



WEBSTER COUNTY LIBRARY

ANNUAL REPORT

for the

Year Ending December 31, 2010

MISSION STATEMENT

It shall be the mission of the Webster County Library to serve as the information utility that provides excellent and economical public library services to the residents and tax-payers of Webster County. Furthermore, the library endeavors to provide an environment where lifelong habits of learning, self-improvement and self-expression are encouraged and where patrons can meet their educational, informational and recreational needs. The library strives to provide clean and inviting buildings, well-organized and up-to-date collections, current technologies, friendly professional service and well-trained staff.

LOCATIONS AND HOURS

Garst Memorial Library.....(417) 468-3335

219 W. Jackson, PO Box 89

Marshfield, MO 65706

Fax (417) 468-2471

Hours:

Monday, Wednesday 9:00 - 6:00

Tuesday, Thursday 9:00 - 8:00

Friday, Saturday 9:00 - 5:00

Rogersville Branch Library.....(417) 753-3220

104 N. Beatie, PO Box 523

Rogersville, MO 65742

Hours:

Monday, Wednesday 10:00 - 6:00

Tuesday, Thursday 10:00 - 7:00

Friday 10:00 - 5:00

Saturday 10:00 - 2:00

Fordland Deposit Collection.....(417) 767-4555

Fordland High School Library

Fordland, MO 65652

Hours:

Tuesday, Thursday 3:00 - 8:00

Library Website

www.webstercounty.lib.mo.us

BOARD OF TRUSTEES

Mary Carey, President
146 Easy Place
Rogersville, MO 65742
417-753-7133
Appointed: August 2005
Term Expires: June 2013

Pedro "Pete" Cordova, Vice-President
43 Vintage Dr.
Marshfield, MO 65706
417-859-0746
Appointed: November 2009
Term Expires: June 2012

Claire "Milan" Rodriguez, Treasurer
P.O. Box 731
951 Riverview Rd.
Marshfield, MO 65706
417-818-7491
Appointed: July 2009
Term Expires: June 2013

Joyce Smith, Secretary
1414 Glenwood
Marshfield, MO 65706
417-859-5558
Appointed: 1972
Term Expires: June 2012

Helen Lamb
1304 St. Hwy.
Seymour, MO 65746
417-935-4983
Appointed: August 2009
Term Expires: June 2014

LIBRARY DISTRICT STAFF

Gay Wilson	Director	08/05/2002-04/30/2010
Terri York	Director	06/21/2010-
Sandra Clements	Clerk-Rogersville	11/24/2003-
Stacey Cloyd	Shelver-Marshfield	08/25/2010-
Jessica Cole	Clerk-Marshfield	06/15/2009-
Denna Corbin	Clerk-Marshfield	12/28/1994-
Kelsey Emerson	Shelver-Marshfield	05/07/2008-08/13/2010
Sarah Hulsen	Clerk-Rogersville	04/28/2008-
Krista Jackson	Substitute Clerk-Fordland	08/14/2007-
Judy Kasterke	Clerk-Fordland	07/17/2001-
Patricia Kelly	Clerk-Fordland	07/01/2001-
Sally Knotwell	Library Asst-Marshfield	05/12/2004-
Aerial Mitchell	Shelver-Marshfield	05/01/2008-
Joyce Myers	Clerk-Marshfield	09/25/2004-
John Pace	Asst Director-Marshfield	08/16/2001-
Kathy Rader	Library Asst-Marshfield	06/11/2007-
Tina Sandstrom	Clerk-Marshfield	09/24/2007-
Carolyn Sick	Branch Manager-Rogersville	01/29/2001-

HIGHLIGHTS OF 2010

The Garst facility in Marshfield underwent a significant redecorating process in the early part of the year. New carpet and paint were installed with the cost split between the library and the Friends of the Garst Memorial Library.

Gay Wilson resigned as Director of the library system in April to take a position with the Springfield-Greene County Library District.

Terri York started employment as the new library Director on June 21st. She came to the library from her former position of ten years as Director of the Polk County Library.

A Library Policy Manual was created and implemented.

We linked our Computer Time Management system (SAM) with our Circulation System (Millennium) to require patron's cards be in good standing to use public computers.

Magazines are now barcoded and included in the library circulation system, rather than being checked out on the honor system.

