

**INDEPENDENT
ACCOUNTANT'S AUDIT REPORT**

**SOUTHERN PRAIRIE
LIBRARY SYSTEM**

JUNE 30, 2022

BY



Southern Prairie Library System

Altus, Oklahoma
Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Southern Prairie Library System
Altus, Oklahoma

Opinion

We have audited the accompanying financial statements of the governmental activities and the discretely presented component units of the Southern Prairie Library System, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the discretely presented component units of the Southern Prairie Library System, as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southern Prairie Library System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Southern Prairie Library System's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Southern Prairie Library System’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Southern Prairie Library System’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2022, on our consideration of the Southern Prairie 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 Southern Prairie Library System's internal control over financial reporting and compliance.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

November 16, 2022

Southern Prairie Library System
Altus, Oklahoma
Statement of Net Position
(Modified Cash Basis)
June 30, 2022

	<u>ASSETS</u>	
	<u>Governmental Activities</u>	<u>Great Plains Literacy Council</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,678,703	\$ 22,206
Investments	30,250	0
Other Current Assets	81	0
	<hr/>	<hr/>
Total Current Assets	1,709,034	22,206
<u>Other Assets</u>		
Capital Assets	336,656	0
Accumulated Depreciation	(306,124)	0
	<hr/>	<hr/>
Total Other Assets	30,532	0
	<hr/>	<hr/>
Total Assets	<u><u>\$ 1,739,566</u></u>	<u><u>\$ 22,206</u></u>
 <u>LIABILITIES & NET POSITION</u> 		
<u>Liabilities</u>		
Payroll Liabilities	\$ 10,890	\$ 0
	<hr/>	<hr/>
Total Liabilities	10,890	0
<u>Net Position</u>		
Net Investment in Capital Assets	30,532	0
Restricted	0	22,206
Unrestricted	1,698,144	0
	<hr/>	<hr/>
Total Net Position	1,728,676	22,206
	<hr/>	<hr/>
Total Liabilities & Net Position	<u><u>\$ 1,739,566</u></u>	<u><u>\$ 22,206</u></u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma
Statement of Activities
(Modified Cash Basis)
Year Ended June 30, 2022

<u>Functions/Programs</u>	Program Revenue				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Discretely Presented Component Unit
Primary Government:						
Governmental Activities:						
Library Services	\$ 715,084	\$ 0	\$ 36,980	\$ 0	\$ (678,104)	
Total Government Activities	\$ 715,084	\$ 0	\$ 36,980	\$ 0	\$ (678,104)	
Component Unit:						
Great Plains Literacy Council	49,525	0	59,045	0		\$ 9,520
Total Component Units	\$ 49,525	\$ 0	\$ 59,045	\$ 0		9,520
<u>General Revenue</u>						
					772,902	0
					15,256	0
					14,929	0
					4,391	0
					807,478	0
					<u>Change in Net Position</u>	9,520
					<u>Net Position, June 30, 2021</u>	12,686
					\$ 1,728,676	\$ 22,206

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Balance Sheet

(Modified Cash Basis)

Governmental Funds

June 30, 2022

	<u>General</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>Assets</u>			
Cash - Change Fund	\$ 40	\$ 0	\$ 40
Cash - Herring Bank	1,571,846	0	1,571,846
Cash - National Bank of Commerce	39,200	0	39,200
Cash - Great Plains National Bank	17,680	0	17,680
Cash - Stockman's Bank	12,458	0	12,458
Cash - First National Bank	0	37,479	37,479
Investment - Midfirst Bank CD	6,814	0	6,814
Stock - Principal Financial Group	23,436	0	23,436
Accrued Interest Income	81	0	81
Total Assets	<u>\$ 1,671,555</u>	<u>\$ 37,479</u>	<u>\$ 1,709,034</u>
<u>Liabilities</u>			
Payroll Liabilities	<u>\$ 10,890</u>	<u>\$ 0</u>	<u>\$ 10,890</u>
Total Liabilities	10,890	0	10,890
<u>Fund Balance</u>			
Nonspendable	0	0	0
Restricted	0	37,479	37,479
Committed	0	0	0
Assigned	0	0	0
Unassigned	1,660,665	0	1,660,665
Total Fund Balance	<u>1,660,665</u>	<u>37,479</u>	<u>1,698,144</u>
Total Liabilities and Fund Balance	<u>\$ 1,671,555</u>	<u>\$ 37,479</u>	

