

ACCOUNTANT'S AUDIT REPORT

**SOUTHERN PRAIRIE
LIBRARY SYSTEM**

JUNE 30, 2013

BY



Southern Prairie Library System
Altus, Oklahoma
Year Ended June 30, 2013

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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, 2013, which collectively comprise the 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 standards 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 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. 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 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 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules and information presented are not necessary for a fair presentation of the financial statements for the year ended June 30, 2013, but are presented for purposes of additional analysis. The accompanying supplemental schedules and information was subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards we have also issued our report dated December 5, 2013, 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.

Furrh and Associates, PC

FURRH & ASSOCIATES, PC

Certified Public Accountants

December 5, 2013

Southern Prairie Library System

Altus, Oklahoma

Statement of Net Assets

(Modified Cash Basis)

June 30, 2013

	<u>Governmental Activities</u>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 486,068
Prepaid Insurance	5,252
	<hr/>
Total Current Assets	491,320
<u>Other Assets</u>	
Fixed Assets	243,908
Accumulated Depreciation	(171,502)
Other Assets	23,436
	<hr/>
Total Other Assets	95,842
	<hr/>
Total Assets	\$ 587,162
<u>Liabilities</u>	
Payroll Liabilities	\$ 0
	<hr/>
Total Liabilities	0
<u>Net Assets</u>	
Capital Assets - Net of Related Debt	72,406
Unreserved	514,756
	<hr/>
Total Net Assets	587,162
	<hr/>
Total Net Assets and Liabilities	\$ 587,162
	<hr/> <hr/>

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Statement of Activities

(Modified Cash Basis)

Year Ended June 30, 2013

	Program Revenue			
Expense	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue & Changes in Net Assets	
<u>Activities</u>				
Library Services	\$ 643,569	\$ 8,644	\$ 41,560	\$ (593,365)
		<u>General Revenue</u>		
				600,110
				20,880
				10,525
				4,654
				1,429
		Total General Revenue		637,598
		<u>Changes in Net Assets</u>		44,233
		<u>Net Assets, June 30, 2012</u>		542,929
		<u>Net Assets, June 30, 2013</u>		\$ 587,162

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Balance Sheet

(Modified Cash Basis)

Governmental Funds

June 30, 2013

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Great Plains Literacy Council</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Petty Cash	\$ 268	\$ 0	\$ 0	\$ 268
Cash - First State Bank	352,292	0	0	352,292
Cash - National Bank of Commerce	38,556	0	21,961	60,517
Cash - Great Plains National Bank	17,313	0	0	17,313
Cash - Stockmans Bank	11,960	0	0	11,960
Cash - Midfirst Bank CD	6,329	0	0	6,329
Cash - First National Bank	0	37,389	0	37,389
Stock - Principal Financial Group	23,436	0	0	23,436
Prepaid Insurance	5,252	0	0	5,252
Total Assets	<u>\$ 455,406</u>	<u>\$ 37,389</u>	<u>\$ 21,961</u>	<u>\$ 514,756</u>

Liabilities and Fund Balance

Liabilities				
Payroll Liabilities	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance				
Unreserved	<u>455,406</u>	<u>37,389</u>	<u>21,961</u>	<u>514,756</u>
Total Liabilities and Fund Balance	<u>\$ 455,406</u>	<u>\$ 37,389</u>	<u>\$ 21,961</u>	<u>\$ 514,756</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Balance Sheet
(Modified Cash Basis)
Governmental Funds
June 30, 2013

Net Assets	\$ 514,756
Amounts Reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital Assets Used by Governmental Activities of \$243,908	
Net of Accumulated Depreciation of \$171,502 are not financial resources and, therefore, are not reported in the funds.	72,406
Net Assets of Governmental Activities	\$ 587,162

