ 286,991</u>

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

**SANILAC DISTRICT LIBRARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Recreation and cultural	<u>\$ 179,040</u>	<u>\$ 12,913</u>	<u>\$ 7,037</u>	<u>\$ (159,090)</u>
General Revenues:				
Taxes:				
County				34,697
District				87,907
State aid				3,593
Penal fines				19,667
Investment earnings				1,379
Other:				
Miscellaneous				350
Rebates				8,476
Total general revenues				<u>156,069</u>
Change in net assets				<u>(3,021)</u>
Net assets - beginning of year				290,012
Net assets - end of year				<u>\$ 286,991</u>

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

**SANILAC DISTRICT LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

REVENUES:

Taxes	
County	\$ 34,697
District	87,907
State aid	3,593
Penal fines	19,667
Charges for services	12,913
Interest	1,379
Donations	7,037
Miscellaneous	350
USF rebates	8,476

TOTAL REVENUES

176,019

EXPENDITURES:

Recreation and culture:	
Audio visual materials	8,808
Books	14,394
Building and equipment maintenance	1,909
Capital outlay	6,045
Collection maintenance	2,058
Communications	1,816
Contractual services	3,315
Dues	1,473
Education	1,362
Election	381
Insurance	3,611
Insurance - W/C	301
Magazines	2,055
Miscellaneous	366
Printing	499
Professional fees - audit	1,800
Programs	1,474
Supplies	2,767

(Continued)

**SANILAC DISTRICT LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

EXPENDITURES: (Continued)

Technology	\$ 12,332
Transportation	572
Utilities	5,104
Wages and payroll taxes	91,166
TOTAL EXPENDITURES	163,608
EXCESS OF REVENUES OVER EXPENDITURES	12,411
 OTHER FINANCING SOURCES (USES):	
Payment to Sanilac County on overpayment	(5,373)
TOTAL OTHER FINANCING SOURCES (USES)	(5,373)
NET CHANGE IN FUND BALANCE	7,038
FUND BALANCE - BEGINNING OF YEAR	26,873
FUND BALANCE - END OF YEAR	\$ 33,911

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

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

The Sanilac District Library is located on the east edge of Sanilac County, Michigan at 7130 Main Street, Port Sanilac, Michigan. Carsonville-Port Sanilac Schools in conjunction with Sanilac Township entered into an agreement to create the Sanilac District Library. The District Library is a legally separate organization established to provide library services to residents of the Carsonville-Port Sanilac School district and Sanilac Township residents. Effective February 25, 1998, the Sanilac District Library was recognized by the Library of Michigan as a legally established district library pursuant to the District Library Establishment Act, 1989 PA 24.

The district consists of the entire geographic area of Sanilac Township as well as the entire geographic boundaries of the Carsonville-Port Sanilac School district. It is governed by a seven (7) member board. The Board is empowered to propose and levy upon approval of the electors a tax for support of the District Library. It may also borrow money and issue bonds pursuant to the District Library Financing Act 265 of 1988. The District Library indemnifies and holds harmless the participating municipalities from all claims and liabilities. The County does levy a tax for the District Library; however, the County does not hold title to any of the District Library's assets, nor does it have rights to any surpluses or responsibility to finance any deficits of the District Library. The district has a calendar year end of December 31st.

The accounting policies of Sanilac District Library conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Sanilac District Library.

B. Basis of Presentation

The Library's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government.

(Continued)

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net assets presents the financial condition of the governmental activities of the Library at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Library.

C. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type activities. The Library does not currently have any business-type activities.

Governmental Fund

Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

(Continued)

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Measurement Focus
Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus.

All assets and all liabilities associated with the operation of the Library are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenue, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financial sources) and uses (i.e., expenditures and other financial uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Library, available means expected to be received within sixty days after year end.

(Continued)

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Basis of Accounting (Continued)

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Library must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the Library's revenue sources are considered both measurable and available at year end.

Expenses/Expenditures:

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. An allocation of cost, such as depreciation, is not recognized in governmental funds.

F. Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

G. Post-employment Benefits

The Library provides no post-employment benefits to past employees.

(Continued)

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. Budgets and Budgetary Accounting

The Library normally follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Library director submits to the Board a proposed operating budget which includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain comments.
3. Prior to January 1, the budget is legally enacted through board approval.

