

ACCOUNTANT'S AUDIT REPORT

**SOUTHERN PRAIRIE
LIBRARY SYSTEM**

JUNE 30, 2012

BY



Southern Prairie Library System
Altus, Oklahoma
Year Ended June 30, 2012

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October 18, 2012

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southern Prairie Library System
Altus, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the blended component unit, each major fund, and the aggregate remaining fund information of Southern Prairie Library System (the System), Altus, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position (modified cash basis) of the governmental activities, the blended component unit, each major fund, and the aggregate remaining fund information of the System as of June 30, 2012, and the respective changes in the modified cash basis financial position, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2012, on our consideration of the 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The System has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The budgetary comparison information and related notes, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that, collectively, comprise the System's basic financial statements. The other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the System. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements.



FURRH & **A**SSOCIATES, PC

Certified Public Accountants

Southern Prairie Library System

Altus, Oklahoma

Statement of Net Assets

(Modified Cash Basis)

June 30, 2012

	<u>Governmental Activities</u>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 438,518
Prepaid Insurance	<u>643</u>
Total Current Assets	439,161
<u>Other Assets</u>	
Fixed Assets	242,021
Accumulated Depreciation	(158,707)
Other Assets	<u>23,436</u>
Total Other Assets	<u>106,750</u>
Total Assets	<u><u>\$ 545,911</u></u>
<u>Liabilities</u>	
Payroll Liabilities	<u>\$ 0</u>
Total Liabilities	0
<u>Net Assets</u>	
Capital Assets - Net of Related Debt	83,314
Unreserved	<u>462,597</u>
Total Net Assets	<u>545,911</u>
Total Net Assets and Liabilities	<u><u>\$ 545,911</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, 2012

	<u>Program Revenue</u>			<u>Net (Expense) Revenue & Changes in Net Assets</u>
	<u>Expense</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>Activities</u>				
Library Services	<u>\$ 670,721</u>	<u>\$ 8,235</u>	<u>\$ 119,998</u>	\$ (542,488)
		<u>General Revenue</u>		
		Property Taxes		588,990
		State Aid		20,706
		Interest		1,926
		Miscellaneous		<u>9,550</u>
		Total General Revenue		<u>621,172</u>
		<u>Changes in Net Assets</u>		<u>78,684</u>
		<u>Net Assets, June 30, 2011</u>		<u>467,227</u>
		<u>Net Assets, June 30, 2012</u>		<u>\$ 545,911</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Balance Sheet

(Modified Cash Basis)

Governmental Funds

June 30, 2012

	General	Other Governmental Funds	Great Plains Literacy Council	Total Governmental Funds
<u>Assets</u>				
Petty Cash	\$ 268	\$ 0	\$ 0	\$ 268
Cash - First State Bank	288,737	0	0	288,737
Cash - National Bank of Commerce	38,487	0	31,367	69,854
Cash - Midfirst Bank CD	6,289	0	0	6,289
Cash - Great Plains National Bank	17,278	0	0	17,278
Cash - Stockmans Bank	11,907	0	0	11,907
Cash - First National Bank	0	44,185	0	44,185
Stock - Principal Financial Group	23,436	0	0	23,436
Prepaid Insurance	643	0	0	643
Total Assets	\$ 387,045	\$ 44,185	\$ 31,367	\$ 462,597

Liabilities and Fund Balance

Liabilities				
Payroll Liabilities	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance				
Unreserved	387,045	44,185	31,367	462,597
Total Liabilities and Fund Balance	\$ 387,045	\$ 44,185	\$ 31,367	\$ 462,597

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Balance Sheet

(Modified Cash Basis)

Governmental Funds

June 30, 2012

Net Assets	\$	462,597
Amounts Reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital Assets Used by Governmental Activities of \$242,021		
Net of Accumulated Depreciation of \$158,707 are not financial resources and, therefore, are not reported in the funds.		
		<u>83,314</u>
Net Assets of Governmental Activities	\$	<u><u>545,911</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, 2012