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, 2013

	General Fund	Other Governmental Funds	Great Plains Literacy Council	Total Governmental Funds
<u>Revenue</u>				
Property Taxes	\$ 600,110	\$ 0	0	\$ 600,110
Grant Revenue - State	2,200	0	21,500	23,700
State Aid	20,880	0	0	20,880
E Rate Refund	10,525	0	0	10,525
Contributions	451	3,254	6,655	10,360
Charges for Services	8,644	0	0	8,644
Grant Revenue - Private	0	0	7,500	7,500
Miscellaneous Revenue	4,027	383	244	4,654
Interest Dividend Income	1,329	100		1,429
Total Revenue	648,166	3,737	35,899	687,802
<u>Expenditures</u>				
Salaries and Wages	322,779	0	5,707	328,486
Payroll Taxes and Insurance	116,188	0	2,147	118,335
Informational Materials	54,039	6,175	0	60,214
Direct Grant Expenditures - State	4,700	0	26,039	30,739
Contract Services	15,001	0	0	15,001
Capital Outlay	13,204	0	0	13,204
Revaluation	10,856	0	0	10,856
Direct Grant Expenditures - Private	0	0	10,625	10,625
Telephone	10,590	0	0	10,590

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, 2013

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Great Plains Literacy Council</u>	<u>Total Governmental Funds</u>
Equipment Expense	8,425	0	0	8,425
Supplies	7,605	0	15	7,620
Program Expense	3,250	2,118	0	5,368
Travel	3,723	0	600	4,323
Miscellaneous and Other Expense	2,339	1,842	0	4,181
Postage and Freight	3,505	398	172	4,075
Automobile Expense	2,378	0	0	2,378
Insurance and Bond	1,223	0	0	1,223
Total Expenditures	579,805	10,533	45,305	635,643
<u>Revenue Over (Under) Expenditures</u>	68,361	(6,796)	(9,406)	52,159
<u>Fund Balance, June 30, 2012</u>	387,045	44,185	31,367	462,597
<u>Fund Balance, June 30, 2013</u>	\$ 455,406	\$ 37,389	\$ 21,961	\$ 514,756

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, 2013

	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	\$			52,159
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				13,204
				(21,130)
Change in Net Assets of Governmental Activities	\$			44,233

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, 2013

	<u>Special Acquisition Fund</u>	<u>Plant Replacement Fund</u>	<u>Total Special Revenue Funds</u>
<u>Assets</u>			
Cash - First National Bank	\$ 36,125	\$ 1,264	\$ 37,389
Total Assets	<u>\$ 36,125</u>	<u>\$ 1,264</u>	<u>\$ 37,389</u>
<u>Liabilities and Fund Balance</u>			
Liabilities	0	0	0
Fund Balance Unreserved	36,125	1,264	37,389
Total Liabilities and Fund Balance	<u>\$ 36,125</u>	<u>\$ 1,264</u>	<u>\$ 37,389</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, 2013

<u>Revenue</u>	<u>Special Acquisition Fund</u>	<u>Plant Replacement Fund</u>	<u>Total Special Revenue</u>
Contributions	\$ 3,254	\$ 0	\$ 3,254
Miscellaneous Revenue	383	0	383
Interest Dividend Income	97	3	100
 Total Revenue	 3,734	 3	 3,737
 <u>Expenditures</u>			
Postage	398	0	398
Miscellaneous	1,842	0	1,842
Program Expenses	2,118	0	2,118
Informational Materials	6,175	0	6,175
 Total Expenditures	 10,533	 0	 10,533
 <u>Revenue Over (Under) Expenditures</u>	 (6,799)	 3	 (6,796)
 <u>Fund Balance, June 30, 2012</u>	 42,924	 1,261	 44,185
 <u>Fund Balance, June 30, 2013</u>	 <u>\$ 36,125</u>	 <u>\$ 1,264</u>	 <u>\$ 37,389</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2013

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, 2013

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, 2013

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		1,264
Midfirst Bank - Certificate of Deposit		6,329
Stockman's Bank - Checking		11,960
Great Plains National Bank - Money Market		17,313
National Bank of Commerce - GPLC checking		21,961
First National Bank - Acquisition Checking		36,125
National Bank of Commerce - Money Market		38,556
First State Bank - Checking		352,292
Total Cash & Cash Equivalents	\$	<u>486,068</u>

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.