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Balance Sheet
(Modified Cash Basis)
Governmental Funds
June 30, 2022

Fund Balances	\$ 1,698,144
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets Used by Governmental Activities of \$336,656 Net of Accumulated Depreciation of \$306,124 are not financial resources and, therefore, are not reported in the funds.	<u>30,532</u>
Net Position of Governmental Activities	<u><u>\$ 1,728,676</u></u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Governmental Funds
Year Ended June 30, 2022

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenue</u>			
Property Taxes	\$ 772,902	\$ 0	\$ 772,902
Grant Revenue - State	31,477	0	31,477
State Aid	15,256	0	15,256
Miscellaneous Revenue	14,929	0	14,929
Contributions	5,143	360	5,503
Interest and Dividend Income	4,352	39	4,391
Total Revenue	<u>844,059</u>	<u>399</u>	<u>844,458</u>
<u>Expenditures</u>			
Salaries and Wages	365,726	0	365,726
Payroll Taxes and Insurance	84,039	0	84,039
Informational Materials	74,838	0	74,838
Contract Services	40,886	0	40,886
Supplies	36,231	1,364	37,595
Equipment Expense	31,442	0	31,442
Capital Outlay	19,003	0	19,003
Revaluation	11,239	0	11,239
Program Expense	9,415	0	9,415
Telephone	7,850	0	7,850
Direct Grant Expenditures	5,882	0	5,882
Insurance and Bond	4,868	0	4,868
Postage and Freight	3,862	0	3,862
Travel	2,666	0	2,666
Educational Reimbursement	1,626	0	1,626
Miscellaneous and Other Expense	587	1,543	2,130
Automobile Expense	575	0	575
Total Expenditures	<u>700,735</u>	<u>2,907</u>	<u>703,642</u>
Revenue Over (Under) Expenditures	143,324	(2,508)	140,816
Fund Balance, June 30, 2021	<u>1,517,341</u>	<u>39,987</u>	
Fund Balance, June 30, 2022	<u><u>\$ 1,660,665</u></u>	<u><u>\$ 37,479</u></u>	

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Governmental Funds
Year Ended June 30, 2022

Reconciliation to Statement of Activities

Net Changes in Fund Balance - Total Governmental Funds	\$	140,816
Government Funds report Capital Outlay as expenditures while Governmental Activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital Assets Purchased and Capitalized		5,880
Depreciation Expense		<u>(17,322)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>129,374</u></u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Component Unit - Statement of Net Position
(Modified Cash Basis)
June 30, 2022

	<u>Great Plains Literacy Council</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ <u>22,206</u>
Total Assets	\$ <u><u>22,206</u></u>
<u>Liabilities and Fund Balance</u>	
Liabilities	\$ 0
Fund Balance	
Restricted	<u>22,206</u>
Total Liabilities and Fund Balance	\$ <u><u>22,206</u></u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Component Unit - Statement of Activities
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Great Plains Literacy Council</u>
	<u>Revenue</u>
Grants	\$ 55,770
Miscellaneous Income	<u>3,275</u>
Total Revenue	59,045
	<u>Expenditures</u>
Direct Grant Expenditures	49,088
Miscellaneous	<u>437</u>
Total Expenditures	<u>49,525</u>
<u>Revenue Over (Under) Expenditures</u>	9,520
<u>Fund Balance, June 30, 2021</u>	<u>12,686</u>
<u>Fund Balance, June 30, 2022</u>	<u><u>\$ 22,206</u></u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

The Southern Prairie 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 Jackson and Harmon Counties, and by all cities in the two counties with populations of 2,000 or more. Presently, there are only two cities, Altus and Hollis, 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.

Based on an overall evaluation of the foregoing criteria, the Great Plains Literacy Council Fund is included in the System's annual report as a discretely presented component unit. The Great Plains Literacy Council, Inc. is a corporation recognized under section 501(c)3 of the Internal Revenue Code as a tax-exempt nonprofit corporation. The System is the beneficiary of the Great Plains Literacy Council Fund, which is designated to the support of the literacy programs provided by the System. Management of the Great Plains Literacy Council Fund is delegated by its board of directors to the System's management.

