

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

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2017**

**JACKSON, FOX and RICHARDSON
A PROFESSIONAL CORPORATION
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EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM

Year Ended June 30, 2017

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**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(Unaudited)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- **Total Revenue** for the System was **\$5,347,759**. This is a combined total of **\$5,063,790** in General Fund and **\$283,969** in Special Revenue.
- **Total Expenditures** (before depreciation) were **\$5,188,797**. This is a combined total of **\$5,050,593** in General Fund and **\$138,204** in Special Revenue.

Total General Fund Revenue increased by **1.5%** from the previous year. The primary Revenue source for General Fund, county ad valorem tax, grew **2%**. Muskogee County revenue was down **.5%** from the previous year. Cherokee County revenue grew by **5.3%**. General Fund Expenditures increased by **2%**. Equipment purchases were up **50%**. A new delivery van was purchased last fall.

The System 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, book sales and grants – 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, 2017 the total Special Revenue amount was **\$547,707**. This includes \$150,000 from a grant we received to purchase Children's reading material.

Investments

The majority of our Ad Valorem taxes are received in January and February. This money is invested and is used in months 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 FY Expenditures include General Fund and Special Revenue.

	FY17		FY16	
Staff	\$3,220,717	64%	3,177,411	62%
Materials	\$ 799,519	16%	777,910	15%
Operations	\$ 919,526	18%	1,071,142	21%
Equipment	\$ 110,831	2%	115,492	2%

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(Unaudited)**

... On Staffing- Personnel

All salaries increased by 2% in January. The Board's Personnel Philosophy says our employees are worth the investment and we need to stay competitive with our identified job markets.

In Support Services, an Assistant Director was hired in December, but the Support Services Assistant position remains a challenge to fill. We advertised for a part-time position but when no qualified candidates applied after 6 months, the position was changed to full time. We hired three employees during the last nine months and each have resigned. The position is challenging and requires some college. The starting salary is \$12.81 an hour. Clerk positions start at \$10.50. The salary scale was increased by 5% in January 2016.

New Overtime rules for Branch Managers were planned for, but became unnecessary when the courts ruled against them in late November. Management continues to evaluate staffing levels and the number of Open Hours at each branch. We are working with the Singer Group to create some guidelines for moving forward.

Performance Management

Performance evaluations are based on job descriptions, competencies and goals. Performance management allows the System to set expectations, and, through constant evaluation, create consistent results.

Evaluators complete evaluations each April. For the fifth year, the board approved Performance Rewards for people who achieved an "Outstanding" performance rating. These employees were able to choose between a cash reward or three vacation days. The goal is to give an across the board increase to all employees who have achieved "Outstanding" or "Successful" again this year. Rewards will always depend on the revenue. Employees receiving a "Needs Improvement" rating do not receive pay increases.

...On Materials

The System budgets over \$950,000 for materials each year.

	<u>% of Material Purchased</u>		
PRINT	FY15 = 50%	FY16 = 45%	FY17 = 49%
ONLINE & DOWNLOADABLE	FY15 = 25%	FY16 = 28%	FY17 = 26%
AUDIO VISUAL	FY15 = 25%	FY16 = 27%	FY17 = 25%

Print is paper books and magazines.

Online and Downloadable are databases and e-books.

Audio visual is DVD's and Books on CD.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(Unaudited)**

EODLS "circulates" e-books, downloadable audio-books and e-magazines. Downloadable music is available for patrons to check-out and keep. A few branches have begun "Non-traditional" collections. In Tahlequah they check-out exercise equipment, yoga mats and free weights. In Checotah they check-out guitars! In Haskell, Hot-Spots for WiFi access are available.

The new website meant streamlining System database subscriptions. All EODLS patrons now have access to all subscribed databases. The OK. Dept. of Libraries continues to provide access to EBSCO databases to everyone in the state.

...On Operations

All expenses that are not Staff, Material or Equipment are accounted for in the Operations category. These are the everyday expenses for running the branches. Sub categories include postage, supplies, advertising, insurance, travel, speakers, maintenance, rent, etc.

Program Speakers can be paid with General Funds or with Special Revenue (Donations and grants). Each branch decides if a speaker is worth the price. We strive to have quality programs but we have to watch the bottom line when it comes to paying for a performance. The System spends around **\$70,000** on program speakers each year. Almost 4,000 programs were held this year. Most of them did not include paid performers or speakers.