All budget appropriations lapse at year end. Budgetary amounts reported herein are as originally adopted, or as amended by the Library Board. The Library develops its budgets using line-items for revenues and expenditures. It adopts its budget at the total revenue and total expenditure level.

Budgets shown in the financial statements are adopted on a basis consistent with GAAP, and consist only of those amounts contained in the formal budget approved and amended by the Library Board. The Library does not utilize encumbrance accounting.

I. Cash and Cash Equivalents

For presentation on the financial statements, investments in cash management pools and investments with an original maturity of three months or less at the time they are purchased by the Library are considered to be cash equivalents.

J. Investments

Investments with an initial maturity of more than three months are reported as investments.

K. Receivables

Property tax receivables are shown as gross amounts since uncollectible personal property taxes are undeterminable at year end and County settles for all real property taxes.

(Continued)

**SANILAC DISTRICT LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

K. Receivables (Continued)

Property tax is levied each December 1, on the Taxable Value of the District Library's personal and real property. It is the policy of the Board to recognize revenues from the current property tax levy in the subsequent year when the proceeds of the levy are budgeted and made available for financing library operations.

L. Capital Assets

General capital assets are those assets that result from expenditures in the governmental fund. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) using a \$500 capitalization threshold and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Computers & software	5 years
Equipment	5 years
Furniture	7 years
Land Improvements	15 years
Library Materials	5 years
Building	50 years

The Library has a collection of art work and historical memorabilia presented for public exhibition and education that is being preserved for future generations. The collection is not capitalized or depreciated as part of capital assets.

(Continued)

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

M. Deferred Revenue

Property taxes levied in 2007 for the 2008 operations are recognized as deferred revenue.

N. Fund Equity

In the fund financial statements, governmental funds report 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.

O. Property Taxes:

Properties are assessed as of December 31, and the related property taxes become a lien on December 1st of the following year. These taxes are due on February 15, with the final collection date of February 28, before they are added to the County tax rolls.

The delinquent real property taxes of the District Library are purchased by the County of Sanilac. The County sells tax notes, the proceeds of which are used to pay the District Library for these property taxes. Under both the modified accrual and full accrual basis, the Library's tax revenues are recognized in the year following the December 1st levy date.

The 2007 taxable value of the Library's district is \$167,115,893. The mills levied per \$1,000 of taxable value are as follows:

Library-general operating	.5696
Total	<u>.5696</u>

On June 14, 1999, the District's constituents passed an operating millage for a period not to exceed 10 years in order to provide operating funds.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The General Fund's fund balance and the net change in fund balance differ from net assets and change in net assets reported in the statement of net assets and statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and statement of activities versus the economic focus of the statement of the General Fund balance sheet and statement of revenue, expenditures, and changes in fund balance. The following is a reconciliation of fund balance to net assets and the net change in fund balance to the net change in net assets:

(Continued)

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: (Continued)

Total Fund Balance - Modified Accrual Basis		\$ 33,911
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund. Capital assets at year end consist of:		
Capital asset cost	\$ 443,007	
Capital asset accumulated depreciation	<u>(189,927)</u>	253,080
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund. Long-term liabilities at year end consist of:		
Due to Sanilac County		-
Total Net Assets - Full Accrual Basis		<u>\$ 286,991</u>
Net Change in Fund Balances - Modified Accrual Basis		\$ 7,038
Total change in net assets reported for governmental activities in the statement of activities is difference because:		
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Current year depreciation expense	\$ (20,578)	
Capital outlays reported in the governmental fund	<u>5,146</u>	
Net differences		(15,432)
The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net assets.		
Principal payments on long term liabilities		5,373
Change in Net Assets of Governmental Activities - Full Accrual Basis		<u>\$ (3,021)</u>

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 3 - DEPOSITS AND INVESTMENTS:

Michigan Compiled Laws, Section 129.91(Public Act 20 of 1943, as amended), authorizes a local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit 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' acceptance of United States banks; commercial paper rated 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 as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The Library's deposits are in accordance with statutory authority.