The Southern Prairie Library System keeps its records and prepares its financial statements on the modified cash basis of accounting. Revenues and the related assets are recognized when received, and expenditures are recognized when paid. This method of accounting is permitted under the laws of State of Oklahoma but is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The System has elected not to follow generally accepted accounting principles and to continue to prepare its financial statements on the modified cash basis of accounting.

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.

Southern Prairie Library System
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2022

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

At the end of the fiscal year, the books are held open until checks were issued for all purchases or encumbrances for the year.

The System provides no pension or retirement benefits to its employees. Therefore, no pension accounting information is included in the financial statements.

The nature and amounts of adjustments necessary to reconcile the differences between the basis used to account for actual revenues and expenditures and accounting principles generally accepted in the United States of America cannot readily be determined.

Note 2 – Fund Accounting

The accounts of the System are organized on a basis of funds, each of which is considered 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 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. Special Acquisition Fund
- b. Plant Replacement Fund

Discretely-Presented Component Unit – Great Plains Literacy Council

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2022

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

Note 3 – Budgetary Accounting

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

Note 4 – Cash and Cash Equivalents

Cash and cash equivalents include the following accounts:

General Fund	
Herring Bank - Checking	\$ 1,571,845
National Bank of Commerce - Money Market	39,200
Great Plains National Bank - Money Market	17,680
Stockmans Bank - Checking	12,458
Change Fund	40
Other Governmental Funds	
First National Bank - Acquisitions Savings	26,310
First National Bank - Replacement Savings	11,170
Great Plains Literacy Council	
National Bank of Commerce	22,206
	<u>\$ 1,700,909</u>

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2022

The cash on deposit with the Herring Bank of Altus, Oklahoma, is not only covered by F.D.I.C. insurance (up to \$250,000.00) but also two collateral pledges of \$1,100,000 to cover deposits in excess of the F.D.I.C. coverage. The balance of the Herring Bank Operating Account regularly exceeded the total insured amount of \$1,350,000 between January and June 2021. As a result, not the entire bank balance was continuously insured or collateralized during that time.

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	<u>\$ 1,700,869</u>	<u>\$ 0</u>	<u>\$ 40</u>	<u>\$ 1,700,909</u>

Note 5 – Investments

The System invests \$6,814 in a Certificate of Deposit at the MidFirst Bank in Altus, Oklahoma. The interest rate on this investment is 0.2%. The interest pays at maturity. The maturity date is July 2, 2022.

The System owns 1,116 shares of Principal Financial Group stock. This stock was acquired in October 2001 when Principal Financial Group changed from a mutual company to a stock company. The value of the stock at acquisition was approximately \$23,436 with a market value of \$74,538 at June 30, 2022.

Note 6 – 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 \$1,500 per unit.

Southern Prairie Library System
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2022

Current year changes in fixed assets were as follows:

	Property, Plant and Equipment	Accumulated Depreciation
Balance as of 07/01/2021	\$ 330,776	\$ 288,802
Additions	5,880	17,322
Disposals	0	0
Balance as of 06/30/2022	\$ 336,656	\$ 306,124

Note 7 – Compensated Absences

Due to the accounting method chosen by the System, modified cash basis, the compensated absences liability is not recorded on the financial statements. The accrued liability for compensated employee absences as of June 30, 2022, totals \$41,458, which includes earned but unused vacation leave.

Note 8 – Tax Revenues

Approximately 85% 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 Jackson and Harmon counties. Approximately 80.18% of the ad valorem tax revenues were received in January and February 2022. Property tax revenues are recognized when received.

Note 9 – Insurance Coverage

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

- Commercial Automobile Coverage
 - Liability
 - Uninsured Motorists
 - Comprehensive and Collision
- Workers Compensation
- Employer Liability
- Position Fidelity Bond
- Business Liability & Personal Property

Southern Prairie Library System
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2022

Note 10 – Related Party Transactions

The cities of Altus and Hollis, Oklahoma, provide financial support to the Southern Prairie Library System by furnishing buildings and buildings operating expensing, 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.

Note 11 – 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 12 – Subsequent Events

Subsequent events were evaluated through November 16, 2022, which is the date the financial statements were available to be issued.



