

**INDEPENDENT  
ACCOUNTANT'S AUDIT REPORT  
WESTERN PLAINS LIBRARY SYSTEM**

**JUNE 30, 2020**

BY



**Western Plains Library System**  
**Clinton, Oklahoma**  
**Year Ended June 30, 2020**

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**Clinton, Oklahoma**  
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**Management Discussion & Analysis**  
**Western Plains Library System**  
For the year ending June 30, 2020

**Mission Statement**

The mission of Western Plains Library System is to connect people to information and entertainment via its core values of Passionate Service; Unwavering Integrity; and Adventurous Thinking.\*

\*Adopted by the Board of Trustees in April, 2008.

**Background**

Today, Western Plains Library System (WPLS) serves approximately 48,713 citizens in the four-county area of Custer, Dewey, Roger Mills and Washita Counties. At the end of FY 20, WPLS serves 9,616 registered borrowers.

Multi-County Library Systems were established and are regulated in Oklahoma as set forth by Title 65, Article 4, Section 202-206 of the Oklahoma Statutes. Under the Direction of Oklahoma Department of Libraries' Field Consultant, Dee Ann Ray, the Custer-Washita Library (now Western Plains Library System) was created in 1966 by the voters of the respective counties. The newly created Board of the Custer-Washita library then hired Dee Ann as the first Executive Director. In 1967 Dewey County voted to join the Custer-Washita Library, and Roger Mills County joined in 1968. The System was officially renamed Western Plains Library System in 1968. Dee Ann Ray went on to serve as the Director of WPLS for 37 years until her retirement in 2003. Long-time Bookmobile Librarian Jane Janzen assumed the Directorship in 2003; a position she held until her retirement in 2013. In 2013 Assistant Director Tim Miller was promoted to the WPLS Director's position.

Presently, financial support for WPLS is at four mills per \$1,000 assessed valuation in Custer County and at two mills per \$1,000 assessed valuation in Dewey, Roger Mills and Washita Counties. The constitutional maximum funding level for rural multi-county library systems in Oklahoma is four mills. Municipal single-county libraries (Metropolitan, Tulsa) are allowed a maximum level of six mills.

**Trustees**

WPLS is governed by a Board of eleven Trustees. Each city government of the 7 WPLS communities with a public library appoints a trustee, as does each of the four Boards of County Commissioners of the WPLS service area.

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Board of Trustees as of June 30, 2020:

<u>Board Member</u>	<u>Appointing Body</u>	<u>Board Position</u>
Barbara O'Neill	Roger Mills County Commissioners	Chair
Colette Greene	City of Cordell	Vice-Chair
Beth Miller	Custer County Commissioners	Treasurer
Bart Watkins	Dewey County Commissioners	Member
Darla Johnson	City of Clinton	Member
Charlotte Betche	Washita County Commissioners	Member
Janith Moore	Town of Cheyenne	Member
Kristi Eyster	City of Thomas	Member
Rebecca Geiger	City of Weatherford	Member
Kathy Gilchrist	City of Seiling	Member
Vacant	Town of Sentinel	Member

**Personnel**

Paid employees for FY20 include twenty-three full-time staff members and fourteen part-time staff members. All employees who work 30+ hours per week are counted as full-time. WPLS has five employees with a Master's Degree in Library and Information Studies serving in administrative positions. Oklahoma Department of Libraries' State Aid Regulations require a minimum of three MLIS-degreed librarians be employed by WPLS.

Western Plains' staff salaries are very competitive within the regional library industry thanks to a Salary Survey conducted by the Singer Group in the fall of 2013. Western Plains provides insurance benefits to its employees via a benefit allowance. Each eligible employee is given a set monthly dollar amount, computed annually by formula, to spend on insurance options. As a quasi-governmental entity, Western Plains is eligible for and participates in the Oklahoma State employee health plans administered by the Employees Group Insurance Division. Many of WPLS' sister library systems are still in small-group private health plans, and thus, are paying much higher rates for their employee insurance benefits.

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As of June 30, WPLS' retirement benefit is provided via a 401(a) plan paired with a governmental 457. Both plans are administered by Nationwide with financial advisor services provided by Waddell & Reed. WPLS requires a minimum 5% employee contribution into each 457, matched up to 8% of annual wages into each eligible employee's 401(a).<sup>1</sup>

**Library Services**

In the spirit of "free public access" endorsed, promoted and practiced by libraries throughout the United States, WPLS serves the citizens in the four-county region and beyond in a multitude of ways. WPLS provides information and access to information in a seamless manner in many formats: print; electronic databases that offer access within the library and to remote locations (home, office, etc.); specialized on-line databases and learning programs; e-Books and e-audiobooks; instruction through classes and individual assistance as needed; programming for children, young people and adults; films (DVDs); music (digital download); magazine and newspapers and microfilm.

Services include, but are not limited to: reference, reader's advisory, Interlibrary Loan and programming. A growing number of WPLS customers do not know how to access specialized information, resources, employment applications and other forms without the assistance of skilled library personnel. E-Reader classes are still popular as many customers need help downloading E-books and learning more about their particular E-reader device.

Five WPLS branch libraries have meeting rooms that are available and free for public use.

**Circulation**

Circulation for all of FY20 totaled 131,054. The chart below illustrates how digital circulations is holding steady as a percentage of WPLS' total circulation.

Fiscal Year	Total Circulation	Digital Circulation	Digital as % of Total
2016	158,274	26,791	16.9%
2017	167,544	35,754	21.3%
2018	154,225	30,064	19.4%
2019	159,677	42,973	26.9%
2020	131,054	42,740	32.6%

Other library services have shown growth over the last year as well:

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<sup>1</sup> In fiscal year 2020, the WPLS match will rise to 10%.

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- Computer Usage 153,756
- Interlibrary Loan Requests 1,731

**Programming**

Quality programming geared toward the WPLS’ user base has always driven customers into our library buildings. During the Summer Reading Program (SRP) in particular a number of libraries now hold performances off-site due to capacity constraints of the current library buildings.

