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State Auditor & Inspector

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MUSKOGEE, OKLAHOMA**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2011**

**CHAMBERS, JACKSON AND FOX
A PROFESSIONAL CORPORATION
129 'C' ST. NORTHWEST
P.O. BOX 1171
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EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM

Year Ended June 30, 2011

Table of Contents

INDEPENDENT AUDITORS' REPORT.....	3
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis.....	5
Budgetary Comparison Schedule—General Fund.....	9
BASIC FINANCIAL STATEMENTS:	
Combined Government-wide and Fund Financial Statements—Statements of Net Assets and Governments Funds Balance sheet.....	11
Combined Government-wide and Fund Financial Statements—Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.....	12
Notes to Financial Statements.....	13
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of State Financial Assistance.....	23
Combined Schedule of Expenditures, General and Special Revenue Funds – All Departments and Branches.....	24
Combined Schedule of Expenditures – General Fund by Branch.....	25
Combined Schedule of Expenditures – Special Revenue Fund by Branch.....	26

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Oklahoma District Library System

We have audited the accompanying statements of the governmental activities of Eastern Oklahoma District Library System (EODLS), a special purpose governmental unit as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2011, which collectively comprise the Eastern Oklahoma District Library System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the EODLS's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of EODLS as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2011, on our consideration of EODLS'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 the 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 management's discussion and analysis and budgetary comparison information beginning on page 5 are not required as part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise EODLS's basic financial statements. The other supplementary information listed in the table of contents and beginning on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information 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 taken as a whole.

Ardmore, Oklahoma
September 13, 2011

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011
(Unaudited)**

FINANCIAL HIGHLIGHTS

- **Total Revenue** for the System was **\$5,034,401**. This is a combined total of \$4,544,276 in General Fund and \$490,125 in Special Revenue.
- **Total Expenditures** (before depreciation) were **\$5,061,395**. This is a combined total of \$4,722,430 in General Fund and \$338,965 in Special Revenue.

Total General Fund Revenue grew 1.5% from the previous year. The primary Revenue source for General Fund, county ad valorem tax, grew 2.2%. General Fund Expenditures grew by 5%. The System relies on unspent Carryover and Special Revenue to accomplish its services.

The System now tracks money through two accounts.

General Fund - Ad valorem taxes, fees, interest and State Aid – same categories but new funds – that come in every year.

Special Revenue - Donations and book sales – money given to a specific branch or department. Some branches have larger donation accounts than others.

Special Revenue is not included in the annual budget. Branches are encouraged to purchase food and consumable program supplies from Special Revenue accounts. On June 30, 2011 the total Special Revenue amount was **\$733,910**.

Reserves were GENERAL FUND money which was set aside, by each branch at budget time, to save for a special project or large purchase. On the auditor's advice, the System discontinued this practice in FY11 and rolled the RESERVES back into the budget.

Investments

The majority of our Ad Valorem taxes are received in January and February. This money is invested and is used in October and November when less ad valorem is received. Carryover funds, although tracked separately, are combined to create investments for the System. Interest from the investments is divided based on the percentage of total ad valorem collected.

Where did the System spend its money?

Total FY11 Expenditures include General Fund, Special Revenue.

Staff	\$3,081,512	61%
Materials	\$ 794,366	16%
Operations	\$1,085,324	21%
Equipment	\$ 100,193	2%

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011
(Unaudited)**

On Staffing- Personnel

In March 2010, the System contracted with the Singer Group to do a Comprehensive Salary and Compensation Study. Job descriptions were re-written, a market salary study was conducted and a new competitive salary structure was created. At the January, 2011 Board meeting, the new job descriptions and the new salary structure were approved. EODLS has gone from a formal Grade and Step salary structure to one with Grades and a range of pay for each Grade. The old structure had eight Grades and the new structure has fourteen.

The salary for library clerks in 2010 started at \$7.74 an hour. In the new scale, library clerks start at \$9.00 an hour with an increase to \$10.00 when a 6-month orientation period is successfully completed. For professional positions, the System had been trying to hire an Information Technology Manager for two years. The starting salary was \$31,276. When the starting salary for the position was changed to \$42,800 – we hired an IT Manager in less than three months.

The System as a whole spent 61% of its expenditures on Staff and Salaries. The new Salary structure became effective six months into the fiscal year. The Board has adopted a personnel philosophy that says our employees are worth the investment.

Compensation Philosophy

Eastern Oklahoma District Library System (EODLS) seeks to provide competitive and equitable compensation within our identified markets by offering pay, benefits and other rewards designed to attract and retain talented and motivated employees dedicated to providing exemplary service to our customers.”

Performance Management

The salary structure has changed and now we are looking at job performance. Currently, clerks with the same years of service are paid the same rate, regardless of the quality of their work. In April, 2011, the Board approved another Singer Group study to create a Performance Management System.

Our goal is to move toward a performance management system in which the formal appraisal is only one component of an ongoing system which will also include feedback, coaching, and development. Performance management allows organizations to set expectations, and, through constant evaluation, create consistent results. The most important thing to remember about developing a performance

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011
(Unaudited)**

management system is to be realistic, consistent, and passionate about helping staff, management, and the organization achieve its vision.