The Garst library staff work area was reorganized, and utility cabinets purchased to improve the work environment and staff efficiency.

The library signed up for the Baker & Taylor standing order plan for bestsellers to ensure the library receives all relevant in demand titles promptly.

A formal library volunteer program was implemented at the Garst library to augment staff hours with volunteers to perform shelving of library materials.

Adult programs were added to the calendar at the Garst facility. Programs included weekly Journal Writing, two monthly Book Clubs, and Card Making classes.

A monthly staff newsletter was implemented to better communicate with staff.

The Garst library began to replace the original donated library shelving that has deteriorated and lacks customization to suit the library's growing collection. The new metal shelving has adjustable shelves, add-on ends, and is free standing.

We began community fundraising to support a move to a new Rogersville branch.

The lawsuit in which the library was named as defendant with the City of Seymour as plaintiff was resolved in the Court of Appeals in favor of the library. The matter is considered closed.

LIBRARY HOLDINGS

	Marshfield	Fordland	Rogersville	Total
Adult Fiction	12183	1436	3667	17286
Adult Nonfiction	9118	198	1541	10857
Large Print	1200	62	300	1562
Young Adult	1431	202	642	2275
Juv Fiction	4743	442	1216	6401
Juv Nonfiction	2786	233	625	3644
Easy Reader	683	62	262	1007
Picture Books	5441	573	2108	8122
Reference	1662	2	72	1736
Magazines	987	0	0	987
Audiobook	1219	21	236	1476
PlayAway	96	0	52	148
Music CD	2257	0	73	2330
Video	878	0	88	966
DVD	1269	0	417	1686
Kits	57	33	6	96
Total	46010	3264	11305	60579

CIRCULATION OF HOLDINGS

Marshfield Circulation

	2003	2004	2005	2006	2007	2008	2009	2010
January			9805	10519	9482	9933	10452	10688
February			8717	9425	8671	9110	9616	11252
March			10754	10766	10479	9903	11232	13340
April			8863	8157	9078	9022	9710	10831
May			9266	9380	10139	9325	9815	11871
June			11479	11292	12574	11329	12080	14935
July			10385	11293	11488	11280	13111	14320
August			10968	10342	11047	10240	11610	13642
September			9413	9891	10186	10310	12413	12752
October			9223	9184	10299	10236	12481	11413
November			9098	8577	8793	8977	12037	10602
December			8310	8068	8006	9390	11147	10250
Sub-total	113280	106100	116281	116894	120242	119055	135704	145896

Rogersville Circulation

	2003	2004	2005	2006	2007	2008	2009	2010
January	547	837	927	1195	1770	2128	2203	2202
February	582	729	922	1052	1455	1977	1900	2188
March	779	720	1114	1310	1840	1930	2190	2414
April	638	782	986	1111	1576	2036	2014	2354
May	514	808	1058	1168	1970	1949	1962	2333
June	1008	1453	1388	2002	2454	3185	3034	3002
July	972	1362	1409	1872	2548	2852	3088	2775
August	1082	1518	1280	1999	2096	2323	2773	2645
September	682	979	1079	1609	1634	2120	2317	2213
October	766	1080	1000	1512	1763	2333	2277	2288
November	805	1018	1039	1651	1513	2152	2111	2249
December	720	953	881	1404	1374	2145	2033	2020
Sub-total	9095	12239	13083	17885	21993	27130	27902	28683

**Fordland
Circulation**

	2003	2004	2005	2006	2007	2008	2009	2010
January		122	163	188	332	157	132	183
February		89	143	163	208	93	181	319
March		84	190	153	308	119	160	273
April		73	193	123	190	199	245	223
May		37	189	102	173	176	166	235
June		66	238	185	117	109	132	237
July		62	91	134	125	110	107	207
August		110	155	199	138	243	168	207
September		118	196	212	139	153	194	218
October		149	238	262	250	145	237	234
November		121	316	208	244	153	213	245
December		102	211	170	110	189	194	112
Sub-total	Unknown	1133	2323	2099	2334	1846	2129	2693

District Total	122375	119472	131687	136878	144569	148031	165735	177272
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INTERLIBRARY LOAN STATISTICS

The library borrows materials from other libraries, both within the state and nationally, to supplement the library's existing collection. The Missouri State Library funds statewide courier delivery service two days per week to the library in Marshfield.