**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
Southern Plains Library System
Altus, 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 modified cash basis financial statements of the governmental activities, the discretely-presented component unit, each major fund, and the aggregate remaining fund information of the Southern Prairie Library System (the System), Altus, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated November 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 System'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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Furrh & Associates, PC

FURRH & **A**SSOCIATES, PC

Lawton, Oklahoma
November 16, 2022

Southern Plains Library System

Altus, Oklahoma

General Fund

Budgetary Comparison Schedule

(Modified Cash Basis)

Year Ended June 30, 2022

	Budget	Actual	(Over) Under
<u>Revenue</u>			
Property Taxes	\$ 661,775	\$ 772,902	\$ (111,127)
Grant Revenue - State	58,122	31,477	26,645
State Aid	15,318	15,256	62
Miscellaneous Revenue	15,000	14,929	71
Interest and Dividend Income	0	4,352	(4,352)
Contributions	0	5,143	(5,143)
Total Revenue	750,215	844,059	(93,844)
<u>Expenditures</u>			
Salaries and Wages	\$ 388,380	\$ 365,726	\$ 22,654
Informational Materials	193,000	74,838	118,162
Payroll Taxes and Insurance	97,668	84,039	13,629
Contract Services	45,127	40,886	4,241
Supplies	39,989	36,231	3,758
Equipment Expense	34,703	31,442	3,261
Capital Outlay	30,000	19,003	10,997
Direct Grant Expenditures	19,000	5,882	13,118
Revaluation	12,405	11,239	1,166
Program Expense	10,392	9,415	977
Telephone	8,664	7,850	814
Automobile Expense	7,500	575	6,925
Insurance and Bond	5,373	4,868	505
Postage and Freight	4,263	3,862	401
Travel	2,943	2,666	277
Educational Reimbursement	1,794	1,626	168
Miscellaneous and Other Expense	647	587	60
Total Expenditures	901,848	700,735	201,113
<u>Revenue Over (Under) Expenditures</u>	(151,633)	143,324	(294,957)
<u>Fund Balance, June 30, 2021</u>	1,367,229	1,517,341	(150,112)
<u>Fund Balance, June 30, 2022</u>	\$ 1,215,596	\$ 1,660,665	\$ (445,069)

Please see accompanying notes to the financial statements.

Southern Plains Library System
Altus, Oklahoma
Notes to Budgetary Comparison Schedule
Year Ended June 30, 2022

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 or its discretely-presented component unit. Specific grant funds operated within the General Fund, Special Revenue Funds and discretely-presented component unit are operated under budgets required by the grant documents. The System prepares its annual operating budget on the modified cash basis of accounting.

The System operated within its budget for the current year.

Southern Prairie Library System
Altus, OK
Children's Reading Charitable Trust
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	Original Budget	Revised Budget	Prior Year	Current Year	Total	(Over) Under Budget
<u>Revenue</u>						
Grant Income	\$ 494,890	\$ 523,465	\$ 523,465	\$ 0	\$ 523,465	\$ 0
Total Revenue	494,890	523,465	523,465	0	523,465	0
<u>Expenditures</u>						
Book Collections	420,000	420,000	334,461		334,461	85,539
Children's Programming	36,000	36,000	34,883	0	34,883	1,117
Children's Family Reading Corners	38,890	38,890	22,659	0	22,659	16,231
PlayAway and AWE	0	28,575	31,177	0	31,177	(2,602)
Total Expenditures	494,890	523,465	423,180	0	423,180	100,285
Revenue Over (Under) Expenditures	\$ 0	\$ 0	\$ 100,285	\$ 0	\$ 100,285	\$ (100,285)

Contract Period: 02/05/15 - 02/05/18

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	Budget	Current Year	(Over) Under Budget
<u>Revenue</u>			
State Grant	\$ 2,400	\$ 2,400	\$ 0
Total Revenue	2,400	2,400	0
<u>Expenditures</u>			
Equipment and Materials	2,400	2,400	0
Total Expenditures	2,400	2,400	0
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 0	\$ 0

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, OK
Oklahoma Humanities
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	(Over) Under Budget
<u>Revenue</u>					
State Grant	\$ 12,500	\$ 12,000	\$ 500	\$ 12,500	\$ 0
In-Kind Donations	11,895	0	0	0	11,895
Cost Share	23,158	0	0	0	23,158
Total Revenue	47,553	12,000	500	12,500	35,053
<u>Expenditures</u>					
Programming	40,053	12,500	0	12,500	27,553
Total Expenditures	40,053	12,500	0	12,500	27,553
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 7,500</u>	<u>\$ (500)</u>	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 7,500</u>

