



Mary Taylor, CPA
Auditor of State

HERBERT WESCOAT MEMORIAL LIBRARY
VINTON COUNTY

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Mary Taylor, CPA
Auditor of State

Herbert Wescoat Memorial Library
Vinton County
120 North Market Street
McArthur, Ohio 45651

To the Library Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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Auditor of State

July 14, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Herbert Wescoat Memorial Library
Vinton County
120 North Market Street
McArthur, Ohio 45651

To the Library Board of Trustees:

We have audited the accompanying financial statements of the Herbert Wescoat Memorial Library, Vinton County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the 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 and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Library's larger (i.e., major) funds separately. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Herbert Wescoat Memorial Library, Vinton County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2009, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

July 14, 2009

**HERBERT WESCOAT MEMORIAL LIBRARY
VINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 68,397	\$	\$ 68,397
Intergovernmental Receipts	436,082		436,082
Patron Fines and Fees	9,464		9,464
Earnings on Investments	70,819		70,819
Contributions, Gifts and Donations	131,758		131,758
Miscellaneous Receipts	7		7
	<hr/>		<hr/>
Total Cash Receipts	716,527	0	716,527
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries and Benefits	300,461		300,461
Purchased and Contracted Services	52,373		52,373
Library Materials and Information	54,129		54,129
Supplies	18,108		18,108
Other	1,970		1,970
Capital Outlay	11,711	121,257	132,968
	<hr/>		<hr/>
Total Cash Disbursements	438,752	121,257	560,009
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	277,775	(121,257)	156,518
	<hr/>		<hr/>
Other Financing Receipts/(Disbursements):			
Transfers-In		200,000	200,000
Transfers-Out	(200,000)		(200,000)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(200,000)	200,000	0
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	77,775	78,743	156,518
	<hr/>		<hr/>
Fund Cash Balances, January 1	559,995	1,334,910	1,894,905
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$ 637,770	\$ 1,413,653	\$ 2,051,423
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	\$ 0	\$ 0	\$ 0
	<hr/>		<hr/>

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

**HERBERT WESCOAT MEMORIAL LIBRARY
VINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 43,347	\$	\$ 43,347
Intergovernmental Receipts	438,985		438,985
Patron Fines and Fees	7,765		7,765
Earnings on Investments	76,452		76,452
Contributions, Gifts and Donations	44,005		44,005
Miscellaneous Receipts	5,928		5,928
	<hr/>		<hr/>
Total Cash Receipts	616,482	0	616,482
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries and Benefits	309,793		309,793
Purchased and Contracted Services	58,592		58,592
Library Materials and Information	54,365		54,365
Supplies	22,806		22,806
Other	3,319		3,319
Capital Outlay	18,843	56,152	74,995
	<hr/>		<hr/>
Total Cash Disbursements	467,718	56,152	523,870
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	148,764	(56,152)	92,612
	<hr/>		<hr/>
Other Financing Receipts/(Disbursements):			
Transfers-In		80,000	80,000
Transfers-Out	(80,000)		(80,000)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(80,000)	80,000	0
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	68,764	23,848	92,612
	<hr/>		<hr/>
Fund Cash Balances, January 1	491,231	1,311,062	1,802,293
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$ 559,995	\$ 1,334,910	\$ 1,894,905
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	\$ 0	\$ 17,036	\$ 17,036
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The notes to the financial statements are an integral part of this statement.

**HERBERT WESCOAT MEMORIAL LIBRARY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Herbert Wescoat Memorial Library, Vinton County, Ohio (the Library), as a body corporate and politic. Three trustees are appointed by the Vinton County Court of Common Pleas and four Trustees are appointed by the Vinton County Commissioners. The Library provides the community with various educational and literary resources. The Library is currently a member of the Southeastern Regional Library system (SERLS), which is defined as a jointly governed organization. Additional information concerning the jointly governed organizations is presented in Note 7.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits

The Library values Certificates of Deposit at cost.

D. Fund Accounting

The Library uses fund accounting to segregate cash that is restricted as to use. The Library classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Library had the following significant Capital Project Fund:

Building Fund - The purpose of this fund is to accumulate resources, primarily consisting of transfers from the General Fund, to be used for future building improvements.

**HERBERT WESCOAT MEMORIAL LIBRARY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function, and object level of control.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits

The Library maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2008	2007
Demand deposits	\$201,423	\$444,905
Certificates of deposit	1,850,000	1,450,000
Total deposits	\$2,051,423	\$1,894,905

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$613,920	\$716,527	\$102,607
Capital Projects	0	200,000	200,000
Total	\$613,920	\$916,527	\$302,607

**HERBERT WESCOAT MEMORIAL LIBRARY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$752,700	\$638,752	\$113,948
Capital Projects	1,017,036	121,257	895,779
Total	\$1,769,736	\$760,009	\$1,009,727

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$569,000	\$616,482	\$47,482
Capital Projects	80,000	80,000	0
Total	\$649,000	\$696,482	\$47,482

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$630,000	\$547,718	\$82,282
Capital Projects	1,000,000	73,188	926,812
Total	\$1,630,000	\$620,906	\$1,009,094

4. Grants-In-Aid and Tax Receipts

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

**HERBERT WESCOAT MEMORIAL LIBRARY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

5. Retirement System

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the Library contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2008.

6. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

7. Jointly Governed Organization

The Southeast Regional Library System (SERLS) is a cooperative regional library system created and governed according to the provisions of Sections 3375.70 through 3375.3, Ohio Revised Code. SERLS is comprised of autonomous public libraries in the Ohio counties of Athens, Belmont, Delaware, Fairfield, Franklin, Gallia, Guernsey, Hocking, Jackson, Jefferson, Lawrence, Licking, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pickaway, Pike, Ross, Scioto, Vinton, and Washington as well as school libraries, academic libraries and special libraries. SERLS' Board of Trustees consists of fifteen members: twelve public library representatives, one academic representative, one school representative, and one special representative. The Herbert Wescoat Memorial Library's control over budgeting and financing of SERLS is limited to its voting authority and its representation on the SERLS' Board of Trustees.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Herbert Wescoat Memorial Library
Vinton County
120 North Market Street
McArthur, Ohio 45651

To the Library Board of Trustees:

We have audited the financial statements of the Herbert Wescoat Memorial Library, Vinton County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated July 14, 2009, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or other matter that we reported to the Library's management in a separate letter dated July 14, 2009.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 14, 2009



Mary Taylor, CPA
Auditor of State

HERBERT WESCOAT MEMORIAL LIBRARY

VINTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 30, 2009