Materials borrowed from other libraries: 480

Materials loaned to other libraries: 528

PATRON STATISTICS

Registered Borrowers:

Webster County Residents	18,735
Outside of Webster County	1,354

Annual Number of Visitors to the Library

Visitor Count – Marshfield

	2003	2004	2005	2006	2007	2008	2009	2010
January			7157	8139	8353	7274	7445	6430
February			6678	8031	6456	6743	6875	7464
March			7507	9618	8070	8112	7738	8956
April			6949	8765	7577	8215	7548	8395
May			7034	8562	8177	8111	8269	9092
June			9265	10445	10263	10453	10085	12385
July			8666	9421	9884	10595	10195	11139
August			9098	10349	9151	9630	9762	10782
September			8629	8651	7916	8494	9062	9748
October			7840	8248	8295	8790	7857	8834
November			7804	7990	7144	7011	7344	8064
December			6790	8900	5935	7146	6532	6702
Sub-total	0	0	93417	107119	97221	100574	98712	107991

Visitor Count – Rogersville

	2003	2004	2005	2006	2007	2008	2009	2010
January	384	570	586	637	1197	1505	1455	1628
February	373	451	506	560	1146	1401	1420	1608
March	479	547	644	787	1547	1536	1619	1882
April	454	484	568	661	1432	1552	1547	1761
May	387	538	533	741	1553	1444	1500	1696

June	560	919	722	1070	2100	1976	2167	2262
July	740	817	852	1018	2044	2158	2250	2078
August	695	831	736	1397	2012	1576	1992	1952
September	595	557	521	1148	1367	1337	1673	1649
October	559	634	569	1056	1524	1664	1676	1667
November	586	576	572	1115	1373	1375	1722	1627
December	412	549	522	983	1158	1355	1658	1449
Sub-total	6224	7473	7331	11173	18453	18879	20679	21259

**Visitor
Count –
Fordland**

	2003	2004	2005	2006	2007	2008	2009	2010
January		18	42	122	147	106	102	137
February		20	61	87	140	61	170	151
March		23	61	116	152	81	142	170
April		23	153	87	139	139	146	121
May		16	157	67	103	122	84	170
June		26	95	108	60	105	97	130
July		19	26	70	66	110	87	94
August		48	84	151	103	114	134	156
September		39	114	158	120	164	149	216
October		46	119	183	160	180	162	195
November		36	155	126	133	103	159	219
December		20	94	57	71	114	148	97
Sub-total	0	334	1161	1332	1394	1399	1580	1856

District Total			101909	119624	117068	120852	120971	131106
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PUBLIC COMPUTER USAGE

Marshfield Computer

	2003	2004	2005	2006	2007	2008	2009	2010
January	1376	1811	2459	2602	2545	2462	2243	2134
February	1495	1553	2073	2348	2338	1988	2298	2663
March	1598	1956	2502	2890	2718	2459	2494	3349
April	1452	1924	2209	2168	2140	2387	2397	3059
May	1723	1929	2231	2460	2472	2387	2389	3145
June	2186	2459	2547	2941	2998	2492	2750	3564
July	2485	2867	2869	2711	2931	2547	3036	3646
August	2138	2709	2954	3156	2788	2770	2751	3735
September	1974	2231	2509	2482	2399	2412	2555	3302
October	1943	2154	2374	2361	2501	2460	2556	3038
November	1604	2187	2437	2155	2199	2086	2417	2876
December	1638	1978	2439	2203	1870	2211	2501	2437
Sub-total	21612	25758	29603	30477	29899	28661	30387	36948

Rogersville Computer

	2003	2004	2005	2006	2007	2008	2009	2010
January	88	163	120	139	378	380	456	454
February	58	122	106	113	357	321	501	445
March	80	143	131	121	451	388	512	498
April	115	142	97	140	379	360	515	442
May	96	127	74	135	472	361	407	457
June	118	183	136	190	584	449	476	559
July	152	161	169	191	680	545	621	560
August	146	191	135	353	661	368	611	508
September	135	103	108	301	371	360	505	448
October	138	99	106	262	415	471	536	467
November	163	122	105	322	390	365	518	452
December	106	104	92	321	365	379	504	357
Sub-total	1395	1660	1379	2588	5503	4747	6162	5647