Project No.: Y19.093
Oklahoma Chautauqua 2020: 20th Century Visionaries
Contract Period: 01/01/2020 - 05/30/2021

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, OK
American Library Association
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
Grant Funds	\$ 3,000	\$ 2,066	\$ 934	\$ 3,000	\$ 0
Total Revenue	3,000	2,066	934	3,000	0
<u>Expenditures</u>					
Supplies	3,000	2,066	934	3,000	0
Total Expenditures	3,000	2,066	934	3,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

ALA-LTC Grant

Southern Prairie Library System
Altus, OK
Developmental Disabilities Council of Oklahoma
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Funds	\$ 500	\$ 500	\$ 0
Total Revenue	500	500	0
<u>Expenditures</u>			
Equipment	500	500	0
Total Expenditures	500	500	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 24,143	\$ 24,143	\$ 0
Total Revenue	24,143	24,143	0
<u>Expenditures</u>			
Technology	13,236	5,562	7,674
Furniture	<u>10,907</u>	<u>10,907</u>	<u>0</u>
Total Expenditures	24,143	16,469	7,674
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 7,674</u>	<u>\$ (7,674)</u>

American Rescue Plan Act Grant

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, OK
American Library Association
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	Budget	Current Year	(Over) Under Budget
<u>Revenue</u>			
Grant Funds	\$ 3,000	\$ 3,000	\$ 0
Total Revenue	3,000	3,000	0
<u>Expenditures</u>			
Supplies	3,000	2,048	952
Total Expenditures	3,000	2,048	952
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 952	\$ (952)

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
State Grant	\$ 14,000	\$ 14,000	\$ 0	\$ 14,000	\$ 0
Matching Funds	<u>72</u>	<u>72</u>	<u>0</u>	<u>72</u>	<u>0</u>
Total Revenue	14,072	14,072	0	14,072	0
<u>Expenditures</u>					
Personnel	<u>14,072</u>	<u>11,870</u>	<u>2,202</u>	<u>14,072</u>	<u>0</u>
Total Expenditures	14,072	11,870	2,202	14,072	0
<u>Revenue Over (Under) Expenditures</u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,202</u></u>	<u><u>\$ (2,202)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Contract No.: F-21-097
 Immigration and Citizenship Services
 Contract Period: 09/01/2020- 07/01/2021

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Total</u>	(Over) Under Budget
<u>Revenue</u>			
State Grant	\$ 14,000	\$ 14,000	\$ 0
Supplemental Funds	<u>72</u>	<u>72</u>	<u>0</u>
 Total Revenue	 14,072	 14,072	 0
 <u>Expenditures</u>			
Personnel	<u>14,072</u>	<u>14,072</u>	<u>0</u>
 Total Expenditures	 14,072	 14,072	 0
 <u>Revenue Over (Under) Expenditures</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

Contract No.: F-21-266
 Citizenship Project
 Contract Period: 08/30/2021 - 07/31/2022

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 9,197	\$ 9,197	\$ 0
 Total Revenue	 9,197	 9,197	 0
<u>Expenditures</u>			
Personnel	5,722	3,780	1,942
Furniture	2,554	2,554	0
Supplies	921	921	0
 Total Expenditures	 9,197	 7,255	 1,942
 <u>Revenue Over (Under) Expenditures</u>	 <u>\$ 0</u>	 <u>\$ 1,942</u>	 <u>\$ (1,942)</u>

American Rescue Plan Act Grant

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	Budget	Current Year	(Over) Under Budget
<u>Revenue</u>			
Grant Funds	\$ 10,073	\$ 10,073	\$ 0
Total Revenue	10,073	10,073	0
<u>Expenditures</u>			
Personnel and Benefits	10,073	10,073	0
Total Expenditures	10,073	10,073	0
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 0	\$ 0

Contract No. : F-21-249
 Community Literacy Project
 Contract Period: 08/01/2021 - 06/01/2022