Once our system is in place, we will want to talk about taking the performance management system to the next level – a move that many organizations, particularly in the public sector, are reluctant to make, tying performance to pay.

Pay for performance is a simple concept that can have great results in the organization. Rewarding top performers more highly than others has many obvious advantages and it has drawbacks, too, leading some to malign the approach. By anticipating and working around any perceived or real disadvantages, pay-for-performance can succeed and flourish thereby improving staff performance.

On Long Range Goals

System Budget Philosophy (approved in 1996)

1. **All Revenue** received will be allocated to the contributing counties' EODLS certified branches. Any money that comes in above the projected revenue will be put in the contributing counties' budget and will be allocated to the county's branches for the next Fiscal year.
2. All **unspent budgeted monies** (money saved from each branch or department's budget) will be retained by the appropriate department or branch, including support services.

This budgeting philosophy is politically popular, but is it why EODLS was created? Or was the System created to pool its resources and work together to serve all citizens in our region regardless of their contribution? This will be a topic for discussion in the next several months.

Budgetary Highlights

How much is the right amount to save each year? The System Emergency Reserve is based on three month's expenses. We strive to find the balance of serving our patrons to our fullest capacity – but knowing that revenue isn't growing and we also need to save for the future.

	<u>Budget</u>	<u>Expenditures</u>	<u>%</u>
<u>Unspent</u>			
Stilwell	206,023	163,278	21%
Westville	202,364	162,794	20%
Tahlequah	735,966	619,295	16%

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011
(Unaudited)**

Hulbert	146,557	116,170	21%
Grove	479,265	393,470	18%
Jay	374,814	250,957	33%
Kansas	180,450	102,170	43%
Checotah	260,889	251,881	3%
Eufaula	255,670	227,751	11%
Haskell	184,249	105,522	43%
Muskogee	1,751,431	1,627,971	7%
Ft. Gibson	202,290	177,624	12%
Warner	142,411	131,821	7%
Sallisaw	266,091	251,072	6%
Muldrow	138,351	123,362	11%

Highlights of Service Provided in FY11

- In FY11, **27,305 children and teens** attended a program at one of our 15 branch libraries. **14,583** young people participated in the Summer Reading Program at EODLS branch libraries.
- The total System Circulation for FY11 was **1,140,599**. This is a slight decrease (2%) from the FY10 circulation. Circulation of juvenile items consistently makes up about 33% of the total.
- **805,077 people** entered our doors in FY11.
- Almost **215,250 people** logged on to EODLS computers last year.

Each year the Eastern Oklahoma District Library System receives a small portion of property tax to provide library services to 244,790 citizens in the six county region. Our business is libraries - not streets or sewers or sales.

Mary J.S. Moroney, Executive Director

Carole A. Fisher, Business Manager

Eastern Oklahoma District Library System

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**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES--BUDGET AND ACTUAL--GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Unaudited)**

	Proposed Budget	Approved Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem, Sales Tax & City Support	\$ 3,680,084	\$ 3,778,133	\$ 4,139,791	\$ 361,658
Oklahoma Dept of Libraries State Aid	120,001	100,001	155,731	55,730
Other Grants/Donations			91	91
Other Revenues	131,708	137,104	134,013	(3,091)
Interest Revenue	47,003	40,000	30,719	(9,281)
McIntosh Co Sales Tax/Muldrow City Support	114,414	79,834	82,807	2,973
Total Revenues	4,093,210	4,135,072	4,543,152	408,080
EXPENDITURES				
Staff Expenditures	2,437,900	2,676,500	3,071,677	(395,177)
Supplies & Other Expenditures Operations	740,388	847,423	309,966	537,457
	675,000	640,885	642,221	(1,336)
Total Expenditures	3,853,288	4,164,808	4,023,864	140,944
NET INCREASE (DECREASE)	239,922	(29,736)	519,288	549,024
OTHER FINANCING SOURCES (USES)				
Capital outlay				
Informational materials (books)	(855,224)	(891,561)	(619,968)	271,593
Equipment and furnishings	(94,773)	(470,452)	(78,721)	391,731
FY 10 revenue carryover	710,075	1,391,749	179,401	(1,212,348)
Total Other Financing Sources	(239,922)	29,736	(519,288)	(549,024)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -

Revenue carryovers and grant funding cover budget deficiencies.
 The above budget to actual does not include depreciation expense, but rather budgets
 actual capital outlays.