**Fordland
Computer**

	2003	2004	2005	2006	2007	2008	2009	2010
January		16	8	13	5	10	35	35
February		2	5	10	14	15	51	6
March		5	7	14	18	11	42	36
April		3	9	8	15	22	45	22
May		1	6	12	1	5	12	25
June		1	8	9	2	4	8	10
July		0	1	3	0	20	21	10
August		2	7	16	10	9	37	26
September		0	10	19	24	21	50	71
October		4	10	20	20	46	43	95
November		1	9	12	19	35	30	97
December		0	5	5	2	34	35	42
Sub-total	Unknown	35	85	141	130	232	409	475

District Total	23007	27453	31067	33206	35532	33640	36958	43070
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PUBLIC WIRELESS (WIFI) USAGE

**Public
Wireless**

	2008	2009	2010
January		52	97
February		57	126
March		41	133
April		49	139
May		82	179
June		107	181
July	9	118	226
August	50	103	193
September	16	70	184
October	42	69	152
November	26	98	126
December	51	109	136
Sub-total	194	955	1872

RESEARCH DATABASE USAGE

This is the annual total of login sessions to library purchased databases. The library also receives access to many databases via membership in MOREnet. Those MOREnet database logins are not included here.

Heritage Quest (Genealogy) Number of Sessions:	1,022
Automotive Repair Reference Center Number of Sessions:	781
Ancestry (Genealogy) Number of Sessions:	340
NoveList (Readers Advisory) Number of Sessions:	235

PROGRAM STATISTICS

Number of Programs for Children:	25
Children Attending Programs:	2,942

Number of Programs for Adults:	11
Adults Attending Programs:	74

Summer Reading Program:

Marshfield

Children Registered	476
Children Completed	165

Teens Registered	30
Teens Completed	10

Adults Registered	105
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Rogersville

Children Registered	117
Children Completed	49

Teens Registered	12
Teens Completed	1

Adults Registered	14
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VOLUNTEER PROGRAM

The library has an organized volunteer program at the Garst library in Marshfield. The program was started in September of 2010. There were 6 volunteers that served a total of 100 hours.

WEBSTER COUNTY LIBRARY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2010

WEBSTER COUNTY LIBRARY
Audit Report
December 31, 2010

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Independent Auditor's Report

Board of Directors
Webster County Library
Marshfield, Missouri

We have audited the accompanying financial statements of Webster County Library as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on this financial statement 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 opinion.

As described in Note 1, Webster County Library prepares its financial on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the Webster County Library as of December 31, 2010, and the respective changes in modified cash basis financial position, thereof for the year then ended, in conformity with the basis of accounting described in Note 1.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 - 6 and 16 - 17 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Officer CPA Firm LLC

October 25, 2011

WEBSTER COUNTY LIBRARY
 Management's Discussion and Analysis
 December 31, 2010

A BRIEF DISCUSSION OF THE BASIC FINANCIAL STATEMENTS

The management of the Webster County Library would like to offer readers of the library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2010. Readers are encouraged to consider the information presented here in conjunction with additional information found within the body of the audit.

The Webster County Library's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. The financial statements are prepared using the cash basis where revenues are recognized when they are received and expenses are recognized when they are paid. The government-wide financial statements are reported as governmental activities and include a statement of net assets, and a statement of activities. Net assets, the difference between the library's assets and liabilities, are one way to measure the library's financial health or position. At this time the library does not have proprietary or fiduciary funds.

CONDENSED FINANCIAL STATEMENT

The following table reflects the condensed Statement of Net Assets as of December 31, 2009 and December 31, 2010:

Assets:	<u>2009</u>	<u>2010</u>
Cash and cash equivalents	219,417	341,305
Investments	261,673	175,762
Capital Assets, net of accumulated depreciation	607,221	575,700
Total assets	1,088,311	1,092,767
Liabilities:		
Accrued expenses	1,542	0
Total liabilities	1,542	0
Fund balances/net assets:		
Unreserved, reported in:		
General Fund	477,913	514,254
Reserved, reported in:		
General Fund	1,635	2,813
Total Fund Balances	479,548	517,067
Total liabilities and fund balances	481,090	517,067

Net assets:

Invested in capital assets, net of related debt	607,221	575,700
Unrestricted	477,913	514,254
Restricted	1,635	2,813
Total net assets	1,086,769	1,092,767

The following table reflects the condensed Statement of Activities as of December 31, 2009, and December 31, 2010:

Expenditures:	<u>2009</u>	<u>2010</u>
Library services – operations	110,773	101,365
Personnel	260,354	256,437
Materials	70,402	59,071
Capital outlay	73,364	10,370
Total expenses	514,893	427,243
 Program revenues:		
Charges for services	19,605	23,165
State aid	38,064	39,749
Grants, gifts and reimbursements	38,669	4,954
Total program revenues	96,338	67,868
Net program expense	365,878	390,897
 General revenues:		
County taxes	393,259	391,953
Investment income	7,645	4,942
Total general revenues	400,904	396,895
 Excess of revenues over expenditures	(17,651)	37,520
 Change in net assets	35,026	5,998
 Net assets, January 1	1,051,743	1,086,769
Net assets, December 31	1,086,769	1,092,767

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The library's net assets increased by \$5,998 between January 1 and December 31, 2010. \$514,254 (47.05%) of the Webster County Library's total net assets of \$1,092,767, represent unrestricted assets that may be used to meet the library system's ongoing obligations.

During 2010, Webster County Library's total revenue was \$464,763. The total revenue is composed of monies from program and general revenues.

Program revenue accounts for \$67,868 or 14.6% of the library's total revenue. Sources of program revenues include \$39,749 in state aid, \$4,954 in grants, gifts and reimbursements, and \$23,165 for charges for services, which include fees for overdue materials, replacement of materials, interlibrary loan fees, and charges for copies and printing.

General revenue accounts for \$396,895 or 85.39% of the library's total revenue. The primary source of general revenue is from county taxes \$391,953 which represents 98.75% of general revenue and 84.33% of total revenue. The other source of general revenue is \$4,942 of investment income.

Total actual expenditures \$427,243 can be divided up into the following categories: \$256,437 for personnel costs, \$59,071 for materials, \$71,223 in operating costs, \$7,455 for library development, \$10,370 in total capital expenses, and \$22,791 in miscellaneous expenses. Total expenditures decreased \$87,650 from 2009 to 2010. For instance, materials expenditures decreased by \$11,331 due to minimal material purchases made during three months when the library transitioned to a new library director. In 2009, total expenditures included \$52,677 in expenses for remodeling and redecorating the Garst Memorial Library facility. Additionally, in 2009, \$8,075 of expenses were related to legal fees for a lawsuit that was resolved.

ANALYSIS OF BALANCES AND TRANSACTIONS IN INDIVIDUAL FUNDS

Since all assets are reported in a single fund, there were no fund transfers between funds.

The only changes in investments occurred with the continued decrease of interest rates for the library's certificates of deposit.

ANALYSIS OF SIGNIFICANT BUDGET VARIATIONS

The library exceeded budget estimations in two categories; periodicals and outreach. Outreach expenditures exceeded budget by \$2,039 which can be largely contributed to increases in vehicle fuel costs. Periodicals expenditures were over budget due to the timing of subscription service renewals; with the bill for 2010 falling early in the year and renewal for 2011 before the close of the year.

The library performed under budget in several budget categories. Budget amendments were not performed in 2010. Overall, the library added \$37,416 to its fund balance.

DESCRIPTION OF SIGNIFICANT CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

During the November 8, 2005, Board Meeting, the following capitalization policy was approved:

Capitalization Threshold:

Capital Assets \$1000

Estimated Useful Lives:

	<u>Years</u>
Buildings	50
Vehicles	5
Equipment	5

Books will not be capitalized.

Capital outlay totaled \$10,370 for 2010 and exceeded the budgeted amount by \$870. Capital expenditures included a replacement air conditioner unit for \$4,230 and new library shelving for \$4,104. Equalization funds were used for these purchases.

Other major purchases by the library during 2010 included: two utility storage cabinets, three computers, a copy machine, one document scanner, eight meeting room tables, a presentation easel/marker board, five book carts, one desk chair, a filing cabinet and a locking public bulletin board. Funds for these items were provided by the budget under the categories of Furniture and Equipment Purchase with additional Equalization Funds used.

The Webster County Library has no long-term debt.