<u>A</u>	<u>B</u>	<u>C</u>	<u>Total</u>
<u>\$ 485,800</u>	<u>\$ 0</u>	<u>\$ 268</u>	<u>\$ 486,068</u>

Southern Prairie Library System
Altus, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2013

Note 4 - Fixed Assets

Current year changes in fixed assets were as follows:

	<u>Property, Plant and Equipment</u>	<u>Accumulated Depreciation</u>
Balance as of 07/01/2012	\$ 242,021	\$ 158,707
Additions	13,204	21,130
Disposals	<u>(11,317)</u>	<u>(8,335)</u>
Balance as of 06/30/2013	<u>\$ 243,908</u>	<u>\$ 171,502</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 \$41,794 at June 29, 2013.

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, 2013 totals \$36,740 which includes earned but unpaid annual leave, vacation pay and compensatory wages.

Note 7 - Tax Revenues

Approximately 93% 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 78% of the ad valorem tax revenues were received in November and December 2012 and January 2013. Property tax revenues are recognized when received.

Southern Prairie Library System

Altus, Oklahoma

Notes to Financial Statements

Year Ended June 30, 2013

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-13-011	\$ 9,500	\$ 9,500
Contract No. F-13-059	9,000	9,000
Contract No. F-13-70	3,000	2,539
 Oklahoma Art Council		
Contract No. FY 2642-4108	0	2,500
Contract No. FY 2212-3484	2,200	2,200
 Dollar General Literacy Foundation		
Literacy	7,500	625
 Priddy Foundation		
Literacy Directions	0	10,000
 Rural Okla Community Foundation		
Grant No. 20122653	0	5,000
Total	<u>\$ 31,200</u>	<u>\$ 41,364</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, 2013

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.



**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, 2013, which collectively comprise the System's basic financial statements and have issued our report thereon dated December 5, 2013. 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*.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Furrh and Associates, PC

FURRH & ASSOCIATES, PC

Certified Public Accountants

December 5, 2013

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, 2013

	Original Budget	Actual	(Over) Under Budget
<u>Revenue</u>			
Property Taxes - Jackson County	\$ 446,679	\$ 519,651	\$ (72,972)
Property Taxes - Harmon County	66,889	80,459	(13,570)
State Aid - OK Department of Libraries	20,498	20,880	(382)
Charges for Services	19,600	8,644	10,956
Interest Dividend Income	4,400	1,329	3,071
E Rate Refund	0	10,525	
Contributions	0	451	(451)
Grant Revenue	0	2,200	(2,200)
Miscellaneous Revenue	0	4,027	(4,027)
Total Revenue	558,066	648,166	(79,575)
<u>Expenditures</u>			
Salaries and Wages	340,989	322,779	18,210
Employee Insurance	99,900	86,971	12,929
Informational Materials - Books	94,500	37,577	56,923
Reserves	55,000	0	55,000
Payroll Taxes	29,837	27,102	2,735
Contract Services	24,000	15,001	8,999
Capital Outlay	23,000	13,204	9,796
Informational Materials - Serials	15,500	13,722	1,778
Equipment Expense	13,800	8,425	5,375
Revaluation	11,500	10,856	644
Supplies	10,500	7,605	2,895
Telephone	9,500	10,590	(1,090)
Program Expense	6,900	3,250	3,650
Insurance and Bond	6,200	1,223	4,977
Travel	6,000	3,723	2,277
Informational Materials - Audiovisual	6,000	2,740	3,260
Postage and Freight	4,500	3,505	995
Automobile Expense	4,000	2,378	1,622
Workers Compensation Insurance	3,410	2,115	1,295
Miscellaneous	3,000	2,339	661