<u>Revenue</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Great Plains Literacy Council</u>	<u>Total Governmental Funds</u>
Property Taxes	\$ 588,990	\$ 0	\$ 0	\$ 588,990
Grant Revenue - State	12,285	0	60,908	73,193
State Aid	20,706	0	0	20,706
Miscellaneous Revenue	4,329	4,930	291	9,550
Charges for Services	8,235	0	0	8,235
Grant Revenue - Private	0	0	20,000	20,000
Contributions	17,161	5,682	3,962	26,805
Interest Dividend Income	1,792	134	0	1,926
Total Revenue	653,498	10,746	85,161	749,405
<u>Expenditures</u>				
Salaries and Wages	321,991	0	8,796	330,787
Payroll Taxes and Insurance	123,433	0	4,209	127,642
Informational Materials	54,852	45	0	54,897
Capital Outlay	39,880	10,900	0	50,780
Contract Services	17,428	0	0	17,428
Direct Grant Expenditures - State	9,913	0	60,908	70,821
Revaluation	9,255	0	0	9,255
Supplies	7,657	0	0	7,657
Equipment Expense	6,873	0	0	6,873
Telephone	6,168	0	0	6,168

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, 2012

	General Fund	Other Governmental Funds	Great Plains Literacy Council	Total Governmental Funds
Travel	4,809	0	0	4,809
Program Expense	3,204	0	0	3,204
Postage and Freight	3,202	209	132	3,543
Insurance and Bond	1,828	0	0	1,828
Automobile Expense	1,296	0	0	1,296
Miscellaneous and Other Expense	723	1,328	590	2,641
Direct Grant Expenditures - Private	0	0	5,000	5,000
Total Expenditures	612,512	12,482	79,635	704,629
<u>Revenue Over (Under) Expenditures</u>	40,986	(1,736)	5,526	44,776
<u>Fund Balance, June 30, 2011</u>	346,059	45,921	25,841	417,821
<u>Fund Balance, June 30, 2012</u>	\$ 387,045	\$ 44,185	\$ 31,367	\$ 462,597

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, 2012

	General Fund	Other Governmental Funds	Great Plains Literacy Council	Total Governmental Funds
<u>Reconciliation to Statement of Activities</u>				
Net Changes in Fund Balance - Total Governmental Funds				\$ 44,776
Governmental 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 Depreciation Expense				50,780
				(16,872)
				\$ 78,684

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Combining Balance Sheet

(Modified Cash Basis)

Special Revenue Funds

June 30, 2012

	<u>Special Acquisition Fund</u>	<u>Plant Replacement Fund</u>	<u>Total Special Revenue Funds</u>
<u>Assets</u>			
Cash - First National Bank	\$ 42,924	\$ 1,261	\$ 44,185
Total Assets	<u>\$ 42,924</u>	<u>\$ 1,261</u>	<u>\$ 44,185</u>
<u>Liabilities and Fund Balance</u>			
Liabilities	0	0	0
Fund Balance Unreserved	<u>42,924</u>	<u>1,261</u>	<u>44,185</u>
Total Liabilities and Fund Balance	<u>\$ 42,924</u>	<u>\$ 1,261</u>	<u>\$ 44,185</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

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

(Modified Cash Basis)

Special Revenue Funds

Year Ended June 30, 2012

	<u>Special</u> <u>Acquisition</u> <u>Fund</u>	<u>Plant</u> <u>Replacement</u> <u>Fund</u>	<u>Total Special</u> <u>Revenue</u>
<u>Revenue</u>			
Miscellaneous Revenue	\$ 0	\$ 4,930	\$ 4,930
Contributions	5,682	0	5,682
Interest Dividend Income	113	21	134
Total Revenue	5,795	4,951	10,746
<u>Expenditures</u>			
Miscellaneous	1,582	0	1,582
Capital Outlay	0	10,900	10,900
Total Expenditures	1,582	10,900	12,482
<u>Revenue Over (Under) Expenditures</u>	4,213	(5,949)	(1,736)
<u>Fund Balance, June 30, 2011</u>	38,711	7,210	45,921
<u>Fund Balance, June 30, 2012</u>	<u>\$ 42,924</u>	<u>\$ 1,261</u>	<u>\$ 44,185</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2012

Note 1- 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 directors 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 2 cities, Altus and Hollis, Oklahoma, that are represented on the board of directors.