WPLS participates in the ODL sponsored, nationally known, Collaborative Library Summer Reading Program. For the reading program, branches encourage children to sign up and complete the challenge of reaching a reading goal. To ensure the children’s interest and excitement remains piqued, story and craft times, among other programs, are offered at all branches. In FY20, COVID-19 drastically changed the operations of the Programming Department.

With all in-person events cancelled, WPLS launched video programming to great success, and managed to replicate every element of a traditional SRP in a digital environment. This included the purchase of a product called Beanstack to manage SRP participation. In the end, WPLS provided a high-quality experience for its customers that many of its larger sister institutions did not even attempt. Management will continue to support the imaginations of our staff in developing engaging enrichment for their individual communities.

Fiscal Year	SRP Attendance	SRP Programs	Total Attendance	Total Programs
2016	7,501	269	15,088	708
2017	7,663	259	18,699	850
2018	7,625	266	17,737	860
2019	7,455	290	15,650	971
2020	9,035	105	18,645	588

WPLS provides programming at many community events in addition to in-library programs. Listed below are the locations and events at which we provided programming. At every event we issue library cards live using cellular connected iPads or mobile devices connected to our Bookmobile’s hotspot.

- Cheyenne: Pioneer Days (Scavenger Hunt program)
- Clinton: Indian Health Resource Fair (Library Card Sign Ups)  
 Career Day at CHS (Library Card Sign Ups)
- Cordell: Town-Wide Halloween (Scary Storytime and trick-or-treating)
- Sentinel: Outreach Programming in the Jr. High
- Thomas: Summer Movie in the Park

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Weatherford: SWOSU Organization Fair (Library Card Sign Ups)  
Route 66 Nights (Info Booth and Program)

Additionally, our Bookmobile participates in parades in the communities of Clinton, Seiling, Sentinel, Thomas and Weatherford.

**Collections**

Just over \$294,000 was spent in FY20 to provide information and recreational materials, as well as electronic databases, to the customers of WPLS. Western Plains' suite of electronic databases cost just over \$35,000 in FY20. Several of these databases, such as Ancestry.com for genealogy and the Brainfuse database, which offers homework help and assistance in applying for jobs, saw strong usage.

At the conclusion of FY20, WPLS owns 157,480 items of all types. During FY20, 9,660 items were added to the WPLS collection and 23,966 were deleted.

WPLS had access rights to 21,412 digital items at the conclusion of FY20. During FY20, 1,303 new digital access rights were purchased. Given current budget support, at least 1,000 new digital titles will be added each year.

In FY16, WPLS deployed the Playaway Light format for the first time. Playaway lights digital audio devices offer one title per device. In FY19 WPLS deployed the Playaway Launchpad format. Launchpads are an android based tablet containing educational games or stories geared at young children. Using funds provided by the Children's Reading Trust Grant, WPLS purchased 872 Playaway devices of all types in FY18.

In FY19 Playaway Wonderbooks were purchased for the first time with just over \$26,000 spent to acquire an initial collection of 632 items.

In FY20 we began curating the simultaneous use titles in our digital collection.

**Financial Overview**

FY20 Operating Income	\$2,429,004
FY20 Actual Operating Expenses	\$2,115,728
FY20 Capital Outlay	\$ 113,815
FY 20 Grant Income	\$ 1,000
FY20 Grant Expenses	\$ 1,000
FY20 Author Visit Income*	\$ 40,365



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FY20 Author Visit Expense	\$ 76,524
FY20 Total Expenses	\$2,307,067

\*Banquet ticket sales and \$30,000 event subsidy from SWOSU Panorama

The major portion of WPLS' funding comes from county ad valorem taxes of four mills in Custer County and two mills in Dewey, Roger Mills and Washita Counties. Ad valorem generated \$2,366,672 in income for FY20.

Another source of WPLS' income is state aid administered by the Oklahoma Department of Libraries (ODL). For FY20, state aid was received for \$39,193. The state aid formula is based on population and the square miles within the WPLS service area.

Western Plains also derives a small amount of income, just over \$20,000, from the payment of library fees, interest on investments and customer payments via the Unique Management collection agency program.

Western Plains has brokered transactions for external Friends groups for a number of years. These transactions are usually cost-share allocations, with WPLS paying a fixed percentage and the Friends group paying a percentage toward the purchase of furnishings for branches. Ownership of all assets purchased under cost-share resides with WPLS.

Two important sources of funding for WPLS that are not directly recorded in the budget are the Universal Service (E-Rate) and Oklahoma Universal Service (OUSF) discounts for internet and other eligible services. In FY20, the total of these two discounts was just under \$140,000. Without these discount programs, WPLS would not be able to maintain the current internet speed (1 gbs) and WAN configuration (300 mbs between sites).

Western Plains continues to file for, and receive, E-Rate discounts using in-house staff. Many Oklahoma library systems have hired consulting firms to perform this work, at an annual cost of well over \$50,000.

## **Technology**

Western Plains continues to deploy and support up-to-date technology for its customers and staff. Currently WPLS has over 90 public and staff desktop computers in use across the system. These computers were purchased as a group in 2017 with an anticipated useful life of four years.

Each computer is protected from customer interference by Deep Freeze software, and all machines are deployed with commercial imaging software. In the event of a software failure or virus infection, the current image is reapplied to the machine with a down-time of less than a half-hour. This type of computer support, with Deep Freeze and imaging, allows each customer the same user experience across all branches and reduces day-today technical support to almost zero. WPLS does have a technology reserve set aside for the large-scale replacement of

**Management Discussion & Analysis**  
**Western Plains Library System**  
For the year ending June 30, 2020

computer hardware. All hardware was replaced in FY17 using operating funds, so the technology reserve is still intact.