FINANCIAL STATEMENTS

JUNE 30, 2011

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
 COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
 STATEMENT OF NET ASSETS AND GOVERNMENTS FUNDS BALANCE SHEET
 June 30, 2011**

<u>ASSETS AND OTHER DEBITS</u>	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets:					
Cash and Cash Equivalents	\$ 2,736,082	\$ 734,001	\$ 3,470,083		\$ 3,470,083
Receivables:					
Ad Valorem Tax	104,612		104,612		104,612
Post Retirement Deferred Expense	14,768	31,384	46,152		46,152
Due from Other Funds	650		650	(650)	-
Prepaid Expenditures	21,148		21,148		21,148
Property, Plant and Equipment:					
Materials Collection	9,639,267	59,702	9,698,969		9,698,969
Equipment and Furniture	2,451,068		2,451,068		2,451,068
Less: Accum Depreciation	(8,938,776)	(47,151)	(8,985,927)		(8,985,927)
Fine Art		85,846	85,846		85,846
Other Debits					
					-
Total Assets and Other Debits	\$ 6,028,819	\$ 863,782	\$ 6,892,601	\$ (650)	\$ 6,891,951
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts Payable	\$ 89,220	\$ 29,860	\$ 119,080		\$ 119,080
Compensated Absences Payable	124,156	-	124,156		124,156
Accrued Payroll and Related Costs	142,912	31,384	174,296		174,296
Deferred Revenue					-
Due to Other Funds		650	650	(650)	-
Total Liabilities	356,288	61,894	418,182	(650)	417,532
Equity and Other Credits:					
Nonspendable	3,151,559	98,397	3,249,956	(3,249,956)	-
Spendable					-
Restricted					-
Committed	35,916	703,491	739,407	(739,407)	-
Assigned	152,137		152,137	(152,137)	-
Unassigned	2,332,919		2,332,919	(2,332,919)	-
Total Equity and Other Credits	5,672,531	801,888	6,474,419	(6,474,419)	-
Total Liabilities, Equity and other Credits	\$ 6,028,819	\$ 863,782	\$ 6,892,601		
Net Assets:					
Nonspendable				3,249,956	3,249,956
Spendable					-
Restricted					-
Committed				739,407	739,407
Assigned				152,137	152,137
Unassigned				2,332,919	2,332,919
Total Net Assets				\$ 6,474,419	\$ 6,474,419

The accompanying notes to financial statements are an integral part of this statement.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
 COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - STATEMENT OF
 ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	General Fund	Special Revenue	Total	Adjustments	Statement of Activities
<u>EXPENDITURES</u>					
Current--					
Staff Expenditures	\$3,071,677	\$ 9,835	\$ 3,081,512		\$ 3,081,512
Supplies & Other Expenditures	160,924	49,540	210,464		210,464
Materials	149,042	144	149,186		149,186
Operations	642,221	244,929	887,150		887,150
Depreciation	776,863	25,873	802,736		802,736
Total Expenditures	<u>4,800,727</u>	<u>330,321</u>	<u>5,131,048</u>		<u>5,131,048</u>
<u>REVENUES</u>					
Ad Valorem, Sales Tax & City Support	4,222,598	83,679	4,306,277		4,306,277
Oklahoma Dept of Libraries State Aid	155,731	-	155,731		155,731
Other Grants/Donations	91	286,252	286,343		286,343
Other Revenues	134,013	114,375	248,388		248,388
Interest Revenue	30,719	5,818	36,537		36,537
Total Revenues	<u>4,543,152</u>	<u>490,124</u>	<u>5,033,276</u>		<u>5,033,276</u>
CHANGE IN NET ASSETS	(257,575)	159,803	(97,772)		(97,772)
CHANGE IN PRESENTATION OF FUNDS	700,737	(700,737)	-		-
FUND BALANCE, JULY 1, 2010	<u>5,229,369</u>	<u>1,342,822</u>	<u>6,572,191</u>		<u>6,572,191</u>
FUND BALANCE JUNE 30, 2011	<u>\$5,672,531</u>	<u>\$ 801,888</u>	<u>\$ 6,474,419</u>	<u>\$ -</u>	<u>\$ 6,474,419</u>

The accompanying notes to financial statements are an integral part of this statement.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Eastern Oklahoma District Library System (EODLS) conform to generally accepted accounting principles, as applicable to governmental units. The *Governmental Accounting Standards Board* is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of EODLS's accounting policies are described below.

The Financial Reporting Entity – The Eastern Oklahoma District Library System is an independent special purpose district established under Title 65 Article 4, Public Library Systems, of the Oklahoma statutes. These statutes authorize and empower counties, cities and towns to join in the creation, development, and operation and maintenance of public libraries systems to serve multi-county districts. Title 65 authorizes special tax levies for the support of library systems to serve multi-county systems established under this act. The System includes fifteen branch libraries. Board members are appointed by various governmental entities within the counties of Adair, Cherokee, Delaware, McIntosh, Muskogee and Sequoyah. Under *Governmental Accounting Standards Board (GASB) No. 14*, the system is defined as a Special—Purpose Governmental Unit. As such, its accounting conforms to the particular operations of EODLS.

Basis of Presentation—Fund Accounting – EODLS uses funds to report on its financial position and results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

The following fund types are used by the system:

****Governmental Funds:**

- General Fund – To account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally, contractually, or by agreement restricted to expenditures for specified purposes/

The Combined Government-Wide and Fund Financial Statements – Statement of Net Assets and Governments Funds Balance Sheet (Government-Wide Statement of Net Assets) along with the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Government-Wide Statement of Activities) display information about the reporting government as a whole, recognizing the General Fund separately from the Special Revenue Fund.