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 blended 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 control 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 the 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.

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 classified as governmental fund types.

Governmental Fund Types

1. 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.

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2012

2. 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

3. Component Unit- Great Plains Literacy Council

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.

At the end of the fiscal year, the books were 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.

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.

The System is exempt from federal and state income taxes.

Note 2 - Budgetary Accounting

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

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2012

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents include the following accounts:

Cash Change Fund	\$	40
Petty Cash Fund		228
First National Bank - Plant Replacement Checking		1,261
Midfirst Bank - Certificate of Deposit		6,289
Stockman's Bank - Checking		11,907
Great Plains National Bank - Money Market		17,278
National Bank of Commerce - GPLC checking		31,367
National Bank of Commerce - Money Market		38,487
First National Bank - Acquisition Checking		42,924
First State Bank - Checking		288,737
Total Cash & Cash Equivalents	\$	438,518

The cash on deposit with the First State Bank of Altus, Oklahoma, is covered by F.D.I.C. insurance (up to \$250,000.00) and a collateral pledge of \$500,000.00 to cover deposits in excess of the F.D.I.C. coverage.

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
\$ 438,250	\$ 0	\$ 268	\$ 438,518

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2012

Note 4 - Fixed Assets

Current year changes in fixed assets were as follows:

	Property, Plant and Equipment	Accumulated Depreciation
Balance as of 07/01/2011	\$ 178,808	\$ 163,335
Additions	84,713	16,872
Disposals	<u>(21,500)</u>	<u>(21,500)</u>
Balance as of 06/30/2012	<u>\$ 242,021</u>	<u>\$ 158,707</u>

Note 5 - Other Assets

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 \$29,273 at June 29, 2012.

Note 6 - 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, 2012 totals \$36,696 which includes earned but unpaid annual leave, vacation pay and compensatory wages.

Note 7 - Tax Revenues

Approximately 75% 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 citizen's of Jackson and Harmon counties. Approximately 74% of the ad valorem tax revenues were received in November and December 2011 and January 2012. Property tax revenues are recognized when received.

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2012

Note 8 - Grant Revenues

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

	<u>Grant Receipts</u>	<u>Grant Expenditures</u>
Oklahoma Department of Libraries		
Contract No. F-12-035	\$ 39,572	\$ 39,572
Contract No. F-12-009	9,500	9,500
Contract No. F-12-042	9,000	9,000
Contract No. F-12-107	2,336	2,336
Contract No. F-12-257	500	500
 Oklahoma Art Council		
Contract No. FY 11-1532-2503	2,500	0
Contract No. FY 12-1623-2596	2,381	2,381
 Oklahoma Humanities Council		
Contract No. Y10.102	7,785	7,531
 Priddy Foundation		
Literacy Directions	15,000	5,000
 Rural Okla Community Foundation		
Grant No. 20122653	5,000	0
Total	<u>\$ 93,574</u>	<u>\$ 75,820</u>

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

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2012

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.



October 18, 2012

**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 Directors
Southern Prairie Library System
Altus, Oklahoma

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southern Prairie Library System (the System), Altus, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise the System's basic financial statements and have issued our report thereon dated October 18, 2012. The System did not present the Management's Discussion and Analysis that the Governmental Accounting Standards Board (GASB) has determined is necessary to supplement, although not required to be a part of, the basic financial statements. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the System's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of 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.