DISCUSSION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Webster County Library Board of Directors adopted the library's 2011 budget on November 9, 2010. The budget continues to increase based on the continued growth of the library's property tax base. The 2011 budget reflects a property tax revenue increase of \$6,475. In 2011, the library will not receive Equalization Funds due to changes in the poverty level and census data. Therefore, the library will not have the \$21,659 received in 2010. Additionally, the library is unlikely to receive Athletes and Entertainer (A&E) funds due to cuts in State funding. As with prior years, there is concern over rising costs in fuel, utilities, and technology. Also of concern are further cuts in State funding that are passed down to the library in the form of reduced State Aid and Grants.

Currently, the library has \$514,254 in unrestricted total net assets as reserve fund for economic instability.

Future projects under investigation for 2011 include a larger facility for the Rogersville Branch Library.

WEBSTER COUNTY LIBRARY
Statement of Net Assets and Governmental Funds Balance Sheet - Cash Basis
December 31, 2010 With Comparative Data

	December 31, 2010			Statement of Net Assets	Comparative Data December 31, 2009
	Library	Total	Adjustments (See note)		
ASSETS					
Cash and cash equivalents	\$ 341,305	\$ 341,305		\$ 341,305	\$ 219,417
Investments	175,762	175,762		175,762	261,673
Capital assets, net of accumulated depreciation			575,700	575,700	607,221
TOTAL ASSETS	\$ 517,067	\$ 517,067	\$ 575,700	\$ 1,092,767	\$1,088,311
LIABILITIES					
Accrued expenses	\$ -	\$ -		\$ -	1,542
TOTAL LIABILITIES	-	-	-	-	1,542
FUND BALANCES/NET ASSETS					
Unreserved	514,254	514,254	(514,254)	-	-
Reserved	2,813	2,813	(2,813)	-	-
Total Fund Balances	517,067	517,067	(517,067)	-	-
Total Liabilities and Fund Balances	\$ 517,067	\$ 517,067			
Net assets:					
Invested in capital assets, net of related debt				575,700	607,221
Unrestricted				514,254	477,913
Restricted				2,813	1,635
Total net assets				\$ 1,092,767	\$1,086,769

See accompanying notes to basic financial statements.

WEBSTER COUNTY LIBRARY

Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances - Cash Basis
Year ended December 31, 2010 with Comparative Data

	December 31, 2010			Comparative Data
	Library	Total	Adjustments (See note)	Statement of Activities
Expenditures:				
Library services - operations	\$ 101,365	\$ 101,365		\$ 101,365
Personnel	256,437	256,437		256,437
Program materials	59,071	59,071		59,071
Capital outlay	10,370	10,370	31,522	41,892
Total Expenditures	<u>427,243</u>	<u>427,243</u>	<u>31,522</u>	<u>458,765</u>
Program revenues:				
Charges for services	23,165	23,165		23,165
Intergovernmental revenue - state aid	39,749	39,749		39,749
Grants, gifts and reimbursements	4,954	4,954		4,954
Total program revenues	<u>67,868</u>	<u>67,868</u>	-	<u>67,868</u>
Net program expense				<u>390,897</u>
General revenues:				
County taxes	391,953	391,953		391,953
Investment income	4,942	4,942	-	4,942
Total general revenues	<u>396,895</u>	<u>396,895</u>	-	<u>396,895</u>
Excess of revenues over expenditures	37,520	37,520	(31,522)	
Change in net assets			(31,522)	5,998
Net assets, January 1	<u>479,547</u>	<u>479,547</u>		<u>1,086,769</u>
Net assets, December 31	<u>\$ 517,067</u>	<u>\$ 517,067</u>	<u>\$ (31,522)</u>	<u>\$ 1,092,767</u>

See accompanying notes to basic financial statements.

WEBSTER COUNTY LIBRARY
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Library is a government district that is comprised of a board of Trustees. It was originally a member of Kinderhook Regional Library until December 1998, when Webster County Library separated from this organization.

As further discussed in Note 1.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The emphasis for inclusion of potential component units under GASB Statement No. 14 is financial accountability due either to an operational relationship or a financial relationship. These financial statements include those of the Webster County Library. The Library is a stand-alone government entity and is not a component unit of the County.

B. Basic Financial Statements

In accordance with GASB Statement 34-*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements. The Library prepares combined government-wide and fund financial statements, as allowed for a special-purpose government engaged in a single governmental program.

Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the Library's financial activities.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Library as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. All activities, are reported in the government-wide financial statements using the economic resources and measurement focus and the cash basis of accounting, which includes fixed assets and accumulated depreciation. The government-wide financial statements focus more on the sustainability of the Library as an entity and the change in aggregate cash basis financial position resulting from the activities of the fiscal period.