E-rate is a government program that allows schools, libraries and rural health centers to receive discounted telephone service and internet access. Reimbursements for discounted telephone service will be eliminated in FY 2019. Look for the TELEPHONE line item to increase. Discounted Internet access varies from branch to branch. Based on the Free and Reduced School Lunch program in each branch location, discounts are between 70% and 90%. Tracking this line item, DATA CIRCUIT LINE/AUTOMATION from year to year is difficult because the approval timeline varies from year to year.

The reduction in Support Services rent and the elimination of rented storage units has decrease that category from \$69,144 to **\$60,851**. We now spend **\$4,795 a month for 8,450 sq. ft.** We were previously paying \$5,098 for 6,363 sq. ft.

...On Equipment

The major equipment purchase this year was a new Delivery van. Delivery is critical to the success of our System as branches borrow hundreds of items from each other each year. Newly cataloged items are sent each time a branch "gets Delivery." A 'vehicle wrap' was added to the van for \$1,600. The colorful visual reminder markets our services as it travels throughout the System.

Long Range Planning

Our latest Strategic Plan was adopted in September, 2016. We continue with our Mission: "EODLS welcomes and supports all people through equal access to information and quality

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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services that build on traditions of the past and innovate for the future in pursuit of enhanced quality of life." Everyone will work on the new Service Initiatives:

- A) Reading, viewing and listening for pleasure and learning
- B) Educational assistance for all students and learners
- C) Comfortable Spaces
- D) Support Technology

Support Services has the additional initiatives: E) Increase marketing
F) Improve system organization.

The plan asks branches to become more involved with their local schools and some in-roads have been made. Branch Managers and the Technology Outreach Assistant have made several school visits. Introduction and instruction on our electronic materials are always met with "I didn't know you had that." The System makes databases available on our website. Students and teachers can access these helpful resources without leaving their classrooms.

For the second year, each branch had patrons complete an overall library satisfaction survey as well as individual program surveys. When asked, "What do you like most about the public library?" the number one answer was still "the helpful, friendly staff." Material availability, comfortable spaces and accessible computers round out the top four survey responses. More open hours, later hours and more week-end hours are always requested.

There are some Marketing goals in the Strategic Plan that haven't been accomplished. Specifically, hiring a firm to help create a professional marketing plan for the entire System. The new EODLS Website and Catalog are a good start and they are attracting users. Using our electronic materials has been simplified and we expect to see electronic circulation increase.

BUDGETARY HIGHLIGHTS

How much is the right amount to save each year? The System Emergency Reserve is based on three month's expenses. Our current Emergency Reserve is \$1,223,433. We strive to find the balance of serving our patrons to our fullest capacity – but knowing that revenue isn't growing, we also need to plan for the future.

<u>Budget</u>	<u>Expenditures</u>		<u>% Unspent</u>
Stilwell	190,424	177,545	7%
Westville	181,948	165,006	9%
Tahlequah	811,854	729,975	10%
Hulbert	133,522	120,382	10%

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(Unaudited)**

Grove	466,470	385,695	17%
Jay	281,355	262,849	7%
Kansas	136,314	122,223	10%
Checotah	300,719	287,689	4%
Eufaula	331,723	294,064	11%
Haskell	121,248	110,082	9%
Muskogee	1,934,870	1,795,777	7%
Ft. Gibson	208,005	193,085	7%
Warner	188,001	145,805	22%
Sallisaw	316,570	279,708	12%
Muldrow	164,542	146,348	11%

Highlights of Service Provided in FY17

- Summer Reading Programs for children and teens continue to be popular. **Children's programs increased 27%. 530 programs were held for children and 17,824 attended.** That's almost a 30% increase in attendance! **102 teen programs were held,** which is less than last year and attendance was down 38%.
- This year, **3,987 programs** were held in the branches and **71,559 people** attended.
- **WiFi logins were up 14%. 289,963** users logged in using our WiFi network. Public computer uses were up 1.7%.
- **757,246 people** came through the library doors last year, a **7.6% increase** over the 703,824 in FY16.
- Print Circulation is down 2% but **E-circulation is up 16%.**

EODLS is 1 Common Mission, 1 Common Service, 1 Dynamic Library!