In prior years, EODLS used a fixed asset accounting group. However, this year, in further compliance with GASB Statement No 54 concerning fund balances, and due to the unique nature of the special purpose governmental accounting, general fund operating assets are reported in the general fund and special revenue fund operating assets are reported in the special revenue fund. No fixed asset accounting group is used in this year's presentation of funds..

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011 - CONTINUED**

Basis of Accounting – The Government Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The Government-Wide Statement of Net Assets and Statement of Activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

EODLS considers property taxes and other County/City support as available if they are collected within 60 days after year-end. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available. Donations and grant funds are considered earned when received, unless subject to forfeiture, in which case when received they are recorded as deferred revenues until earned.

Expenditures are recorded when the related fund liability is incurred.

Budgets – EODLS is required by state law to adopt an annual budget. The budget adopted by the Board of Trustees is a non-appropriated budget in that it is a financial plan approved in a manner authorized by statute but not created by an appropriations bill, which is signed into law.

Annual budgets are adopted for the General Fund on a basis consistent with generally accepted accounting principles. The annual budget is prepared by fund, function and department/branch. The department and branch managers may make transfers of budgeted amounts between expense functions without approval of the Board of Trustees, however management approval is required.

Cash and Cash Equivalents – Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within twelve months of the date acquired by EODLS. The investment policy of EODLS authorizes management to invest in U.S. Treasury bills, certificates of deposit fully covered by F.D.I.C, and U.S. government project notes in amounts up to \$250,000. Investments are stated at cost, which approximates market value. Collateral agreements from financial institutions are required when deposits exceed F.D.I.C. limits. Currently EODLS has a collateral agreements with the First National Bank of Muskogee.

Interfund Receivables and Payables – During the course of operations, some transactions occur between funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Government-Wide Statement of Net Assets.

Ad Valorem Tax Receivable – Included in ad valorem tax receivable is the uncollected portion of EODLS’s share of prior year’s property tax assessments for EODLS’s six counties

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011 - CONTINUED**

Prepaid Expenditures – Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid expenditures.

Library Materials – Because library materials (books, periodicals, audio visual, etc.) purchased by EODLS have useful lives of greater than one year and in accordance with *Governmental Accounting Standards Board (GASB) Statements No. 34*, such acquisitions are capitalized and reported in the fund in which they are acquired at historical cost except for donated materials which are recorded at their estimated fair value.

Fixed Assets – In the Government-Wide financial statements and in accordance with *Governmental Accounting Standards Board (GASB) Statements No. 34*, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Government-Wide Statement of Activities, with accumulated depreciation reflected in the Government-Wide Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Office equipment	5 to 10 years
Furniture	10 to 20 years
Computer equipment	3 to 5 years
Vehicles	3 to 5 years
Other fixed assets	3 to 20 years

Compensated Absences – Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the general fund.

Fund Balances

EODLS adopted Governmental Accounting Standards Board (GASB) Statement No 54 which redefines the classifications of fund equities.

- *Nonspendable*. Fund balances that cannot be spent because they are either:
 - *Not in Spendable Form*—generally, amounts that are not expected to be converted to cash, such as inventories or prepaid amounts. This classification also includes some long-term amounts such as property acquired for resale or the long-term portion of loans receivable. (However, if the eventual proceeds or collections from these would be restricted, committed, or assigned, these amounts would be included in that other classification.)
 - *Legally or Contractually Required to be Maintained Intact*—amounts that are required to be maintained intact, such as the principal of a permanent fund.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011 – CONTINUED**

- *Restricted*—amounts that can be used only for specific purposes because of (a) constitutional provisions or enabling legislation or (b) externally imposed constraints. (External constraints might be imposed by creditors, grantors, contributors, or even the laws or regulations of other governments.)

- *Committed*—amounts that can be used only for specific purposes because of a formal action by the government's highest level of decision-making authority. This classification might also include contractual obligations if existing resources have been committed for use in satisfying those contractual requirements. (The formal action to establish constraints should be taken before year-end, even if the amount might not be determined until the subsequent period.)

- *Assigned*—amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a finance committee), or by an official to whom that authority has been given. Assigned fund balances represent tentative plans for future use of financial resources. The amounts are decided by the Board and can be reclassified as needed

- *Unassigned*—this is the residual classification for the general fund (i.e., everything that is not in another classification or in another fund). The general fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

Cash and Cash Equivalents

There are three categories of credit risk that apply to EODLS's cash and investments balances:

1. Insured by F.D.I.C. or collateralized with securities held by its agent in its name.
2. Uninsured or collateralized with securities held by the pledging institution's trust department or agent in EODLS's name.
3. Uninsured and uncollateralized: or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in EODLS's name; or collateralized with no written or approved collateral agreement

EODLS's bank deposits are categorized below per GASB Statement 3 to give an indication of the level of risk assumed at year end. Deposits of EODLS are carried at cost. The carrying amount of deposits is stated as "cash and cash equivalents" in the financial statements.