Custodial Credit Risk-Deposits. Credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Library does not have a deposit policy for custodial credit risk. As of December 31, 2007 all of the Library's bank deposits were covered by FDIC Insurance:

Uninsured and uncollateralized	\$ NONE
Total	<u><u>\$ NONE</u></u>

**SANILAC DISTRICT LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)**

NOTE 4 – CAPITAL ASSETS:

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Ending Balance</u>
Primary Government				
Capital Assets Not Being Depreciated				
Land	\$ 20,500	\$ -	\$ -	\$ 20,500
Art	2,700	-	-	2,700
Total Capital Assets Not Being Depreciated	<u>23,200</u>	<u>None</u>	<u>None</u>	<u>23,200</u>
Capital Assets Being Depreciated				
Computers & software	56,978	-	-	56,978
Equipment	26,887	-	-	26,887
Furniture	63,978	870	-	64,848
Land Improvements	8,415	1,477	-	9,892
Library Materials	2,748	-	-	2,748
Building	255,655	2,799	-	258,454
Total Capital Assets Being Depreciated	<u>414,661</u>	<u>5,146</u>	<u>None</u>	<u>419,807</u>
Less Accumulated Depreciation for:				
Computers & Software	40,124	6,603	-	46,727
Equipment	24,183	590	-	24,773
Furniture	49,516	7,485	-	57,001
Land Improvements	2,124	619	-	2,743
Library Materials	2,061	139	-	2,200
Building	51,341	5,142	-	56,483
Total For Accumulated Depreciation	<u>169,349</u>	<u>20,578</u>	<u>None</u>	<u>189,927</u>
Net Capital Assets Being Depreciated	<u>245,312</u>	<u>(15,432)</u>	<u>None</u>	<u>229,880</u>
Governmental Activities Total Capital Assets - Net of Depreciation	<u>\$ 268,512</u>	<u>\$ (15,432)</u>	<u>\$ None</u>	<u>\$ 253,080</u>

**SANILAC DISTRICT LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (CONTINUED)**

NOTE 5 – LONG-TERM LIABILITIES:

In June of 2004, the Sanilac District Library received its delinquent tax payment from Sanilac County. However, the County mistakenly sent the Library a check representing the Sanilac Intermediate School District's 2003 delinquent property taxes, whereas, it should have sent a check representing Sanilac Township's delinquent property taxes. The mistake meant an overpayment to the District Library of \$21,493. Because the mistake was not detected until early 2005, most of the monies had already been spent. The District Library and Sanilac County have agreed on a repayment schedule. The District will pay back the overpayment in four equal payments over a four year period.

Long-term liabilities are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Due to Sanilac County	<u>\$ 10,746</u>	<u>\$ -</u>	<u>\$ 5,373</u>	<u>\$ 5,373</u>	<u>\$ 5,373</u>

NOTE 6 – DESIGNATED FOR LONG-TERM MAINTENANCE:

After the building expansion and renovation project was completed in 2001, the Library Board approved a Long Term Maintenance Plan to set aside a total of \$35,000 by 2017 for the repair and/or replacement of the air conditioner, carpet, furnace, parking lot and roof. The library purchases a \$2,000 certificate of deposit annually. The balance of the combined certificates of deposit at December 31, 2007 was \$16,648.

NOTE 7 - RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Library continues to carry commercial insurance for risks of loss. The district does not provide employee health or life insurance coverage. The district does provide workers compensation insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

**SANILAC DISTRICT LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes				
County	\$ 29,000	\$ 33,800	\$ 34,697	\$ 897
District	93,800	89,050	87,907	(1,143)
State aid	3,500	3,600	3,593	(7)
Penal fines	18,700	19,700	19,667	(33)
Charges for services	14,300	14,200	12,913	(1,287)
Interest	1,000	2,000	1,379	(621)
Donations	6,000	9,000	7,037	(1,963)
Miscellaneous	200	150	350	200
Grants and rebates	6,000	6,000	8,476	2,476
TOTAL REVENUES	<u>172,500</u>	<u>177,500</u>	<u>176,019</u>	<u>(1,481)</u>
EXPENDITURES:				
Recreation and culture:				
Audio visual materials	6,000	9,800	8,808	992
Books	24,500	15,000	14,394	606
Maintenance	2,500	2,000	1,909	91
Capital outlay	1,000	7,000	6,045	955
Collection maintenance	2,150	2,100	2,058	42
Communications	2,400	2,000	1,816	184
Continuing education	1,000	1,400	1,362	38
Contractual services	4,000	4,000	3,315	685
Dues	2,000	1,500	1,473	27
Election	300	400	381	19
Insurance	3,900	4,000	3,912	88
Long-term maintenance	2,000	2,000	-	2,000
Magazines	1,400	2,100	2,055	45
Miscellaneous	100	400	366	34
Office supplies	2,150	3,000	2,767	233
Printing	-	500	499	1
Professional fees - audit	1,700	1,800	1,800	-
Programs	2,000	1,700	1,474	226
Technology	10,000	13,300	12,332	968