Mary J.S. Moroney, Executive Director

Amanda Spaulding, Business Manager

**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, 2017
 (Unaudited)**

	Proposed Budget	Approved Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Ad Valorem, Sales Tax & City Support	\$ 4,169,249	\$ 4,284,701	\$ 4,783,773	\$ 499,072
Oklahoma Dept of Libraries State Aid	100,000	100,000	103,764	3,764
Other Grants/Donations				-
Other Revenues	148,195	153,314	158,463	5,149
Interest Revenue	13,001	15,000	17,420	2,420
McIntosh Co Sales Tax/Muldraw City Support/Fort Gibson City Support	108,328	111,990	111,199	(791)
Total Revenues	<u>4,538,773</u>	<u>4,665,005</u>	<u>5,174,619</u>	<u>509,614</u>
<u>EXPENDITURES</u>				
Staff Expenditures	2,890,000	2,910,300	3,374,263	(463,963)
Supplies & Other Expenditures Operations	778,876	858,143	919,526	(61,383)
	1,002,006	1,013,107	1,003,360	9,747
Total Expenditures	<u>4,670,882</u>	<u>4,781,550</u>	<u>5,297,149</u>	<u>(515,599)</u>
NET INCREASE (DECREASE)	(132,109)	(116,545)	(122,530)	(5,985)
<u>OTHER FINANCING SOURCES (USES)</u>				
Capital outlay				
Informational materials (books)	(696,574)	(771,831)	(799,519)	(27,688)
Equipment and furnishings	(143,387)	(214,184)	(110,831)	103,353
FY16 Revenue carryover	972,070	1,102,560	910,350	(192,210)
Total Other Financing Sources	<u>132,109</u>	<u>116,545</u>	<u>-</u>	<u>(116,545)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,530)</u>	<u>\$ (122,530)</u>

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

JACKSON, FOX and RICHARDSON

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Oklahoma District Library System
Muskogee, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma District Library System (the Library), as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Eastern Oklahoma District Library System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma District Library System as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
STATEMENT OF NET POSITION
JUNE 30, 2017

<u>ASSETS AND OTHER DEBITS</u>	General	Special Revenue	Totals
Assets:			
Cash and Cash Equivalents	\$ 2,993,031	\$ 649,635	\$ 3,642,666
Receivables			
Ad Valorem Tax	76,991		76,991
Prepaid Expenditures	25,979		25,979
Property, Plant and Equipment:			
Informational materials	10,039,184	68,029	10,107,214
Furniture and equipment	2,286,452		2,286,452
Fine Art	87,046		87,046
Less: Accumulated depreciation	(9,688,397)	(40,634)	(9,729,031)
Total Assets and Other Debits	<u>\$ 5,820,286</u>	<u>\$ 677,030</u>	<u>\$ 6,497,317</u>
Deferred Outflows of Resources	<u>\$ 1,186,054</u>	<u>\$ -</u>	<u>\$ 1,186,054</u>
 <u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
Liabilities:			
Accounts Payable	\$ (41)	\$ 15	\$ (26)
Compensated Absences Payable	98,781		98,781
Accrued Payroll and Related Costs	160,181		160,181
Net Pension Liability	996,676		996,676
Total Liabilities	<u>\$ 1,255,597</u>	<u>\$ 15</u>	<u>\$ 1,255,612</u>
Deferred Inflow of Resources	<u>\$ 350,884</u>	<u>\$ -</u>	<u>\$ 350,884</u>
 Net Position:			
Net Investment in Capital Assets	2,724,285	27,395	2,751,681
Restricted		649,620	
Unrestricted	2,675,574		3,325,194
Total Net Position	<u>\$ 5,399,859</u>	<u>\$ 677,016</u>	<u>\$ 6,076,875</u>

The accompanying notes are an integral part of this financial statement

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Primary Government	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets
		Charges for Services	Grants and Donations	Governmental Activities
<u>Governmental Activities</u>				
Operating Expenses	\$ 766,582	\$ 158,463	\$ 238,825	\$ (369,294)
Personnel Services	3,233,304			(3,233,304)
Supplies & Other Expenses	276,412			(276,412)
Materials	124,602			(124,602)
Depreciation	850,031			(850,031)
Total Governmental Activities	<u>\$ 5,250,931</u>	<u>\$ 158,463</u>	<u>\$ 238,825</u>	\$ (4,853,642)
<u>General Revenue</u>				
Ad Valorem, Sales Tax, and City Support				4,895,591
State Aid				103,764
Interest				20,081
Miscellaneous				40,837
Gain/(Loss) on Sale				(1,929)
Total General Revenue				<u>\$ 5,058,343</u>
Change in Net Assets				\$ 204,701
Net Position, July 1, 2016				6,181,300
PPA for recognition of GASB 68 - see below				(309,126)
Net Position, June 30, 2017				<u>\$ 6,076,875</u>

*prior period adjustment to record beginning
balances for pension liabilities - See Note 3