WPLS supports its desktop computers with a virtualized server architecture. Virtualized servers allow for physical separation by server function resulting in less down time. In FY19 after a ransomware attack that was defeated by rebuilding from clean backups, WPLS upgraded its IT infrastructure. E-mail scanning software was purchased, along with real-time desktop monitoring software and a cloud backup solution for all servers.

In addition to desktop computers, each branch library also has an iPad used to accept credit card payments for library fees and to photograph library events. All branch iPads were last upgraded in FY17. Additional iPads as Square registers are deployed to Clinton and Weatherford. In FY19, new iPads were issued to the department heads for use in support of their duties. This equipment is the property of WPLS and is returned upon an employee's departure.

### **Employee Training and Professional Development**

WPLS management places a high value on training, continuing education and professional development for WPLS staff at all levels. For these reasons, WPLS invests money, time and energy in staff development by encouraging and requiring all staff to attend training, workshops and conferences.

All library managers and assistant-managers are currently certified, or pursuing certification, under the ODL Public Library Certification Program. The Certification Program was developed by ODL and OLA in the late 1990's so that a standard set of professional standards and training could be established for public libraries across Oklahoma. Most public libraries in Oklahoma are not managed by masters degreed librarians, and the certificate program provides an educational avenue for these library staff. (Founding WPLS Director Dee Ann Ray was a member the original committee which created the standards.)

Currently WPLS requires ODL certification of all library managers within their first two years of employment. The Executive Assistant/Human Resources Officer serve on the State Certification Board, which provides program oversight and develops curriculum.

MLIS-degreed staff are provided with multiple opportunities for professional development by attendance at regional and national library conferences. In the last few years, WPLS has also been able to bring several library mangers to these national library conferences. Conferences attended by WPLS staff in FY20 were as follows:

- TLC Software Users Group Conference: 4 attendees
- Oklahoma Library Association Conference: 14 attendees
- Mountain Plains Library Association Conference: 3 attendees
- Public Library Association (PLA) Conference: 14 attendees

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- American Library Association (ALA) Conference: 0 attendees\*

\*Conference cancelled due to COVID-19

Western Plains' staff is also very active in the Oklahoma Library Association. Currently ten WPLS staff are active on twelve different OLA committees.

Western Plains currently holds a quarterly staff meeting for all library managers, assistant library managers and Main Office staff. This gives system management the opportunity to discuss items of interest, conduct in-house training on various topics and plan cooperative programming.

**Outreach Publicity and Public Relations**

Understanding and communicating with the citizens and communities WPLS serves is a challenge about which the system is passionate. WPLS promotes the value of its libraries, services and programming at every opportunity. While several library managers write weekly columns for their local community newspaper, WPLS employs a full-time marketing representative. Having one employee, who is responsible for all WPLS marketing, allows the organization to advertise with a common theme and leads to more brand awareness of the services WPLS provides to each local branch library. Multiple management staff and several branch managers are also regular speakers at civic groups in their communities.

Western Plains executes an annual contract with Wright Radio for regular advertising; the current contract includes 750 radio ads and 750 public service announcements on all three stations owned by Wright Radio. A newspaper contract was also signed in FY19 for ads in the West Ok Weekly, owned by Wright Radio. We advertise in all other area newspapers without a contract, with the exception of Weatherford Daily News, where a low-commitment advertising contract exists.

Total paid ads by Month and Type:

	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June
Print	1	12	8	6	8	13	14	10	6	7	12	28
Radio	0	40	40	90	45	45	50	50	45	45	50	250

Western Plains also strives to participate in at least one major event in each community. In many communities WPLS staff sit on the planning committees for the events.

**Management Discussion & Analysis**  
**Western Plains Library System**  
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Spotlight events by community:

Cheyenne: Pioneer Days  
Clinton: Route 66 Festival  
Cordell: Pumpkin Festival  
Seiling: Christmas Parade  
Sentinel: 4th of July Parade  
Thomas: Town-wide Christmas festivities  
Weatherford: SWOSU Homecoming Parade

### **Capital Projects**

A listing of FY20 capital projects by location is below:

Main Office:

- Remodeled Main Office to add two new staff offices and expand staff breakroom
- Replaced carpet in Main Office with a laminated vinyl tile product
- Purchased new furnishings for one staff office created from remodel project
- Tinted exterior windows with a commercial grade tint
- Replaced compressor on one air conditioning unit
- Purchased sixteen book carts for distribution across the System

Bookmobile:

- Replaced air-ride driver and passenger seats
- Replaced driver and passenger side exterior mirrors

Cheyenne:

- Purchased sneeze guard for installation at circulation desk

Clinton:

- Installed three additional security cameras: two external and one internal
- Purchased three sneeze guard for installation at circulation desk

**Management Discussion & Analysis**  
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Cordell:

- Purchased sneeze guard for installation at circulation desk

Seiling

- Purchased sneeze guard for installation at circulation desk

Sentinel

- Replaced residential wall-mounted air conditioner with a commercial-grade air conditioner
- Purchased sneeze guard for installation at circulation desk

Thomas

- Purchased sneeze guard for installation at circulation desk

Weatherford

- Purchased two sneeze guards for installation at circulation desk

### **Advisory Boards/Friends Groups**

Western Plains has a structure of local library advisory boards unique in Oklahoma. At the time WPLS was formed, many communities in the service area had pre-existing public libraries with municipally appointed governing boards. In other parts of Oklahoma these groups were dissolved upon the formation of a library system. However, in western Oklahoma these local library boards were adopted into the structure of WPLS as Advisory Boards. These Advisory Boards have historically functioned as “Friends of the Library” supporters and have advocated for physical library improvements with their respective municipal governments.

The Advisory Boards have also raised funds to support their local library and held these deposits in the name of their group. Changes in banking laws over the last decade are making it more difficult for these Advisory Boards to bank in their own name; as their legal entity type is not easily discerned.