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Dollar General Literacy Foundation
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Total</u>	(Over) Under Budget
<u>Revenue</u>			
Grant Funds	\$ 7,500	\$ 7,500	\$ 0
Supplemental Funds	<u>104</u>	<u>0</u>	<u>104</u>
 Total Revenue	 7,604	 7,500	 104
 <u>Expenditures</u>			
Personnel	<u>7,604</u>	<u>0</u>	<u>7,604</u>
 Total Expenditures	 7,604	 0	 7,604
 <u>Revenue Over (Under) Expenditures</u>	 <u>\$ 0</u>	 <u>\$ 7,500</u>	 <u>\$ (7,500)</u>

Contract Period: 05/1/2022 - 04/30/2023

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
Grant Funds	\$ 9,000	\$ 9,000	\$ 0	\$ 9,000	\$ 0
StoryWalk Funds	1,500	0	1,500	1,500	0
Supplemental Funds	<u>3,566</u>	<u>3,566</u>	<u>0</u>	<u>3,566</u>	<u>0</u>
Total Revenue	14,066	12,566	1,500	14,066	0
<u>Expenditures</u>					
Personnel and Benefits	9,000	8,512	488	9,000	0
Materials	1,500	1,500	0	1,500	0
Supplies	<u>3,566</u>	<u>3,566</u>	<u>0</u>	<u>3,566</u>	<u>0</u>
Total Expenditures	14,066	13,578	488	14,066	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1,012</u>	<u>\$ 1,012</u>	<u>\$ 0</u>	<u>\$ 0</u>

Contract No. : F-21-084
Health Literacy Project
Contract Period: 08/01/2020 - 07/31/2021

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 9,000	\$ 9,000	\$ 0
Total Revenue	9,000	9,000	0
<u>Expenditures</u>			
Personnel	9,000	9,000	0
Total Expenditures	9,000	9,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Contract No. : F-22-013
 Health Literacy
 Contract Period: 08/10/2021 - 08/15/2022

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Carolyn Watson Rural OK Community Foundation
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
Grant	\$ 10,000	\$ 10,000	\$ 0	\$ 10,000	\$ 0
Total Revenue	10,000	10,000	0	10,000	0
<u>Expenditures</u>					
Personnel	9,521	8,158	0	8,158	1,363
Travel	479	479	0	479	0
Total Expenditures	10,000	8,637	0	8,637	1,363
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1,363</u>	<u>\$ 0</u>	<u>\$ 1,363</u>	<u>\$ (1,363)</u>

Carolyn Watson Rural OK Community Foundation
 Contract Period: 04/18/2019 - 04/18/2020

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
Altus, OK
Oklahoma Literacy Coalition
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
Grant Funds	\$ 2,000	\$ 400	\$ 1,600	\$ 2,000	\$ 0
Total Revenue	2,000	400	1,600	2,000	0
<u>Expenditures</u>					
Personnel	1,392	400	992	1,392	0
Curriculum	608	0	608	608	0
Total Expenditures	2,000	400	1,600	2,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Grant Name: Tinker Federal Credit Union
Contract Period: 05/01/2021 - 12/15/2021

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
Altus, OK
Oklahoma Literacy Coalition
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	Budget	Total	(Over) Under Budget
<u>Revenue</u>			
Grant Funds	\$ 1,000	\$ 400	\$ 600
Total Revenue	1,000	400	600
<u>Expenditures</u>			
Contract Service	1,000	400	600
Total Expenditures	1,000	400	600
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 0	\$ 0

Grant Name: Tinker Federal Credit Union
Contract Period: 05/01/2022 - 12/15/2022

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Southwest Rural Electric Association
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	Budget	Prior Year	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Grant Funds	\$ 5,000	\$ 5,000	\$ 0	\$ 5,000	\$ 0
Total Revenue	5,000	5,000	0	5,000	0
<u>Expenditures</u>					
Equipment	3,600	930	2,670	3,600	0
Honoraria	1,400	0	1,400	1,400	0
Total Expenditures	5,000	930	4,070	5,000	0
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 4,070	\$ (4,070)	\$ 0	\$ 0

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Great Plains Literacy Council
 Altus, OK
Southwest Rural Electric Association
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2022

	<u>Budget</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Funds	\$ 2,500	\$ 2,500	\$ 0
Total Revenue	2,500	2,500	0
<u>Expenditures</u>			
Honoraria	2,500	0	2,500
Total Expenditures	2,500	0	2,500
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ (2,500)</u>

Operation Round Up Grant

Please see accompanying notes to the financial statements.