The government-wide Statement of Net Assets reports all financial and capital resources of the Library. It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities show in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds,

WEBSTER COUNTY LIBRARY
Notes to the Financial Statements
December 31, 2010

mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Library would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) Grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Also, part of the basic financial statements are fund financial statements. Fund financial statements report information at the individual fund level. The Library reports only a governmental type fund.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide Statement of Net Assets and Statement of Activities, activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only currently financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

WEBSTER COUNTY LIBRARY
Notes to the Financial Statements
December 31, 2010

The accounts of the Library are maintained, and the accompanying financial statements have been prepared and presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Cash, Investments and Equivalents

Cash consists of amounts in demand deposits, money market savings accounts, and certificates of deposit. The Library considers all highly liquid investments maturing within three months to be cash equivalents. Cash balances are invested to the extent available. Investments include certificates of deposit. Cash and investments are stated at cost which approximates market value.

E. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in November and payable by December 31. The county bills and collects the Library tax and remits the taxes, interest and penalties collected the following month.

The Library's 2010 tax levy was .1179 per \$100 of assessed valuation.

F. Income Taxes

The Library qualifies as an exempt organization under the Internal Revenue Code Section 501 (c)(3) for income tax purposes.

G. Use of Estimates

The preparation of financial statements 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Risk Management

The Library is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruptions; errors and omission; employee injuries and illnesses; natural disasters; and employee health benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

WEBSTER COUNTY LIBRARY
Notes to the Financial Statements
December 31, 2010

I. Asset capitalization

The Library has adopted the following capitalization policy for purposes of reflecting fixed assets on the government-wide statement of net assets:

Capitalization Threshold:

Capital Assets \$1,000

Estimated Useful Lives:

	<u>Years</u>
Buildings	50
Vehicles	5
Equipment	5

2. Deposits

The Library's deposits are stated at cost and are composed of the following:

	Year Ended December 31, 2010	
	Carrying Amounts	Bank Balance
Cash on hand	\$ 100	\$ -
Checking & savings account	341,205	354,486
Certificates of Deposit	175,762	175,762
Total	\$ 517,067	\$ 530,248

Interest Rate Risk – In accordance with its investment policy, the Library manages its exposure to declines in fair values by holding investments to maturity.

Custodial Credit Risk – This is the risk that in the event of a bank failure, the Library's deposits may not be returned to it.

Of the total bank balance at December 31, 2010, \$530,248 was covered by federal depository insurance or by collateral securities.

To protect the safety of the Library deposits, Section 110.020, RSMo 1986, required depositories to pledge collateral securities to secure Library deposits not insured by the Federal Deposit and Loan Insurance Corporation. As the previous paragraph indicates, the Library and its depository banks were in compliance with the Missouri law.

Concentration of Credit Risk – The Library places no limit on the amount the Library may invest in any one issuer.

WEBSTER COUNTY LIBRARY
Notes to the Financial Statements
December 31, 2010

3. Restricted Fund Balance

As of December 31, 2010, fund balance, in the amount of \$2,813 has been restricted for monies received and not yet expended. The revenue received is from the following sources:

	Amount received
Marion Fillmer Memorial	\$ 1,635
Rogersville Building Fund	1,120
Ann Henry Memorial	58
	\$ 2,813

The money expects to be expensed during 2011 for library improvements.

4. Capital Assets

Capital asset activities for the year ended December 31, 2010, were as follows:

	Balance 12/31/09	Additions	Retirements	Balance 12/31/10
Buildings and improvements	\$ 693,879			\$ 693,879
Machinery and equipment	211,175	10,802	40,247	181,730
Vehicles	13,917			13,917
Less accumulated depreciation	(311,750)	(35,684)	(33,607)	(313,827)
Net assets	\$ 607,221	\$ (24,882)	\$ 6,640	\$ 575,699

5. Pension Plans

A. Plan Description

Webster County Library District participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

WEBSTER COUNTY LIBRARY
Notes to the Financial Statements
December 31, 2010

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

The Webster County Library District's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 13.4% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2010, the political subdivision's annual pension cost of \$15,477 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2008 and/or February 29, 2009 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 2009 was 26 years.