	Risk Category			Total Per Books	Bank Balance
	1	2	3		
Deposits					
Demand Deposits	\$ 250,000	\$ 576,612	\$ 3,709	\$ 760,983	\$ 823,612
Certificates of Deposit	\$ 2,498,883	\$ 210,217	\$ -	\$ 2,709,100	\$ 2,709,100
Totals	\$ 2,748,883	\$ 786,829	\$ 3,709	\$ 3,470,083	\$ 3,532,712

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011 – CONTINUED**

Accounts Receivable – EODLS's ad valorem property tax is billed by each of the six participating counties each November 30 on the net assessed value listed as of the prior January 1, for all real and business personal property located in the county. The ad valorem taxes are due on December 31, or one-half by December 31 and one-half by March 31. Accounts receivable represent tax collections measurable and collectible at period end. Generally, this represents July and August collections. This amounted to \$104,612 for the year ended June 30, 2011.

For the year ended June 30, 2011 the total property tax levy collected for EODLS was \$4,222,598, which represented 4 mills in all counties except Delaware and Sequoyah County. Delaware County is 2.09 mills and Sequoyah County is 2 mills.

Fixed Assets – The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<u>Equipment/ Furnishings</u>	<u>Informational Materials</u>	<u>Fine Art</u>
Balance, 7-01-10	\$ 2,476,989	\$ 9,563,600	\$ 85,846
Purchases/Donations	100,193	645,840	-
Sales/Abandonments	<u>(126,114)</u>	<u>(510,471)</u>	<u>-</u>
Balance 6-30-11	<u>\$ 2,451,068</u>	<u>\$ 9,698,969</u>	<u>\$ 85,846</u>
Depreciation expense	<u>\$ 156,894</u>	<u>\$ 645,842</u>	

Leases – EODLS entered into a five year lease effective May, 2009, with automatic renewal options on property located at 814 W. Okmulgee, Muskogee, Oklahoma for the administrative offices. Estimated lease rental payments under the terms of the lease are as follows:

FY 2012	\$ 59,400
FY 2013	\$ 59,400
FY 2014	\$ 59,400

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011 – CONTINUED**

Employee's Retirement Plan – All of EODLS's eligible employees participate in the Oklahoma Public Employees Retirement System (OPERS), a statewide multiple-employer public employee retirement system. Employees of multi-county libraries are eligible to participate in OPERS under Article 1-106 of Oklahoma statutes. OPERS is a cost sharing public employee retirement system, however, risks are not shared by EODLS, but are the liability of OPERS and the State of Oklahoma. OPERS is funded through employer and employee contributions, but EODLS has no legal obligation for paying benefits.

All employees who work 20 hours/week, 1040 hours/year or more are eligible to participate in OPERS. Normal retirement requires 90 points (age plus years of credited service) however employees who initially became members of OPERS before July 1, 1992 are required to have 80 points. Effective July 1, 1994, all members of the Oklahoma Public Retirement System are required to pay retirement contributions on the gross salary earned (less overtime) up to the maximum annual salary established by statute. Since that time the salary cap has gradually risen and effective July 1, 1998, the cap was waived. EODLS contributed 12.5% of gross compensation and the employee contributes 3.5% of his or her wages. Effective July 1, 1999, EODLS's contribution rate was adjusted to 10%. During fiscal year ended June 30, 2004, OPERS allowed a new step-up incentive program wherein eligible employees could contribute an additional 2.91%. This is an irrevocable option and the employee cannot alter the contribution rate as long as they are an employee of EODLS or a participant in OPERS. Currently fifteen employees are enrolled. Effective July 1, 2010, EODLS's rate increased to 16.5%. The employee rate remains at 3.5%

For the year ended June 30, 2011

<u>Total Compensation</u>	<u>Eligible Compensation</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>
\$ 2,102,069	\$ 1,742,691	\$ 60,994	\$ 287,554

Additionally, employees participating in the step-up contribution option contributed an additional \$20,212.

Additional information can be obtained from the separately issued Oklahoma Public Employees Retirement System Annual Report.

During the fiscal year 2004, EODLS offered an early separation incentive program to qualified employees. EODLS offered the employees four options: 1) Not to participate, 2) EODLS would pay the cost of the employee's health insurance for a period of five years or until they reached age 65, 3) A one time cash payout which was the difference between one year of current salary and one year OPERS payout, and 4) A monthly benefit payment of \$437.50 for 24 months or a yearly benefit payment of \$5,250 for two years. EODLS has since offered the same early separation incentive program two more times. At the end of June, 2009 ten employees had taken advantage of the program. The incentive program is funded by a manufacturing exemption returned to EODLS over a number of years. Because one option of the program is paying an employee's health insurance for five years, the actual total cost of this benefit has not yet been determined. The System has paid \$10,500 for Option 4, \$124,046 for Option 3 and \$61,294 for Option 2. \$46,192 is encumbered to pay the additional health insurance benefits.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011 – CONTINUED**

The EODLS Board has determined if the manufacturing windfall does not cover 100% of the total cost of the program, the remaining funding will be deducted from the Emergency Reserve Fund.