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



FURRH & **A**SSOCIATES, PC

Certified Public Accountants

Southern Prairie Library System

Altus, Oklahoma

General Fund

Statement of Revenue, Expenditures, and Changes in Fund Balance

Budget and Actual

(Modified Cash Basis)

Year Ended June 30, 2012

	Original Budget	Actual	(Over) Under Budget
<u>Revenue</u>			
Property Taxes - Jackson County	\$ 437,002	\$ 510,714	\$ (73,712)
Property Taxes - Harmon County	64,885	78,276	(13,391)
State Aid - OK Department of Libraries	20,756	20,706	50
Contributions	0	17,161	(17,161)
Grant Revenue	0	12,285	(12,285)
Miscellaneous Revenue	0	4,329	(4,329)
Charges for Services	24,000	8,235	15,765
Interest Dividend Income	0	1,792	(1,792)
Total Revenue	546,643	653,498	(106,855)
<u>Expenditures</u>			
Salaries and Wages	333,216	321,991	11,225
Employee Insurance	99,900	94,596	5,304
Informational Materials - Books	90,000	38,665	51,335
Reserves	45,000	0	45,000
Payroll Taxes	29,157	26,374	2,783
Contract Services	24,000	17,428	6,572
Capital Outlay	23,000	39,880	(16,880)
Informational Materials - Serials	15,500	15,314	186
Equipment Expense	12,000	6,873	5,127
Revaluation	11,500	9,255	2,245
Supplies	10,500	7,657	2,843
Telephone	8,000	6,168	1,832
Program Expense	6,500	3,204	3,296
Automobile Expense	6,000	1,296	4,704
Travel	6,000	4,809	1,191
Informational Materials - Audiovisual	6,000	873	5,127
Insurance and Bond	5,000	1,828	3,172
Postage and Freight	4,500	3,202	1,298
Workers Compensation Insurance	3,332	2,463	869
Miscellaneous	3,000	723	2,277

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget and Actual
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Informational Materials - Other	1,000	0	1,000
Direct Grant Expenditures	0	9,913	(9,913)
Total Expenditures	<u>743,105</u>	<u>612,512</u>	<u>130,593</u>
<u>Revenue Over (Under) Expenditures</u>	(196,462)	40,986	(237,448)
<u>Fund Balance, June 30, 2011</u>	<u>303,626</u>	<u>346,059</u>	<u>(42,433)</u>
<u>Fund Balance, June 30, 2012</u>	<u>\$ 107,164</u>	<u>\$ 387,045</u>	<u>\$ (279,881)</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Notes to Required Supplemental Information
Year Ended June 30, 2012

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 blended component unit. Specific grant funds operated within the General Fund, Special revenue Funds and blended component unit are operated under budgets required by the grant documents. The System prepares its annual operating budget on the revenue and expenditures.

The System operated within its budget for the current year.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Oklahoma Department of Libraries-TANF Literacy 15 Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 39,572	\$ 39,572	\$ 0
<u>Expenditures</u>			
Personnel	36,097	36,097	0
Equipment	<u>3,475</u>	<u>3,475</u>	<u>0</u>
Total Expenditures	<u>39,572</u>	<u>39,572</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 07/01/11 - 06/30/12
Contract No. F-12-035

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Oklahoma Department of Libraries-Community Literacy Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 9,500	\$ 9,500	\$ 0
<u>Expenditures</u>			
Personnel	8,640	8,640	0
Payroll Tax	661	661	0
Travel	0	0	0
Miscellaneous	199	199	0
 Total Expenditures	 <u>9,500</u>	 <u>9,500</u>	 <u>0</u>
 <u>Revenue Over (Under) Expenditures</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

Budget Period 08/01/11 - 06/30/12
Contract No. F-12-009

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Oklahoma Department of Libraries-Literacy Support Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 9,000	\$ 9,000	\$ 0
<u>Expenditures</u>			
Personnel	7,121	7,121	0
Payroll Tax	551	551	0
Travel	821	821	0
Materials and Equipment	174	174	0
Miscellaneous	333	333	0
	<u>9,000</u>	<u>9,000</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 08/01/11 - 06/30/12
Contract No. F-12-042