(Continued)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES: (Continued)				
Transportation	\$ 500	\$ 600	\$ 572	\$ 28
Utilities	5,500	5,500	5,104	396
Wages and payroll taxes	92,000	92,000	91,166	834
TOTAL EXPENDITURES	<u>167,100</u>	<u>172,100</u>	<u>163,608</u>	<u>8,492</u>
Excess of Revenues Over Expenditures	<u>5,400</u>	<u>5,400</u>	<u>12,411</u>	<u>7,011</u>
OTHER FINANCING SOURCES (USES):				
Payment to Sanilac County on overpayment (Note 5)	(5,400)	(5,400)	(5,373)	27
Total Other Financing Sources (Uses)	<u>(5,400)</u>	<u>(5,400)</u>	<u>(5,373)</u>	<u>27</u>
Net Change in Fund Balance	<u>None</u>	<u>None</u>	<u>17,784</u>	<u>7,038</u>
Fund Balance, January 1	26,873	26,873	26,873	-
Fund Balance, December 31	<u><u>\$ 26,873</u></u>	<u><u>\$ 26,873</u></u>	<u><u>\$ 44,657</u></u>	<u><u>\$ 7,038</u></u>

BRINING & NARTKER, P.C.

Certified Public Accountants

DOUGLAS P. BRINING, CPA
JOSEPH H. NARTKER, CPA

MARK W. BRINING, CPA
SARA J. ESSENMACHER, CPA
JOY A. KERR, CPA
EDWARD J. MOORE, CPA

Members of
Michigan Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

June 20, 2008

Sanilac District Library
7130 Main St., P.O. Box 525
Port Sanilac, MI 48469

To Members of the Board:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sanilac District Library for the year ended December 31, 2007, and have issued our report thereon dated June 20, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter dated April 25, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 25, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Sanilac District Library are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending December 31, 2007. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Members of the Board
June 20, 2008
Page two

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 25, 2008.

Management Consultations with other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Members of the Board
June 20, 2008
Page three

This information is intended solely for the use of the Members of the Board and management of the Sanilac District Library and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Brining & Nartker, P.C.".

Brining & Nartker, P.C.
Certified Public Accountants

BRINING & NARTKER, P.C.

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**Board of Trustees
Sanilac District Library
Port Sanilac, Michigan**

In planning and performing our audit of the financial statements of the Sanilac District Library as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Sanilac District Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the following deficiency to be a significant deficiency in internal control.

The Library's staff has the ability to record transactions, perform reconciliations, and maintain the general ledger. Generally accepted accounting principles also requires that the Library prepare financial statements including the related notes to the financial statements. As is the case with many small governments, the Library has relied on its independent external auditors to assist in the preparation of the financial statements and notes thereto as part of its external financial reporting process. External auditors cannot, by definition, be considered part of the Library's internal controls over financial reporting. The Library has decided that it is more cost effective and in the best interest of the Library to outsource this task to its external auditors and to carefully review the financial statements and notes thereto prior to approving them and accepting responsibility for their content and presentation.

64 Westland Drive, Bad Axe, Michigan 48413, (989) 269-9909, Fax (989) 269-7551

P.O. Box 348, 47 Austin Street, Sandusky, Michigan 48471-0348, (810) 648-4931, Fax (810) 648-4932

Board of Trustees
June 20, 2008
Page two

This communication is intended solely for the information and use of management, the Board, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Brining & Nartker, P.C.

Brining & Nartker, P.C.
Certified Public Accountants

June 20, 2008