3. OTHER NOTES

Participation in Risk Pools – EODLS maintains worker's compensation coverage through the Oklahoma State Insurance Fund, which is classified as a risk pool for this coverage.

Risk Management – EODLS is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; natural disaster; and board liability. EODLS manages these various risks of loss by purchasing insurance coverage specific to the risks involved. Management believes such coverage is sufficient to preclude any significant uninsured losses to the EODLS. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Use of Estimates – The preparation of 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.

Concentration of Risk - The operation of EODLS is significantly dependent on the property values of the six counties in Eastern Oklahoma in which it operates. Any material change to the property values and ad valorem tax collections could have a significant impact on EODLS's ability to provide the current level of service.

Related Parties – Friends of the Library - These are separate not-for-profit entities established in the trade area of several branches. Their purpose is to support the local branches of EODLS. EODLS does not appoint members or manage any funds for the entities but is a recipient of gifts and volunteer time.

Subsequent Events - Management has evaluated all events subsequent to the balance sheet date of June 30, 2011 through the date of issuance of these financial statements, September 13, 2011, and has determined that there are no subsequent events that require disclosure under generally accepted accounting principles

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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
Eastern Oklahoma District Library System

We have audited the financial statements of the governmental activities, the major governmental fund and the aggregate remaining funds information of Eastern Oklahoma District Library System (EODLS) as of and for the year ended June 30, 2011, which collectively comprise the Eastern Oklahoma District Library System's basic financial statements and have issued our report thereon dated September 13, 2011. 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 EODLS'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 EODLS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the EODLS'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 EODLS'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 EODLS's financial statement that is more than inconsequential will not be prevented or detected by the EODLS'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 EODLS's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. As part of our audit, we performed procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they had been implemented. We also performed procedures to test the operating effectiveness of certain controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the EODLS'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 Board of Trustees, management, and beneficiaries of the public trust and is not intended to be and should not be used by anyone other than these specified parties.

Ardmore, Oklahoma
September 13, 2011

OTHER SUPPLEMENTARY INFORMATION

Eastern Oklahoma District Library System
Schedule of State Financial Assistance
Year ended June 30, 2011
(Unaudited)

<u>State of Oklahoma Assistance</u>	<u>Project Amount</u>	<u>Receipts Recognized</u>	<u>Expenses Paid</u>
<u>Oklahoma Department of Libraries Grants</u>			
Oklahoma Department of Libraries State Aid for the Development and Expansion of Library Service	\$ 155,731	\$ 155,731	\$ 155,731
Oklahoma Department of Libraries Construction grant TA	38,000	38,000	38,000
Oklahoma Department of Libraries Reference grant for small libraries	10,000	10,000	9,372
Oklahoma Department of Libraries Construction grant	70,875	70,875	70,875
Oklahoma Department of Libraries Youth services speaker grant	5,000	5,000	5,000
Oklahoma Department of Libraries Continuing Education	<u>3,130</u>	<u>3,130</u>	<u>3,130</u>
Total Oklahoma Assistance and Grants	<u>\$ 282,736</u>	<u>\$ 282,736</u>	<u>\$ 282,108</u>

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
SCHEDULE OF COMBINED EXPENDITURES, GENERAL
AND SPECIAL REVENUE FUNDS – ALL DEPARTMENTS AND BRANCHES
FOR THE YEAR ENDED JUNE 30, 2011**

	(Unaudited)		
	TOTAL SUPPORT SERVICES	TOTAL LIBRARIES SERVICES	TOTAL
<u>STAFF EXPENDITURES</u>	\$ 455,042	\$ 2,626,470	3,081,512
Books	311	482,038	482,349
Periodical	613	40,211	40,824
Compact Discs	-	42,338	42,338
Online Subscription	-	104,858	104,858
Downloadable Audios	-	39,929	39,929
DVD	-	78,275	78,275
Other-Microforms, Kits, Software	-	5,794	5,794
<u>LIBRARY MATERIALS</u>	924	793,443	794,367
Postage	1,798	56,923	58,721
Supplies	12,006	186,893	198,899
Equipment Supplies	259	11,306	11,565
Consultants/Speakers/Grants	61,383	128,563	189,946
Printing/Binding	133	5,830	5,963
Digitization	-	75	75
Telephone	1,601	14,074	15,675
Insurance	5,172	19,152	24,324
Data Circ Line/Automation	11,979	32,082	44,061
AMIGOS/OCLC	26,953	-	26,953
Seminars/Training	4,371	19,154	23,525
Travel/Gasoline	20,910	25,810	46,720
Software/Licenses		13,241	13,241
Equip Maint Contracts	21,060	61,565	82,625
Other Maint/Repairs	7,882	75,059	82,941
Computer Upgrade	944	62	1,006
Equipment Rent/Lease	108	36	144
Utilities	11,607	255	11,862
Property Revaluation	-	76,861	76,861
Advertising	675	8,969	9,644
Memberships	4,873	8,119	12,992
Meals/Food	1,436	9,687	11,123
Rent	60,749	3,800	64,549
Construction Expense		70,875	70,875
Misc Contract Labor		25	25
Miscellaneous	46	963	1,009
<u>SUPPLIES & OTHER EXP</u>	255,945	829,379	1,085,324
<u>EQUIPMENT & FURNISHINGS</u>	1,197	98,997	100,194
<u>TOTAL EXPENDITURES</u>	\$ 713,108	\$ 4,348,289	\$ 5,061,397