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, 2013

	<u>Original Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Informational Materials - Other	1,000	0	1,000
Direct Grant Expenditures	0	4,700	(4,700)
Total Expenditures	<u>769,036</u>	<u>579,805</u>	<u>189,231</u>
<u>Revenue Over (Under) Expenditures</u>	(210,970)	68,361	(279,331)
<u>Fund Balance, June 30, 2012</u>	<u>352,163</u>	<u>387,045</u>	<u>(34,882)</u>
<u>Fund Balance, June 30, 2013</u>	<u>\$ 141,193</u>	<u>\$ 455,406</u>	<u>\$ (314,213)</u>

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Notes to Required Supplemental Information
Year Ended June 30, 2013

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-Community Literacy Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2013

	<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 07/24/12 - 06/30/13
Contract No. F-13-011

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, 2013

	<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	7,200	7,200	0
Payroll Tax	551	551	0
Travel	808	808	0
Materials and Equipment	156	156	0
Miscellaneous	285	285	0
 Total Expenditures	 <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 08/01/12 - 06/30/13
Contract No. F-13-059

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Oklahoma Department of Libraries-Health Literacy Project Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 3,000	\$ 3,000	\$ 0
<u>Expenditures</u>			
Travel	246	246	
Personnel	<u>2,754</u>	<u>2,293</u>	<u>461</u>
Total Expenditures	3,000	2,539	461
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 461</u>	<u>\$ (461)</u>

Budget Period 09/07/2012 - 08/31/2013
Contract No. F-13-70

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Oklahoma Arts Council - Dig into Art
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2013

	Budget	Current Year	(Over) Under Budget
<u>Revenue</u>			
State Grant	\$ 2,500	\$ 0	\$ 2,500
<u>Expenditures</u>			
Programs	2,500	2,500	0
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ (2,500)	\$ 2,500

Budget Period 05/16/13 - 06/30/2013
Contract No. 2642-4108

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Oklahoma Arts Council - Summer Art Dreams
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 2,200	\$ 2,200	\$ 0
<u>Expenditures</u>			
Programs	<u>2,200</u>	<u>2,200</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 07/01/12 - 07/31/2012
Contract No. 2212-3484

Please see accompanying notes to the financial statements.

Southern Prairie Library System
Altus, Oklahoma
Great Plains Literacy Council
Dollar General Literacy Foundation Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Income	\$ 7,500	\$ 7,500	\$ 0
<u>Expenditures</u>			
Personnel	<u>7,500</u>	<u>625</u>	<u>6,875</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 6,875</u>	<u>\$ (6,875)</u>

Budget Period 05/24/2013 - 04/10/2014

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, 2013

<u>Revenue</u>	<u>Budget</u>	<u>Cumulative 06/30/12</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
Grant Income	\$ 10,000	\$ 10,000	\$ 0	\$ 10,000	\$ 0
Matching Funds	5,000	5,000	0	5,000	0
Total Income	15,000	15,000	0	15,000	0
<u>Expenditures</u>					
Personnel	10,920	3,640	7,280	10,920	0
Travel	2,040	680	1,360	2,040	0
Miscellaneous	2,040	680	1,360	2,040	0
Total Expenditures	15,000	5,000	10,000	15,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>	<u>\$ 0</u>	<u>\$ 0</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, 2013

<u>Revenue</u>	<u>Budget</u>	<u>Cumulative 06/30/2013</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
Grant Income	\$ 5,000	\$ 5,000	\$ 0	\$ 5,000	\$ 0
Total Expenditures	5,000	5,000	0	5,000	0
<u>Expenditures</u>					
Personnel	0	0	3,640	3,640	(3,640)
Materials	5,000	0	1,360	1,360	3,640
Total Expenditures	5,000	0	5,000	5,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Period 05/14/12 - 05/31/13
 Grant No. 20122653

Please see accompanying notes to the financial statements.