WPLS management is available to assist any Advisory Boards in formation of their own 501c3 groups. Clinton, Sentinel and Weatherford currently have 501c3 status; Cheyenne has an outstanding 501c3 filing. Thomas and Cordell are content with the current arrangement, although Thomas has filed for recognition as a domestic not-for-profit corporation. Seiling’s Advisory Board operates under the City’s of Seiling’s tax id number.

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It is a goal of WPLS that eventually every library will have its own 501c3 group to raise funds that supplement library programming and provide for physical facility improvements. A tax-exempt fund raising vehicle that meets current banking regulations is particularly critical when large-scale building projects are undertaken.

**Director's Statement**

FY20 was a very challenging year due to the COVID-19 global pandemic. I am proud of my staff as WPLS continued to offer library services while most business institutions were closed. Many traditional library usage indicators were down due to the closure of physical locations for almost two months, but I believe WPLS as an institution became stronger during this period. The WPLS staff pioneered new models of digital service and provided themselves flexible in a rapidly changing, highly-stressful working environment.

As I complete my sixth year, it continues to be an honor to serve as Executive Director of the Western Plains Library System. It is a privilege to work with outstanding Trustees; very intelligent, and high-energetic staff members and supportive communities.

For additional information contact Tim Miller at (580) 323-0974.



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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Western Plains Library System  
Clinton, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Western Plains Library System, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Western Plains Library System's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the discretely presented component units of the Western Plains Library System, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-1 thru A-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Budgetary Comparison Schedule on pages 23-24 and the Notes to the Required Supplementary Information on page 25 are also presented according to Governmental Accounting Standards Board requirements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule and Notes to the RSI are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Western Plains Library System's basic financial statements. The combining nonmajor fund financial statements and grant schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining nonmajor fund financial statements and the grant schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the grant schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2020, on our consideration of the Western Plains Library System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Western Plains Library System's internal control over financial reporting and compliance.

*Furrh & Associates, PC*

**FURRH & ASSOCIATES, PC**

Lawton, Oklahoma

August 28, 2020

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Statement of Net Position**  
**June 30, 2020**

	<u>Governmental Activities</u>	<u>Enterprise Activities</u>	<u>Total</u>
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 1,733,315	\$ 21,488	\$ 1,754,803
Investments	51,308	0	51,308
Ad Valorem Tax Receivable	245,711	0	245,711
Prepaid Assets	48,214	0	48,214
Inventory	0	846	846
	<hr/>	<hr/>	<hr/>
Total Current Assets	2,078,548	22,334	2,100,882
<b><u>Other Assets</u></b>			
Fixed Assets, Net of Accum Depr.	1,269,413	0	1,269,413
	<hr/>	<hr/>	<hr/>
Total Other Assets	1,269,413	0	1,269,413
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 3,347,961</b>	<b>\$ 22,334</b>	<b>\$ 3,370,295</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 17,457	\$ 0	\$ 17,457
Unpaid Compensated Absences	92,853	0	92,853
	<hr/>	<hr/>	<hr/>
Total Liabilities	110,310	0	110,310
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Debt	1,269,413	0	1,269,413
Restricted	0	22,334	22,334
Unrestricted	1,968,238	0	1,968,238
	<hr/>	<hr/>	<hr/>
Total Net Position	3,237,651	22,334	3,259,985
	<hr/>	<hr/>	<hr/>
<b>Total Net Position and Liabilities</b>	<b>\$ 3,347,961</b>	<b>\$ 22,334</b>	<b>\$ 3,370,295</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2020**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business Type Activities	Total
<b>Primary Government</b>							
Governmental Activities:							
Operating Expenses	\$ 505,678	\$ 1,000	\$ 0	\$ (449,503)	\$ (449,503)		\$ (449,503)
Personnel Services	1,387,080	0	0	(1,387,080)	(1,387,080)		(1,387,080)
Informational Materials	294,884	0	0	(294,884)	(294,884)		(294,884)
Public & Technical Services	143,582	0	0	(143,582)	(143,582)		(143,582)
Total Governmental Activities	2,331,224	1,000	0	(2,275,049)	(2,275,049)		(2,275,049)
Business Type Activities:							
Sales	296	0	0		\$ 70		70
Total Business Type Activities	296	0	0				
Total Primary Government	\$ 2,331,520	\$ 1,000	\$ 0	(2,275,049)	(2,275,049)	70	(2,274,979)
<b>General Revenue</b>							
Ad Valorem Tax				2,366,672		0	2,366,672
State Aid				39,193		0	39,193
Interest				7,450		0	7,450
Miscellaneous				2,100		0	2,100
Collection Income				816		0	816
Donations				4,992		0	4,992
Transfers				(6,296)		6,296	0
Total General Revenue				2,414,927		6,296	2,421,223
Change in Net Position				139,878		6,366	146,244
Net Position, June 30, 2019				3,097,773		15,968	3,113,741
Net Position, June 30, 2020				\$ 3,237,651		\$ 22,334	\$ 3,259,985

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>Assets</u></b>			
Petty Cash	\$ 50	\$ 0	\$ 50
Cash - Mid First Bank	1,602,044	0	1,602,044
Cash - Bank of Cordell	49,151	0	49,151
Cash - OK Bank and Trust	58,924	7,279	66,203
Cash - First Bank and Trust	0	15,867	15,867
CD - Security State	51,308	0	51,308
Ad Valorem Tax Receivable	245,711	0	245,711
Prepaid Assets	48,214	0	48,214
Fixed Assets	2,392,451	0	2,392,451
Accumulated Depreciation	(2,392,451)	0	(2,392,451)
Total Assets	\$ 2,055,402	\$ 23,146	\$ 2,078,548
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 17,457	\$ 0	\$ 17,457
Compensated Absences Liability	92,853	0	92,853
Total Liabilities	110,310	0	110,310
<b><u>Fund Balance</u></b>			
Nonspendable	48,214	0	48,214
Restricted	0	0	0
Committed	565,908	0	565,908
Assigned	600,000	0	600,000
Unassigned	730,970	23,146	754,116
Total Fund Balance	1,945,092	23,146	1,968,238
Total Liabilities and Fund Balance	\$ 2,055,402	\$ 23,146	