Please note: This report includes materials expenditure which, under GASB 34 have been reclassified as assets in the Government-Wide Fund Financial Statements

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
SCHEDULE OF COMBINED EXPENDITURES, GENERAL REVENUE FUNDS
PUBLIC SERVICE BRANCH
FOR THE YEAR ENDED JUNE 30, 2011**

	Stillwell	Westville	Tahlequah	Hulbert	Grove	Jay	Kansas	Checotah	Eufaula	Haskell	Muskogee	Gibson	Warner	Sallisaw	Muldrow	Total Public Services
STAFF EXPENDITURES	\$79,071	\$91,364	\$364,982	\$57,372	\$184,035	\$114,640	\$38,636	\$129,317	\$144,036	\$42,645	\$982,108	\$99,773	\$66,318	\$158,352	\$68,548	2,621,197
Books	23,970	16,573	47,436	14,362	59,307	34,021	18,392	26,056	16,511	16,771	121,505	18,164	15,207	22,331	16,756	467,362
Periodical	895	2,314	4,012	1,366	5,845	1,398	567	3,425	2,036	1,142	10,357	1,122	1,012	3,551	1,166	40,208
Compact Discs	782	716	2,286	301	6,543	1,239	555	946	1,235	482	18,128	2,737	611	1,115	2,061	39,737
Online Subscription	3,642	1,793	16,171	1,119	10,961	3,093	1,233	4,729	2,979	1,366	48,988	1,860	1,480	3,964	1,480	104,858
Downloadable Audios	400	300	9,110	200	4,307	600	300	500	560	1,552	18,870	400	300	1,092	1,416	39,907
DVD	2,883	1,007	9,154	3,338	7,484	3,263	4,232	2,382	1,697	6,311	12,797	4,347	5,581	1,498	3,908	69,882
Other-micro, kits, sft w r	122	155	1,047	0	1,446	1,000	0	40	40	0	1,316	47	248	0	0	5,461
LIBRARY MATERIALS	32,694	22,858	89,216	20,686	95,893	44,614	25,279	38,078	25,058	27,624	231,961	28,677	24,439	33,551	26,787	767,415
Postage	2,323	2,372	8,732	1,372	3,409	2,783	1,070	4,367	3,491	1,909	14,915	1,803	1,992	4,240	2,076	56,854
Supplies	7,086	3,304	16,412	3,411	12,809	11,371	4,903	9,921	7,410	3,960	36,965	4,909	5,855	6,314	3,726	138,356
Consultants/Speakers	1,472	500	0	150	3,086	0	250	18,308	3,862	1,403	0	1,522	1,288	0	0	31,841
Printing/Binding	0	0	0	0	71	0	0	0	32	0	5,728	0	0	0	0	5,831
Digitization	75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75
Telephone	1,108	679	1,284	643	0	1,399	607	2,959	701	989	1,342	990	1,374	0	-	14,075
Insurance	659	1,105	1,692	712	1,232	1,004	689	1,253	1,213	853	4,331	996	846	1,177	989	18,751
Data Circ	2,552	2,081	0	1,372	0	7,943	3,431	0	1,608	0	422	2,051	9,194	0	1,429	32,083
Line/Automation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
AMGOS/OCLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Seminars/Training	450	529	4,027	386	1,351	381	344	606	303	606	7,392	1,086	381	859	282	18,983
Travel/Gasoline	1,717	1,659	2,415	916	3,456	2,616	1,223	894	1,497	605	3,986	850	796	1,946	934	25,510
Software/Licenses	-	122	2,362	61	2,239	2,178	92	153	153	92	3,336	122	92	2,148	92	13,242
Equip Maint Contracts	2,117	3,427	7,608	2,809	3,516	2,733	2,501	3,937	2,764	1,628	18,980	1,834	1,976	3,220	2,097	61,147
Other Maint/Repairs	-	0	17,147	893	5,614	0	0	0	126	1,335	49,286	62	0	0	0	74,463
Equipment Rent/Lease	-	0	-	-	-	-	-	-	-	-	36	-	-	-	0	36
Utilities	-	-	-	-	-	-	255	-	-	-	-	-	-	-	-	255
Property Revaluation	6,087	6,087	16,123	2,845	5,459	3,193	1,648	5,783	5,783	774	12,387	1,316	1,006	5,440	2,929	76,860
Equipment Supplies	-	227	200	887	359	718	1,020	0	0	200	2,714	2,455	1,124	199	199	10,302
Advertising	125	473	125	532	1,410	290	99	406	0	0	2,728	0	0	196	286	6,670
Memberships	79	328	687	153	769	207	108	708	346	106	3,031	575	387	365	129	7,978
Meals/Food	-	25	21	-	3	0	0	0	17	13	542	0	113	39	21	794
Rent	20	20	20	20	120	560	20	20	440	20	2,146	20	20	20	20	3,486
Construction Expense	-	-	-	0	-	-	-	-	-	-	0	-	-	-	-	0
Misc Contract Labor	0	0	0	25	0	0	0	0	0	0	0	0	0	0	0	25
Miscellaneous	8	0	0	51	0	0	0	0	0	0	254	-	4	131	0	448
SUPPLIES & OTHER EXP	25,878	22,938	78,855	17,238	44,903	37,376	18,260	49,315	29,746	14,493	170,521	20,591	26,448	26,294	15,209	598,055
EQUIP & FURNISHINGS	0	0	2,926	1,644	10,958	9,466	768	3,129	3,276	1,535	38,299	2,949	1,798	779	0	77,527
TOTAL EXPENDITURES	\$137,643	\$137,160	\$535,979	\$96,940	\$335,789	\$206,096	\$82,943	\$219,839	\$202,116	\$86,297	\$1,422,889	\$151,990	\$119,003	\$218,976	\$110,544	\$4,064,204