The accompanying notes are an integral part of this financial statement

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2017**

<u>ASSETS AND OTHER DEBITS</u>	General	Special Revenue	Totals
Cash and Cash Equivalents	\$ 2,993,031	\$ 649,635	\$ 3,642,666
Ad Valorem Tax Receivables	76,991		76,991
Prepaid Expenditures	25,979		25,979
Total Assets	\$ 3,096,000	\$ 649,635	\$ 3,745,636
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ (41)	\$ 15	\$ (26)
Compensated Absences Payable	98,781		98,781
Accrued Payroll and Related Costs	160,181		160,181
Total Liabilities	\$ 258,921	\$ 15	\$ 258,936
Fund Balances			
Assigned			-
Committed	141,285		141,285
Unassigned	2,695,794	649,620	3,345,414
Fund Balances, end of year	\$ 2,837,079	\$ 649,620	\$ 3,486,699
Total Liabilities and Fund Balances	\$ 3,096,000	\$ 649,635	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in assets in governmental funds. The costs of these assets are \$12,480,712 and the accumulated depreciation is \$9,729,031	2,751,682
Long-term liabilities that pertain to governmental funds are not due and payable in the current period and therefore are not reported as fund liabilities.	
Net pension liability	(996,676)
Deferred outflows of resources related to net pension liability	1,186,054
Deferred inflows of resources related to net pension liability	(350,884)
Total Net Position - Governmental Activities	\$ 6,076,875

The accompanying notes are an integral part of this financial statement

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Special Revenue	Governmental Funds
Revenues			
Ad Valorem, Sales Tax & City Support	\$ 4,894,973	\$ -	\$ 4,894,973
State Aid	103,764		103,764
Grants/Donations		239,443	239,443
Other Revenues	158,463	40,836	199,299
Interest Revenue	17,420	2,660	20,080
			-
Total Revenues	\$ 5,174,620	\$ 282,939	\$ 5,457,559
Expenditures			
Staff Expenditures	\$ 3,226,646	\$ 6,658	\$ 3,233,304
Materials	796,300	1,775	798,075
Furniture and Equipment	46,008		46,008
Supplies and Other Expenditures	220,064	56,346	276,410
Operations	704,941	61,640	766,581
			-
Total Expenditures	4,993,959	126,419	5,120,378
Net Change in Fund Balance	\$ 180,661	\$ 156,520	\$ 337,181
Beginning Fund Balance	2,656,420	493,100	3,149,520
Ending Fund Balance	2,837,081	649,620	3,486,701
Total net changes in fund balances - governmental funds			337,181

The change in net assets reported in the statement of activities is different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement allocated over their estimated useful lives as annual depreciation expenses. This is the amount by which capital outlays exceeds depreciation during the period.

Depreciation expense	\$ (850,032)	
Capital outlays	719,480	(130,552)

Disposals of capital assets are not considered to be expenditures in the governmental funds. They are however, recorded as a loss in the statement of activities. Some expenses reported in that Statement do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

(1,928)

Change in net position of governmental activities

\$ 204,701

The accompanying notes are an integral part of this financial statement

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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.

Basic Financial Statements – Government-Wide Statements –

The government-wide Statement of Net Position 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.

The Library's net assets are reported in three parts – investment in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

Basic Financial Statements – Fund Statements –

Fund financial statements report detailed information about the Library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

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.

Fund Balances

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

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 – CONTINUED**

Fund Balance - In the government-wide financial statements, equity is classified as net assets and displayed in three components:

1. Investment in capital assets – consists of capital assets, net of accumulated depreciation.
2. Restricted – consists of net assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. Unrestricted – All other assets that do not meet the definition of restricted or investment in capital assets.

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

1. 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.
2. 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.)
3. 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.)
4. 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
5. 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.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

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.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 - CONTINUED**

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 agreement with the Firststar 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

Prepaid Expenditures – Payments made to vendors for services that will benefit periods beyond June 30, 2017 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.

Deferred Outflows and Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period and thus, will not be recognized as an inflow of resources (revenue) until then. SEE NOTE 4

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.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 - CONTINUED**

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 Position. 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.

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.

Deposits	Risk Category			Total
	1	2	3	Collateral
Demand Deposits	\$ 250,000	\$ 886,403		\$ 1,136,403
Certificates of Deposit	2,494,747	8,735		2,503,482
Totals	\$ 2,744,747	\$ 895,138	\$ -	\$ 3,639,885

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 \$76,991 for the year ended June 30, 2017.