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

Fund Balances	\$ 1,968,238
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets Used by Governmental Activities of \$2,392,451	
Net of Accumulated Depreciation of \$1,123,038 are not financial resources and, therefore, are not reported in the funds.	<u>1,269,413</u>
Net Position of Governmental Activities	<u><u>\$ 3,237,651</u></u>

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenue</u></b>			
Ad Valorem Tax Revenue	\$ 2,366,672	\$ 0	\$ 2,366,672
Author Visits Income	40,365	0	40,365
State Aid	39,193	0	39,193
Branch Library Income	14,810	0	14,810
Interest Income	7,414	36	7,450
Miscellaneous Revenue	2,100	0	2,100
Grant Revenue	1,000	0	1,000
Collection Income	816	0	816
Donations and Fundraising	0	4,992	4,992
Total Revenue	<u>2,472,370</u>	<u>5,028</u>	<u>2,477,398</u>
<b><u>Expenditures</u></b>			
Personnel Services			
Salaries and Wages	1,067,585	0	1,067,585
Employee Insurance	166,967	0	166,967
Payroll Taxes	83,217	0	83,217
Retirement Costs	69,311	0	69,311
Total Personnel Services	<u>1,387,080</u>	<u>0</u>	<u>1,387,080</u>
Informational Materials			
Books - Print	121,079	1,509	122,588
Downloadables	92,612	0	92,612
Databases	35,615	0	35,615
Audio Books	15,721	0	15,721
DVDs	14,271	0	14,271
Magazines/Newspapers	11,695	0	11,695
Vendor Processing	1,827	0	1,827
Microfilm	555	0	555
Total Informational Materials	<u>293,375</u>	<u>1,509</u>	<u>294,884</u>
Public and Technical Services			
Programming Fees, Supplies & Travel	102,668	0	102,668
IT Services	28,759	0	28,759
Technical Services	12,155	0	12,155
Total Public & Technical Services	<u>143,582</u>	<u>0</u>	<u>143,582</u>

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2020**

<u>Expenditures (cont.)</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Operating Expenses			
Capital Outlay (Depreciation)	\$ 113,815	\$ 0	\$ 113,815
Automation	48,775	0	48,775
Building Maintenance	41,010	0	41,010
Marketing	35,403	0	35,403
Insurance	33,294	0	33,294
Professional Consulting	30,249	0	30,249
Professional Development	29,166	0	29,166
Utilities	19,365	0	19,365
Staff Development	18,202	0	18,202
Equipment Expense	17,995	0	17,995
Contingency Expense	17,301	0	17,301
Vehicle Expense	17,129	0	17,129
Supplies	13,681	0	13,681
Postage and Freight	8,982	0	8,982
Internet Access	7,868	0	7,868
Miscellaneous Expense	7,290	0	7,290
Computer Expense	6,977	0	6,977
Human Resources Expense	6,413	0	6,413
Furniture Expense	5,361	0	5,361
Travel	4,871	0	4,871
Collection Agency	2,631	0	2,631
Rent Expense	1,944	0	1,944
Grant Expenditures	1,000	0	1,000
Banking Service Fees	606	32	638
Total Operating Expenses	<u>489,328</u>	<u>32</u>	<u>489,360</u>
Total Expenditures	2,313,365	1,541	2,314,906
Revenue Over (Under) Expenditures	159,005	3,487	162,492
Fund Balance, June 30, 2019	<u>1,786,087</u>	<u>19,659</u>	<u>1,805,746</u>
Fund Balance, June 30, 2020	<u>\$ 1,945,092</u>	<u>\$ 23,146</u>	<u>\$ 1,968,238</u>

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Enterprise Fund**  
**Statement of Net Position**  
**Year Ended June 30, 2020**

<u>Assets</u>		
Current Assets:		
Cash - MidFirst Bank, Weatherford	\$ 21,488	
Inventory	846	
Total Current Assets		\$ 22,334
Noncurrent Assets:		
Capital Assets	0	
Accumulated Depreciation	0	
Total Noncurrent Assets		0
Total Assets		\$ 22,334
 <u>Liabilities</u>		
Unearned Revenue	\$ 0	
Total Liabilities		\$ 0
 <u>Net Position</u>		
Restricted	22,334	
Total Net Position		22,334
Total Liabilities and Net Position		\$ 22,334

Please see accompanying notes to the financial statements.



# Western Plains Library System

Clinton, Oklahoma

Enterprise Fund

## Statement of Revenue, Expense, and Changes in Fund Net Position Year Ended June 30, 2020

### Operating Revenue

Sales	\$	366
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### Operating Expense

Cost of Inventory		<u>296</u>
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Net Operating Income (Loss)		70
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### Nonoperating Revenue (Expense)

Transfers from Western Plains		<u>6,296</u>
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Net Nonoperating Revenue (Expense)		6,296
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Net Revenue (Loss)		6,366
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Total Net Position, June 30, 2019		<u>15,968</u>
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Total Net Position, June 30, 2020	\$	<u><u>22,334</u></u>
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Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Enterprise Fund**  
**Statement of Cash Flows**  
**Year Ended June 30, 2020**

**Cash Flows from Operating Activities**

Receipts from Customers	\$	366
Payments to Suppliers		<u>(282)</u>
Net Cash Provided (Used) by Operating Activities		84

**Cash Flows from Noncapital Financing Activities**

Transfers from Western Plains		<u>6,296</u>
Net Cash Provided (Used) by Noncapital Financing Activities		6,296

**Cash Flows from Capital and Related Financing Activities**

Capital Assets Purchased		0
Capital Assets Sold		<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities		0

**Cash Flows from Investing Activities**

Interest Income		<u>0</u>
Net Cash Provided (Used) by Investing Activities		<u>0</u>