Please note: This report includes materials expenditures which, under GASB 34 have been reclassified as assets in the Government-Wide and Fund Financial Statements
*Note: This schedule does not include depreciation expense which is a non-cash item.

EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
SCHEDULE OF COMBINED EXPENDITURES, SPECIAL REVENUE FUNDS
PUBLIC SERVICE BRANCH
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

STAFF EXPENDITURES	Fort													Total Public Services		
	Stillwell	Westville	Tahlequah	Hulbert	Grove	Jay	Kansas	Checotah	Etifaula	Haskell	Muskogee	Gibson	Warner		Sallisaw	Muldrow
	\$0	\$0	\$0	\$0	\$4,561	\$0	\$0	\$0	\$0	\$0	\$714	\$0	\$0	\$0	\$0	
Books	-	2,401	-	1,383	0	-	1,513	-	2,486	1,524	154	-	1,951	2,605	652	\$5,275
Periodical	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	14,669
Compact Discs	-	-	-	8	-	-	8	-	1,318	9	0	-	-	1,256	-	2,599
Online Subscription	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0
Downloadable Audios	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Other-Micro, kits, software	-	47	22	-	-	-	-	-	1,266	-	144	-	-	5,118	2,153	8,750
LIBRARY MATERIALS	0	2,448	22	1,391	0	0	1,521	0	5,070	1,533	298	0	1,951	8,979	2,805	26,018
Postage	-	-	-	-	-	-	-	-	-	-	70	-	-	-	-	70
Supplies	1,984	2,998	3,287	584	8,524	3,383	178	3,612	3,834	948	12,992	1,270	822	2,325	1,799	48,540
Consultants/Speakers/Grants	-	6,537	4,215	905	150	2,036	569	-	2,362	-	75,302	883	-	1,832	1,932	96,723
Printing/Binding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Insurance	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	400
Data Circ Line/Automation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
AMGOS/OCLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Seminars/Training	-	-	-	-	-	-	-	-	175	-	-	-	-	-	-	175
Travel/Gasoline	-	35	-	-	-	50	-	-	93	-	122	-	-	-	-	300
Software/Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Equip Maint Contracts	-	117	-	-	-	-	-	-	-	-	299	-	-	-	-	416
Other Maint/Repairs	-	-	-	-	563	-	-	-	95	-	-	-	-	-	-	658
Equipment Rent/Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Property Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Equipment Supplies	-	-	-	-	528	-	-	475	0	-	-	-	-	-	-	1,003
Advertising	-	-	-	-	-	-	-	-	25	-	2,274	-	-	-	-	2,299
Memberships	-	-	-	-	-	-	-	-	100	-	40	-	-	-	-	140
Meals/Food	149	360	950	99	1,588	163	55	1,853	1,121	239	1,851	92	279	82	12	8,893
Rent	-	-	-	-	-	-	-	-	-	-	315	-	-	-	-	315
Construction Expense	-	-	70,875	-	-	-	-	-	-	-	-	-	-	-	-	70,875
Miscellaneous	-	-	-	-	-	-	-	-	275	-	240	-	-	-	-	515
SUPPLIES & OTHER EXP	2,133	10,047	79,327	1,588	11,353	5,632	802	5,940	8,080	1,187	93,905	2,245	1,101	4,239	3,743	231,322
EQUIPMENT & FURNISHINGS	0	0	0	0	8,968	0	0	924	0	0	11,581	0	0	0	0	21,473
TOTAL EXPENDITURES	\$2,133	\$12,495	\$79,349	\$2,979	\$24,882	\$5,632	\$2,323	\$6,864	\$13,150	\$2,720	\$106,498	\$2,245	\$3,052	\$13,218	\$6,548	\$284,088

Please note: This report includes materials expenditures which, under GASB 34 have been reclassified as assets in the Government-Wide and Fund Financial Statements
*Note: This schedule does not include depreciation expense which is a non-cash item.