For the year ended June 30, 2017 the total property tax levy collected for EODLS was \$4,783,773, which represented 4 mills in all counties except Delaware and Sequoyah County. Delaware County is 2.09 mills and Sequoyah County is 2 mills.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 – CONTINUED**

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

	Asset Balances		
	Equipment/ Furnishings	Informational Materials	Fine Art
Asset Balances, 7/1/16	\$ 2,244,620	\$ 9,930,255	\$ 87,046
Purchases/Donations	46,008	673,472	-
Disposals/Adjustments	(4,176)	(496,513)	-
Asset Balances, 6/30/17	\$ 2,286,452	\$ 10,107,214	\$ 87,046
	Accumulated Depreciation		
	Equipment/ Furnishings	Informational Materials	Fine Art
Asset Balances, 7/1/16	\$ 1,992,569	\$ 7,375,452	\$ 87,046
Depreciation Expense	176,559	673,473	-
Disposals/Adjustments	(79,555)	(496,513)	-
Asset Balances, 6/30/17	\$ 2,089,573	\$ 7,552,412	\$ 87,046
Depreciation Expense	\$ 176,559	\$ 673,473	

Leases – EODLS entered into a ten year lease effective February 2016, with renewal options on property located at 14 E Shawnee Bypass, Muskogee, Oklahoma for the administrative offices. Estimated lease rental payments under the terms of the lease are as follows:

FY 2018	\$ 59,700
FY 2019	\$ 59,700
FY 2020	\$ 59,700
FY 2021	\$ 64,700
FY 2022	\$ 71,700
FY 2023	\$ 71,700
FY 2024	\$ 71,700
FY 2025	\$ 41,825
FY 2026	\$ 0

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

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017– CONTINUED**

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, 2017 through the date of issuance of these financial statements, September 21, 2017, and has determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

Changes in Accounting Principles – The Government Accounting Standards Board (GASB) issued Statement number 68. The objective of this statement is to improve financial reporting by state and local governments for pensions. It also improves information provided by governmental employers about financial support for pensions that is provided by other entities.

This Statement replaces the requirements of Statement No. 27, as well as the requirements of No. 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements for Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement.

The scope of this statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employees through pension plans that are administered through trusts. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Income Taxes - No provision is made for income taxes. The Library is exempt from taxes under the Internal Revenue Code under Section 501(c)(3). The Library files a Form 990 with the IRS annually. Generally, income tax returns related to the current and three prior years remain open for examination by taxing authorities.

Prior Period Adjustment – Pursuant to Guidance regarding pension reporting under GASB 68, a prior period adjustment of \$309,126 was made to record beginning balances for net pension liability, deferred outflows, and deferred inflows.

4. PENSION PLAN

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.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017– CONTINUED**

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 twenty employees are enrolled. Effective July 1, 2010, EODLS's rate increased to 16.5%. The employee rate remains at 3.5%. Contributions to OPERS by the Library were \$331,230 for 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Library's proportion of the net pension liability was based on the Board's contributions received by OPERS relative to the total contributions received by OPERS for all participating employers as of June 30, 2016. Based upon this information, the Library's proportion was 0.10044798%.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017– CONTINUED**

For the year ended June 30, 2017, the Library recognized the following related to its proportionate share:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		43,798
Changes in assumptions	159,339	
Net difference between projected and actual earnings on pension plan investments	725,142	308,106
Change in proportion and differences between contributions and proportionate share of contributions	(29,657)	
Contributions during measurement date		(1,020)
Contributions subsequent to measurement date	331,230	
	\$ 1,186,054	\$ 350,884

Net pension liability - \$996,676

Pension expense - \$183,611

Reported deferred outflows of resources of \$331,230 resulting from the Library's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows	Deferred Inflows
2018	258,368	178,679
2019	265,818	170,896
2020	205,279	1,309
2021	125,359	-
	\$ 854,824	\$ 350,884

Actuarial Methods and Assumptions

The total pension liability was determined on an actuarial valuation prepared as of July 1, 2016 using the following actuarial assumptions:

- Investment return – 7.25% compounded annually net of investment expense and including inflation
- Salary increase – 3.5% to 9.5% per year, including inflation
- Mortality rates – Active participants and nondisabled pensioners: RP-2014 Mortality Table projected to 2025 (disabled pensioners set forward 12 years)
- Annual post-retirement benefit increase – none
- Assumed inflation rate – 3%
- Payroll growth rate – 3.5%

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017– CONTINUED**

- Actuarial cost method – entry age
- Select period for termination of employment assumptions – 10 years
- Percentage of married individuals – 85%, males and females
- Spouse age difference – Males four years older than spouse
- Turnover – varies from 1-22%

The actuarial assumptions used in this valuation are based on the results of the most recent actuarial experience study, which covers the 3-year period ending June 30, 2016. The experience study report is dated April 13, 2017.