WEBSTER COUNTY LIBRARY
Notes to the Financial Statements
December 31, 2010

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 16,029	100%	\$ -
6/30/2009	\$ 17,580	100%	\$ -
6/30/2010	\$ 15,477	100%	\$ -

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2008	20,747	96,204	75,457	22%	122,650	62%
2/29/2009	33,240	126,398	93,158	26%	138,165	67%
2/28/2010	24,344	112,948	88,604	22%	128,525	69%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

SUPPLEMENTARY INFORMATION

WEBSTER COUNTY LIBRARY

Budgetary Comparison Schedule - Governmental Funds - Cash Basis

Year Ended December 31, 2010

	Original Budget	Budget as Amended	Actual	Variance From Amended Positive (Negative)
Receipts (inflows):				
County taxes	\$ 390,158	\$ 390,158	\$ 391,953	\$ 1,795
State aid	16,000	16,000	39,749	23,749
Fines, copies, miscellaneous	20,000	20,000	25,684	5,684
Donated equipment and materials			2,435	2,435
Interest earned	5,000	5,000	4,942	(58)
Amounts available for appropriation	<u>431,158</u>	<u>431,158</u>	<u>464,763</u>	<u>33,605</u>
Charges to appropriations (outflows):				
Personnel:				
Salaries	202,000	202,000	200,374	(1,626)
Payroll taxes	16,250	16,250	15,329	(921)
Health & worker's comp insurance	16,480	16,480	23,805	7,325
Retirement	17,700	17,700	16,929	(771)
Total personnel	<u>252,430</u>	<u>252,430</u>	<u>256,437</u>	<u>4,007</u>
Materials:				
Books	48,500	48,500	45,197	(3,303)
Periodicals	3,250	3,250	5,077	1,827
Cataloging	5,000	5,000	2,911	(2,089)
Media	6,000	6,000	5,886	(114)
Total materials	<u>62,750</u>	<u>62,750</u>	<u>59,071</u>	<u>(3,679)</u>
Operations:				
Repair & maintenance	20,000	20,000	14,087	(5,913)
Legal and accounting	15,500	15,500	7,330	(8,170)
Utilities	23,000	23,000	17,095	(5,905)
Telephone	2,400	2,400	3,150	750
Office expense and postage	4,628	4,628	4,214	(414)
Supplies	10,700	10,700	10,831	131
Insurance	7,500	7,500	6,698	(802)
Outreach	5,500	5,500	7,539	2,039
Advertising and publicity	1,200	1,200	175	(1,025)
Total operations	<u>90,428</u>	<u>90,428</u>	<u>71,119</u>	<u>(19,309)</u>
Library development:				
Membership dues, fees and travel	16,050	16,050	7,455	(8,595)
Total library development	<u>16,050</u>	<u>16,050</u>	<u>7,455</u>	<u>(8,595)</u>
Capital expense:				
Furniture, equipment and improvements	9,500	9,500	10,370	870
Total capital expense	<u>9,500</u>	<u>9,500</u>	<u>10,370</u>	<u>870</u>
Miscellaneous expense:				
Equalization	-	-	21,659	21,659
Memorial expense	-	-	1,132	1,132
Total miscellaneous expense	<u>-</u>	<u>-</u>	<u>22,791</u>	<u>22,791</u>
Total charges to appropriations	<u>431,158</u>	<u>431,158</u>	<u>427,243</u>	<u>(3,915)</u>
Excess (Deficit) of Operating Receipts over Disbursements	-	-	37,520	37,520
Fund Balance Beginning of Year	<u>479,547</u>	<u>479,547</u>	<u>479,547</u>	-
Fund Balance End of Year	<u>\$ 479,547</u>	<u>\$ 479,547</u>	<u>\$ 517,067</u>	<u>\$ 37,520</u>

See accompanying notes to the RSI.

WEBSTER COUNTY LIBRARY

Notes to the Required Supplementary Information - Budget Comparisons
December 31, 2010

1. Budgetary Basis

Annual budgets are adopted on a cash basis of accounting where revenues are reported as collected and expenditures when paid. This is consistent with the financial statement presentation. All annual appropriations lapse at year-end.

2. Budgetary Information

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level.

All budget revisions at this level are subject to final review by the Board of Trustees.

3. Excess of Expenditures over Appropriations

None.