Net Increase (Decrease) in Cash and Cash Equivalents		6,380
Cash and Cash Equivalents - June 30, 2019		<u>15,108</u>
Cash and Cash Equivalents - June 30, 2020	\$	<u><u>21,488</u></u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities**

Operating Income (Loss)	\$	70
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities		
Decrease in Inventory		<u>14</u>
Net Cash Provided (Used) by Operating Activities	\$	<u><u>84</u></u>

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 1 – Summary of Significant Accounting Policies**

The Western Plains Library System (the System) is a multi-county quasi-governmental organization under Title 65 (Multi-County Act) of the Oklahoma Statutes. The System is governed by a board of trustees appointed by the county commissioners of Custer, Dewey, Roger Mills, and Washita Counties, and by the governing boards of all towns with a WPLS library. Presently, there are the following towns and cities: Cheyenne, Cordell, Clinton, Weatherford, Thomas, Seiling and Sentinel, Oklahoma that are represented on the board of trustees.

For financial reporting purposes, the System includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the System's executive or legislative branches. Control by or dependence on the System was determined on the basis of oversight responsibility, scope of public service, and special financing relationships. Oversight responsibility includes financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The Western Plains Library System keeps its records and prepares its financial statements on the accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available.) "Measurable" means the amount of the transaction can be determined; and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Purchases of all materials and supplies are charged to operations in the period in which purchases are made. Amounts of inventories on hand are not considered material and are not included in the financial statements.

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

The System is a multi-county quasi-governmental organization under the laws of the State of Oklahoma. As a library system (a political sub-division of the State of Oklahoma), the System is exempt from federal and state income taxes.

**Note 2 – Fund Accounting**

The accounts of the System are organized on a basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the financial statements and are

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

classified as governmental, proprietary, and fiduciary fund types. The following fund types are used by the System.

**Governmental Fund Types**

General Fund – The general fund is the primary operating fund of the System. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in the general fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue resources that are legally or administratively restricted to expenditures for specific purposes. The System’s current special revenue funds include:

- a. Memorial Fund
- b. Friends of the Library Fund

According to GASB 54, fund balances in the Governmental Funds are to be properly reported within one of the fund balance categories below:

1. Nonspendable – Nonspendable funds are associated with inventories, prepaid assets, and long-term receivables.
2. Restricted – Restricted funds are associated with amounts that only can be spent for specific purposes as stipulated by the bylaws, granting agencies, or enabling legislation.
3. Committed – Committed funds are associated with amounts that only can be spent for specific purposes as determined by a formal action of the Board of Trustees.
4. Assigned – Assigned funds are associated with amounts that can be spent for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – An unassigned fund is the residual classification for the System’s general fund and includes all spendable amounts not contained in the other classifications.

**Proprietary Fund Types**

Enterprise Fund – The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises.

Fund balances in the Proprietary Funds are to be properly reported within one of the fund balance categories listed below:

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

1. Invested in Capital Assets, Net of Related Debt – These funds are associated with capital assets minus any notes payable.
2. Restricted – Restricted funds are associated with amounts that only can be spent for specific purposes.
3. Unrestricted – An unrestricted fund is the residual classification for the System’s enterprise fund and includes all amounts not contained in the other classifications.

**Note 3 – Budgetary Accounting**

The System’s budgetary accounting procedures are discussed in the notes to the required supplementary information.

**Note 4 – Cash and Cash Equivalents**

Cash and cash equivalents include the following accounts:

General Fund	
MidFirst Bank-Investment	\$ 1,597,368
Oklahoma Bank and Trust	58,924
Bank of Cordell Childrens Trust	49,151
MidFirst Bank-Checking	4,676
Petty Cash	50
Enterprise Fund	
MidFirst Bank-Sales Acct	21,488
Memorial Fund	
Oklahoma Bank and Trust	7,279
Friends of The Library Fund	
First Bank and Trust	15,867
	\$ 1,754,803

The cash on deposit with MidFirst Bank of Weatherford, Oklahoma, is not only covered by FDIC insurance (up to \$250,000) but also collateral pledges of \$2,000,000 to cover deposits in excess of the FDIC coverage. The cash on deposit with Bank of Cordell and Oklahoma Bank and Trust is also covered by FDIC insurance (up to \$250,000).

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

The System's cash, deposits, and investments are classified in the following categories:

- A. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- B. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- C. Uncollateralized.

	A	B	C	Total
Cash	\$ 1,754,753	\$ 0	\$ 50	\$ 1,754,803

**Note 5 – Investments**

The System invests \$51,308 in a Certificate of Deposit at the Security State Bank in Cheyenne, Oklahoma. The interest rate on this investment is 0.95%. The interest pays quarterly. The maturity date is July 18, 2020.

**Note 6 – Ad Valorem Taxes Receivable**

Roger Mills County, Dewey County, Custer County and Washita County owe the System outstanding ad valorem taxes. Several major industries in the counties claim an ad valorem manufacturer exemption. The State of Oklahoma will reimburse the counties for the industries that claim this exemption. The counties have a policy of not passing along the ad valorem taxes for these industries until they receive the money from the State. The counties expect to be able to pass the 2019/2020 funds to the System in the 2020/2021 fiscal year.

**Note 7 – Prepaid Assets**

Prepaid assets include the unamortized portion of the annual expense for the following:

Prepaid Automation	\$	31,827
Prepaid Insurance		15,206
Prepaid Expenses		882
Prepaid Subscriptions		299
		\$ 48,214

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 8 – Fixed Assets**

All capital assets acquired prior to June 30, 2004 were considered to be fully depreciated. All fixed assets acquired before June 30, 2004 were valued at historical cost or estimated historical cost if actual historical cost was not available. Amounts were recorded for fixed asset purchases, for control purposes, with a corresponding amount recorded in the accumulated depreciation account. Donated assets were valued at their estimated fair market value as of the date donated. The System has adopted a capitalization policy of not recording, for depreciation purposes, items costing less than \$500 per unit.