The target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
US Large Cap Equity	38.0%	5.3%
US Small Cap Equity	6.0%	7.0%
US Fixed Income	25.0%	0.7%
International Stock	18.0%	5.6%
Emerging Market Stock	6.0%	6.4%
TIPS	3.5%	0.7%
Rate Anticipation	3.5%	1.5%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in the state statute. Based on those assumptions, OPERS fiduciary net position was projected through 2114 to be available to make all projected future benefit payments of current plan members.

The following presents the net pension liability of the employer calculated using the discount rate of 7.25%, as well as what the Library net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 2,040,242	\$ 996,676	\$ 110,777

Detailed information about the pension's plan fiduciary net position is available in the separately issued financial report of the OPERS, which can be located at www.opers.ok.gov.

Attorney General opinions as well as the Oklahoma Supreme Court have implied that the State of Oklahoma is legally responsible for any pension liability over the employers' set contribution amount. However, GASB Statement 68 requires that the net pension liability be accounted for and reported by the entity that created the liability. Therefore, the Library's portion of the State's net pension liability has been recorded and reported.

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

Board of Directors
Eastern Oklahoma District Library System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Eastern Oklahoma District Library System (the Library) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated September 21, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

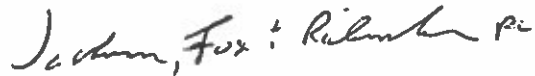
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Ardmore, Oklahoma
September 21, 2017

OTHER SUPPLEMENTARY INFORMATION

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
PENSION SCHEDULES AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule 1

Schedule of Proportionate Shares

	2016	2015	2014
Library proportion of the net pension liability	0.10044798%	0.10563111% #	0.10898829%
Library proportional share of the net pension liability	\$ 996,676	\$ 379,938	\$ 1,214,500
Library covered-employee payroll	1,805,796	1,700,031	1,835,549
Library proportionate share of the net pension liability as a percentage of covered payroll	55.19%	22.35%	66.17%
OPERS fiduciary net position as a percentage of the total pension liability	89.48%	96.00%	97.90%

Schedule 2

Schedule of Contributions

	2016	2015	2014
Contractually required contribution	\$ 297,751	\$ 308,106	\$ 304,667
Contributions in relation the contractually required contributions	299,644	305,860	306,502
Contribution deficiency (excess)	(1,893)	2,246	(1,835)
Library's covered employee payroll	1,805,796	1,700,031	1,835,549
Contributions as a percentage of covered employee payroll	16.59%	17.99%	16.70%

Notes to schedule:

GASB Statement 68 requires the information presented in the above schedules cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement 68 and is the latest information available.

Benefit Changes: Information to present a 10-year history is not readily available

Changes in Actuarial Assumptions: Information to present a 10-year history is not readily available

Eastern Oklahoma District Library System
Schedule of State Financial Assistance
Year ended June 30, 2017
 (Unaudited)

State of Oklahoma Assistance	Project Amount	Receipts Recognized	Expenses Paid
Oklahoma Department of Library State Aid and Other Grants			
Oklahoma Department of Libraries State Aid and Other Grants for the Development and Expansion of Library Services	\$ 106,264	\$ 106,264	\$ 106,264
	<u>\$ 106,264</u>	<u>\$ 106,264</u>	<u>\$ 106,264</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, 2017**

(Unaudited)

	TOTAL SUPPORT SERVICES	TOTAL LIBRARIES SERVICES	TOTAL
STAFF EXPENDITURES	\$ 592,281	\$ 2,788,640	3,380,921
Books	-	364,574	364,574
Periodical	528	26,856	27,384
Compact Discs	-	74,449	74,449
Online Subscription	62,460	34,758	97,218
Downloadable Audios	98,589	6,707	105,296
DVD	-	128,033	128,033
Other-Microforms, Kits, Software	-	4,840	4,840
LIBRARY MATERIALS	161,577	640,217	801,794
Postage	974	23,077	24,051
Supplies	12,335	250,680	263,015
Equipment Supplies	398	7,205	7,603
Consultants/Speakers/Grants	25,259	81,988	107,247
Printing/Binding	-	3,963	3,963
Inspection Expense	-	1,393	1,393
Telephone	7,920	64,960	72,880
Insurance	6,017	21,836	27,853
Data Circ Line/Automation	17,259	7,907	25,166
AMIGOS/OCLC	31,591	-	31,591
Seminars/Training	2,014	4,925	6,939
Travel/Gasoline	18,549	20,046	38,595
Software/Licenses	3,320	9,403	12,723
Continuing Education	2,394	5,330	7,724
Equip Maint Contracts	13,359	91,239	104,598
Other Maint/Repairs	1,819	64,166	65,985
Recovery Expense	-	9,684	9,684
Fees	455	1,479	1,934
Equipment Rent/Lease	-	-	-
Utilities	11,025	255	11,280
Property Revaluation	-	82,809	82,809
Advertising	4,982	17,142	22,124
Memberships	6,679	4,465	11,144
Meals/Food	567	22,681	23,248
Rent	59,989	862	60,851
Staff Development	221	1,519	1,740
US Data Capture	45	2,537	2,582
Construction Expense	-	-	-
Misc Contract Labor	1,177	1,107	2,284
Miscellaneous	-	2,500	2,500
SUPPLIES & OTHER EXP	228,348	805,158	1,033,506
EQUIPMENT & FURNISHINGS	21,154	103,194	124,348
TOTAL EXPENDITURES	\$ 1,003,360	\$ 4,337,209	\$ 5,340,569