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Continuing Education Contract and Travel Reimbursements
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Contract F-12-107 Revenue	\$ 1,645	\$ 1,645	\$ 0
Travel Reimbursement Revenue	691	691	0
Total Revenues	2,336	2,336	0
<u>Expenditures</u>			
Travel Expenses	2,336	2,336	0
Total Expenditures	2,336	2,336	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 08/15/11 - 11/30/11
Contract No. F-12-107

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Oklahoma Department of Libraries-Literacy Resources Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 500	\$ 500	\$ 0
<u>Expenditures</u>			
Equipment/Materials	<u>500</u>	<u>500</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 05/09/12 - 05/30/12
Contract No. F-12-257

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Oklahoma Arts Council - Arts Around the World

Revenue and Expenditures Compared with Budget

(Modified Cash Basis)

Year Ended June 30, 2012

	<u>Budget</u>	<u>Cumulative 06/30/11</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
State Grant	\$ 2,500	\$ 0	\$ 2,500	\$ 2,500	\$ 0
Matching Funds	0	275	0	275	(275)
Total Expenditures	<u>2,500</u>	<u>275</u>	<u>2,500</u>	<u>2,775</u>	<u>(275)</u>
<u>Expenditures</u>					
Programs	<u>2,500</u>	<u>2,775</u>	<u>0</u>	<u>2,775</u>	<u>(275)</u>
Total Expenditures	<u>2,500</u>	<u>2,775</u>	<u>0</u>	<u>2,775</u>	<u>(275)</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ (2,500)</u>	<u>\$ 2,500</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 06/01/11 - 06/30/11
Contract No. 1532-2503

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Oklahoma Arts Council - Arts Around the World II
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 2,000	\$ 2,000	\$ 0
Matching Funds	381	381	0
	<u>2,381</u>	<u>2,381</u>	<u>0</u>
Total Expenditures	<u>2,381</u>	<u>2,381</u>	<u>0</u>
<u>Expenditures</u>			
Programs	<u>2,381</u>	<u>2,381</u>	<u>0</u>
Total Expenditures	<u>2,381</u>	<u>2,381</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 07/01/11 - 06/30/12
Contract No. 1623-2596

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Oklahoma Humanities Council - Historical Tapestry Tour of SW Oklahoma

Revenue and Expenditures Compared with Budget

(Modified Cash Basis)

Year Ended June 30, 2012

<u>Revenue</u>	<u>Budget</u>	<u>Cumulative 06/30/11</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
State Grant	\$ 7,785	\$ 0	\$ 7,785	\$ 7,785	\$ 0
Matching Funds	11,480	2,800	0	2,800	8,680
Total Income	19,265	2,800	7,785	10,585	8,680
<u>Expenditures</u>					
Outsource	10,570	2,538	7,531	10,069	501
Organizational Resources	4,628	516	0	516	4,112
In Kind Donations	4,067	0	0	0	4,067
Total Expenditures	19,265	3,054	7,531	10,585	8,680
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ (254)</u>	<u>\$ 254</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 01/01/10 - 05/31/11

Contract No. Y10.102

CFDA No. 45.168

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
The Priddy Foundation - Literacy Directions Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Income	\$ 5,000	\$ 5,000	\$ 0
Matching Funds	<u>10,000</u>	<u>10,000</u>	<u>0</u>
 Total Revenue	 15,000	 15,000	 0
<u>Expenditures</u>			
Personnel	10,920	3,640	7,280
Travel	2,040	680	1,360
Miscellaneous	<u>2,040</u>	<u>680</u>	<u>1,360</u>
 Total Expenditures	 <u>15,000</u>	 <u>5,000</u>	 <u>10,000</u>
 <u>Revenue Over (Under) Expenditures</u>	 <u>\$ 0</u>	 <u>\$ 10,000</u>	 <u>\$ (10,000)</u>

Budget Period 07/01/11 - 06/30/13

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Rural Oklahoma Community Foundation Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Private Foundation	\$ 5,000	\$ 5,000	\$ 0
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<u>Expenditures</u>			
Materials	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>0</u>	<u>5,000</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</u>

Budget Period 05/14/12 - 05/31/12
Grant No. 20122653

Please see accompanying notes to the financial statements.