Current year changes in fixed assets were as follows:

	<u>Property, Plant and Equipment</u>	<u>Accumulated Depreciation</u>
Balance as of 07/01/2019	\$ 2,339,040	\$ 1,048,976
Additions	113,815	118,421
Disposals	(60,404)	(44,359)
Balance as of 06/30/2020	<u>\$ 2,392,451</u>	<u>\$ 1,123,038</u>

**Note 9 – Accrued Payroll and Compensated Absences**

The System accrues a payroll liability and a liability for vacation pay or other compensated absences. The cost is recognized when a claim is made for the accrued compensation by the employee. The amount of earned unpaid compensated absences liability at June 30, 2020 was approximately \$92,853.

In the audit report for the year ending June 30, 2019 the unpaid compensated absences liability was understated by \$10,397. The report showed a liability in the amount of \$62,980, the correct amount should have been shown in the amount of \$73,377.

**Note 10 – Assigned Fund Balance**

The Executive Director has set aside a portion of the fund balance for replacement reserve accounts. The assigned fund balances for these purposes as of June 30, 2020 were as follows:

Vehicle Replacement	\$ 300,000
Computer Reserve	\$ 125,000
Building Maintenance	\$ 50,000
Author Visits	\$ 100,000

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

These restrictions are imposed by the Executive Director only; consequently, the restrictions may be rescinded by action of the Board.

**Note 11 – Committed Fund Balance**

The governing board has implemented a new cash management policy that commits 3 months of operating expenses. The committed fund balance for this purpose as of June 30, 2020 was \$565,908.

This policy was implemented by the Board of Trustees action only; consequently, the policy may be rescinded by action of the Board.

**Note 12 – Tax Revenues**

Approximately 95.5% of the total revenue of the library system for the current year was received from ad valorem taxes from a special tax levy voted by the citizens of Custer, Dewey, Roger Mills, and Washita counties. Approximately 60.8% of the ad valorem tax revenues were received in January and February 2020.

<u>Ad Valorem Tax Revenue</u>	
Custer County	\$ 1,169,264
Dewey County	497,747
Roger Mills County	377,499
Washita County	322,162
	<u>\$ 2,366,672</u>

**Note 13 – Insurance Coverage**

The System maintains the following insurance coverage as protection against possible loss contingencies:

- Commercial Automobile Coverage
  - Liability
  - Uninsured Motorists
  - Comprehensive and Collision
- Commercial Package
- Employment Practices Liability
- Workers Compensation
- Employer Liability
- Position Fidelity Bond



**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 14 – Grant Revenues**

Following is a summary of the grant receipts and disbursements during the year:

	Grant Receipts	Grant Expenditures
Oklahoma Humanities: Let's Talk About It	\$ 1,000	\$ 1,000
Total	\$ 1,000	\$ 1,000

**Note 15 – Retirement Plan**

In January 2016, the System approved and adopted a 401(a) qualified retirement plan (the Plan) and engaged the services of Nationwide Trust Company, and Pension Solutions, Inc. to support the implementation and administration of the Plan.

The Plan is a defined contribution plan and participation is mandatory for all eligible employees. To become eligible for participation, an employee must have completed one year of service, have reached age 18.

Administrative costs for the retirement plan totaled \$1,872 and were charged to current year operating expense.

The System has included the retirement plan in their strategic plan for 2018-2020. They plan to increase the library match. Currently it is a 8% match. They would like to implement a 10% match on July 1, 2020.

Total retirement costs for the current year and the previous two years.

	6/30/2020	6/30/2019	6/30/2018
Employer Contributions	\$ 67,560	\$ 53,614	\$ 42,310
Employee Contributions	76,712	67,290	52,997
Total	\$ 144,272	\$ 120,904	\$ 95,307

**Note 16 – Related Party Transactions**

The cities of Clinton, Weatherford, Thomas, Seiling, Cheyenne, Cordell, and Sentinel, Oklahoma, provide financial support to the Western Plains Library System by furnishing buildings and building operating expenses, including utilities and building and contents insurance, for the operation of the library. The System is dependent upon this related party support as part of its operational costs.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 17 – Contingencies**

In the normal course of operations, the System disburses funds from numerous federal and state grant programs. These expenditures are subject to audit and approval by the grantors or their representatives. Such audits could lead to claims for reimbursement of expenditures deemed unallowable under the terms of the grants. Presently, management is unaware of any liability for such expenditures, and in the opinion of management, any such amounts would not be considered material.

**Note 18 – Subsequent Events**

Windmill farms, located in Roger Mills County, Dewey County, Custer County and Washita County, are currently protesting their assessed values. These protests have made it to the district court for approval. If approved, this will impact the income for the fiscal year ending June 30, 2021. The System has not budgeted for this potential loss.

Subsequent events were evaluated through August 28, 2020, which is the date the financial statements were available to be issued.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Western Plains Library System  
Clinton, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the Western Plains Library System, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Western Plains Library System's basic financial statements, and have issued our report thereon dated August 28, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Western Plains Library System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Western Plains Library System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Furrh & Associates, PC*  
FURRH & ASSOCIATES, PC  
Lawton, Oklahoma  
August 28, 2020

**Western Plains Library System**  
**Clinton, Oklahoma**  
**General Fund**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Year Ended June 30, 2020**