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, 2017
(Unaudited)

	Stillwell	Westville	Tahlequah	Hubert	Grove	Jay	Kansas	Checotah	Etfaula	Haskell	Muskogee	Fort Gibson	Warner	Salisaw	Midrow	Total Public Services
STAFF EXPENDITURES	\$104,335	\$101,161	\$355,312	\$60,954	\$176,647	\$145,420	\$64,067	\$156,364	\$150,607	\$63,260	\$1,018,402	\$103,238	\$62,558	\$146,100	\$73,556	\$2,781,981
Books	8,260	10,786	47,297	8,709	37,591	17,415	9,137	20,521	21,472	4,935	108,993	13,915	15,220	25,768	12,779	362,798
Periodical	591	1,580	3,678	964	2,941	1,019	940	2,591	1,727	420	6,606	953	360	2,044	443	26,856
Compact Discs	-	1,312	28,692	727	3,467	3,623	1,170	1,323	2,649	1,277	24,508	1,005	777	2,755	1,165	74,449
Online Subscription	-	-	2,390	-	4,140	-	-	-	-	-	28,228	-	-	-	-	34,758
Downloadable Audios	-	-	-	-	-	-	-	-	-	-	6,419	-	-	-	288	6,707
DVD	4,503	1,032	20,270	4,127	9,197	5,613	3,812	3,788	4,455	2,822	41,136	5,306	9,061	7,410	5,501	128,032
Other-micro, kils, sfl w r	50	150	424	-	150	1,000	-	50	100	-	416	1,000	1,000	-	-	4,340
LIBRARY MATERIALS	13,404	14,860	102,751	14,527	57,486	28,670	15,059	28,273	30,403	9,454	216,305	22,179	26,417	37,977	20,176	637,941
Postage	591	868	3,151	354	577	1,335	795	877	2,035	862	6,926	614	352	2,593	1,147	23,077
Supplies	6,772	2,541	25,319	8,196	18,888	11,204	6,677	13,326	12,102	3,974	57,288	7,708	6,079	10,485	7,511	198,070
Consultants/Speakers	900	750	3,840	2,151	9,386	1,601	850	14,681	2,600	3,686	1,131	6,191	3,704	750	1,331	53,552
Printing/Binding	-	-	-	-	-	-	-	-	-	-	3,963	-	-	-	-	3,963
Recovery Expense	510	340	1,683	152	698	439	251	456	483	260	2,900	376	242	591	304	9,684
Telephone	3,741	2,223	6,083	1,757	6,185	6,872	801	6,905	6,535	4,641	13,673	2,242	3,301	-	-	64,959
Insurance	779	964	1,699	719	1,773	865	733	1,072	1,120	747	7,878	920	682	1,009	875	21,835
Data Circ	(592)	-	-	2,176	-	3,021	634	(213)	-	(916)	-	159	3,639	-	-	7,907
Line/Automation Fees	76	74	46	34	113	80	10	12	141	17	388	85	40	53	57	1,226
Seminars/Training	-	180	537	218	645	305	238	365	200	165	1,559	325	284	210	116	5,345
Travel/Gasoline	1,770	1,032	1,317	838	5,326	1,592	1,112	799	978	513	2,500	363	366	854	381	19,741
Software/Licenses	505	349	1,213	294	773	547	294	556	637	419	1,561	490	472	765	537	9,403
Equip Maint Contracts	2,913	3,872	16,481	2,070	5,902	3,972	2,066	3,971	4,675	2,068	29,672	3,203	3,317	4,584	2,473	91,239
Other Maint/Repairs	-	-	16,475	-	570	-	-	200	-	-	46,921	-	-	-	-	64,166
Equipment Rent/Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Utilities	-	-	-	-	-	-	255	-	-	-	-	-	-	-	-	255
Property Revaluation	6,358	6,358	18,029	3,182	6,383	4,051	1,841	5,599	5,599	857	13,705	1,456	1,114	5,382	2,897	82,809
Equipment Supplies	-	-	501	1,183	1,191	-	-	200	266	-	3,060	-	575	-	-	6,975
Advertising	2,313	114	1,160	1,036	2,119	179	-	1,180	828	302	5,422	1,530	302	172	86	16,743
Memberships	99	-	576	48	738	310	48	532	655	47	779	373	47	68	107	4,425
Meals/Food	6	-	-	-	15	8	-	168	13	136	60	11	67	13	7	505
Rent	77	77	100	46	525	92	35	-	35	-	162	-	40	-	-	862
Staff Development	25	77	138	46	123	92	61	92	77	46	414	77	61	92	46	1,519
US Data Capture Fees	-	-	541	20	542	86	65	427	117	-	541	129	43	-	3	2,537
Construction Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Digitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Misc Contract Labor	-	67	-	47	-	-	150	184	576	-	1,476	-	-	-	-	2,500
Miscellaneous	22	-	-	-	138	87	6	-	-	-	-	-	-	-	-	253
SUPPLIES & OTHER EXP	26,865	19,808	98,889	24,520	62,610	36,645	16,887	51,224	39,638	17,822	201,969	26,252	24,725	27,620	17,876	693,551
EQUIPMENT & FURNISHINGS	3,447	153	20,008	687	4,104	4,357	6,015	5,143	9,700	153	23,507	2,561	1,881	3,981	3,981	89,678
TOTAL EXPENDITURES	\$148,051	\$135,962	\$576,960	\$100,688	\$300,847	\$215,092	\$102,028	\$241,004	\$230,548	\$90,689	\$1,460,183	\$154,230	\$115,581	\$215,679	\$115,589	\$4,203,151