	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Revenue</u></b>			
Ad Valorem Taxes	\$ 2,250,000	\$ 2,366,672	\$ 116,672
Author Visits Income	0	40,365	40,365
State Aid	38,000	39,193	1,193
Branch Library Income	18,000	14,810	(3,190)
Interest Income	7,500	7,414	(86)
Collection Agency Income	750	816	66
Miscellaneous Income	500	2,100	1,600
Grant Revenue	0	1,000	1,000
Total Revenue	2,314,750	2,472,370	157,620
<b><u>Expenditures</u></b>			
Personnel Services			
Salaries and Wages	\$ 1,070,000	\$ 1,067,585	\$ 2,415
Employee Insurance & Retirement	260,000	236,278	23,722
Payroll Taxes	86,500	83,217	3,283
Total Personnel Services	1,416,500	1,387,080	29,420
Informational Materials			
Books - Print	105,000	121,079	(16,079)
Downloadables	80,000	92,612	(12,612)
Databases	36,000	35,615	385
Audio Books	20,000	15,721	4,279
DVDs	17,500	14,271	3,229
Magazines/Newspapers	11,500	11,695	(195)
Vendor Processing	4,000	1,827	2,173
Microfilm	1,000	555	445
Total Informational Materials	275,000	293,375	(18,375)
Public and Technical Services			
Programming Fees, Supplies & Travel	40,000	102,668	(62,668)
IT Services	31,000	28,759	2,241
Technical Services	13,000	12,155	845
Total Public and Technical Services	84,000	143,582	(59,582)

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**General Fund**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Year Ended June 30, 2020**

	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Operating Expenses			
Capital Outlay	\$ 119,750	\$ 113,815	\$ 5,935
Automation	50,000	48,775	1,225
Building Maintenance	38,000	41,010	(3,010)
Marketing	35,000	35,403	(403)
Professional Consulting	35,000	30,249	4,751
Insurance	32,500	33,294	(794)
Professional Development	30,000	29,166	834
Equipment Expense	24,000	17,995	6,005
Utilities	22,500	19,365	3,135
Vehicle Expense	22,000	17,129	4,871
Staff Development	20,000	18,202	1,798
Contingency Expense	18,500	17,301	1,199
Supplies	15,000	13,681	1,319
Postage and Freight	15,000	8,982	6,018
Computer	10,000	6,977	3,023
Travel	10,000	4,871	5,129
Internet Access	8,500	7,868	632
Human Resources Expense	6,000	6,413	(413)
Furniture Expense	5,000	5,361	(361)
Collection Agency Expense	5,000	2,631	2,369
Miscellaneous Expense	2,500	7,290	(4,790)
Rent Expense	2,000	1,944	56
Banking Service Fees	1,000	606	394
Grant Expenditures	0	1,000	(1,000)
Total Operating Expenses	<u>527,250</u>	<u>489,328</u>	<u>37,922</u>
Total Expenditures	<u>2,302,750</u>	<u>2,313,365</u>	<u>(10,615)</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 12,000</u>	<u>\$ 159,005</u>	<u>\$ 147,005</u>
<u>Fund Balance, June 30, 2019</u>	<u>1,786,087</u>	<u>1,786,087</u>	
<u>Fund Balance, June 30, 2020</u>	<u>\$ 1,798,087</u>	<u>\$ 1,945,092</u>	

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Notes to Required Supplemental Information**  
**Year Ended June 30, 2020**

**Note 1 - Budgetary Policies**

The System's annual operating budget represents appropriations authorized by the governing board and approved by the county governments in accordance with the Oklahoma Statutes.

The System's General Fund budget is limited by law to 90% of the amount of revenue collected in the prior fiscal year plus unreserved fund balances. The legal level of control is the expenditure category. It is the System's policy that all appropriations lapse at the end of the fiscal year.

The System prepares an annual operating budget for its General Fund. The System does not prepare an operating budget for its Special Revenue Funds. Specific grant funds operated within the General Fund and the Special Revenue Funds are operated under budgets required by the grant documents. The System prepares its annual operating budget on the accrual basis of accounting.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	<u>Memorial Fund</u>	<u>Friends of the Library Fund</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 7,279	\$ 15,867	\$ 23,146
Total Assets	<u>\$ 7,279</u>	<u>\$ 15,867</u>	<u>\$ 23,146</u>
<b><u>Liabilities and Fund Balance</u></b>			
Due to WPLS	\$ 0	\$ 0	\$ 0
Total Liabilities	0	0	0
Fund Balance			
Assigned	0	0	0
Unassigned	<u>7,279</u>	<u>15,867</u>	<u>23,146</u>
Total Liabilities and Fund Balance	<u>\$ 7,279</u>	<u>\$ 15,867</u>	<u>\$ 23,146</u>

Please see accompanying notes to the financial statements.



# Western Plains Library System

Clinton, Oklahoma

## Combining Statement of Revenue, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds

Year Ended June 30, 2020

<u>Revenue</u>	<u>Memorial Fund</u>	<u>Friends of the Library Fund</u>	<u>Total</u>
Donations and Fundraising	\$ 605	\$ 4,387	\$ 4,992
Interest Income	36	0	36
Total Revenue	641	4,387	5,028
 <u>Expenditures</u>			
Books and Supplies	1,509	0	1,509
Bank Service Charges	0	32	32
Total Expenditures	1,509	32	1,541
<u>Revenue Over (Under) Expenditures</u>	(868)	4,355	3,487
<u>Fund Balance, June 30, 2019</u>	8,147	11,512	19,659
<u>Fund Balance, June 30, 2020</u>	\$ 7,279	\$ 15,867	\$ 23,146

Please see accompanying notes to the financial statements.

**Western Plains Library System**  
**Clinton, Oklahoma**  
**Oklahoma Humanities: Let's Talk About It**  
**Revenue and Expenditures Compared with Budget**  
**Year Ended June 30, 2020**

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>			
Grant Funds	\$ 1,000	\$ 1,000	\$ 0
Cost Share	1,050	1,066	(16)
In-Kind	60	60	0
Total Revenue	<u>2,110</u>	<u>2,126</u>	<u>(16)</u>
<b><u>Expenditures</u></b>			
Publicity	874	890	(16)
Honoraria	450	450	0
Administration	385	385	0
Travel	276	276	0
Supplies / Postage	125	125	0
Total Expenditures	<u>2,110</u>	<u>2,126</u>	<u>(16)</u>
<b><u>Revenue Over (Under) Expenditures</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>

Contract Period: 05/29/2019 - 11/30/2019

Please see accompanying notes to the financial statements.