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, 2017
(Unaudited)

	Fort													Total Public Services		
	Stillwell	Westville	Tahlequah	Hulbert	Grove	Jay	Kansas	Checotah	Elfaula	Haskell	Muskogee	Cibson	Warner		Salisaw	Muldrow
STAFF EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,658	\$0	\$0	\$0	\$0	\$6,658
Books	-	-	-	-	1,638	-	-	-	-	-	24	-	-	-	113	1,775
Periodical	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Compact Discs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Online Subscription	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Downloadable Audios	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
DVD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Other-Mfco, kits, software	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
LIBRARY MATERIALS	0	0	0	0	1,638	0	0	0	0	0	24	0	0	0	113	1,775
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Supplies	3,922	558	2,104	2,008	5,503	204	2,492	3,699	1,169	495	22,986	2,166	590	1,530	3,183	52,610
Consultants/Speakers/Grants	2,680	3,330	1,455	966	-	200	1,929	-	4,765	-	7,416	750	-	2,468	2,478	28,436
Printing/Binding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Data Circ Line/Automation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
AMGOS/OCLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Seminars/Training	-	-	-	-	437	-	-	-	-	-	4,473	-	-	-	51	4,910
Travel/Gasoline	-	51	-	-	-	-	-	-	-	-	151	-	-	-	-	305
Software/licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Equip Maint Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Other Maint/Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Equipment Rent/Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Property Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Equipment Supplies	-	-	-	-	-	-	-	-	-	-	230	-	-	-	-	230
Advertising	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	400
Memberships	-	-	-	-	-	-	-	-	-	-	40	-	-	-	-	40
Meals/Food	105	327	1,192	2,106	2,033	264	2,915	2,598	1,267	184	6,622	1,013	217	818	407	22,066
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Misc Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Construction Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Miscellaneous	-	-	-	-	-	-	-	-	-	-	2,300	200	-	-	-	2,500
SUPPLIES & OTHER EXP	6,706	4,267	4,751	5,079	7,973	668	7,336	6,297	7,200	679	44,619	4,130	807	4,867	6,119	111,497
EQUIPMENT & FURNISHINGS	10,300	0	0	0	0	0	0	1,716	0	0	1,500	0	0	0	0	13,517
TOTAL EXPENDITURES	\$17,007	\$4,267	\$4,751	\$5,079	\$9,611	\$668	\$7,336	\$8,013	\$7,200	\$679	\$52,800	\$4,130	\$807	\$4,867	\$6,233	\$133,446

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.