

EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM

MUSKOGEE, OKLAHOMA

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2012**

**CHAMBERS, JACKSON AND FOX
A PROFESSIONAL CORPORATION
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EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM

Year Ended June 30, 2012

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**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012
(Unaudited)**

FINANCIAL HIGHLIGHTS

- **Total Revenue** for the System was **\$4,985,632**. This is a combined total of \$4,657,387 in General Fund and \$328,245 in Special Revenue.
- **Total Expenditures** (before depreciation) were **\$5,207,070**. This is a combined total of \$4,792,265 in General Fund and \$414,805 in Special Revenue.

Total General Fund Revenue increased 3.5% from the previous year. The primary Revenue source for General Fund, county ad valorem tax, grew 3%. Adair County showed the smallest increase at .7% and McIntosh County showed the greatest increase at 5%. General Fund Expenditures grew by 1.5%. The System relies on unspent Carryover and Special Revenue to accomplish its services.

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 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, 2012 the total Special Revenue amount was **\$633,677**.

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 FY12 Expenditures include General Fund, Special Revenue.

	FY12		FY11	
Staff	\$3,310,222	64%	3,081,512	61%
Materials	\$ 641,920	12%	794,366	16%
Operations	\$1,204,293	23%	1,085,324	21%
Equipment	\$ 37,278	1%	100,193	1%

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012
(Unaudited)**

... On Staffing- Personnel

In January, 2011 the Board approved new job descriptions and a new salary structure. Professional and clerical salaries were increased to meet the market. There has been a great improvement in qualifications of the candidates interviewed for open positions since the increase was approved. The Board can be proud of their support for library professionals in the System. The total System expenditure for salaries at 64% is still in line with the benchmark of:

- 62-64% - Salaries
- 14-17% - Materials
- 15-17% - Operations
- 3- 5% - Equipment

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

In October, 2011, the entire EODLS staff met to review the new Performance Management System. Performance evaluations are based on job descriptions, competencies and goals. Evaluators have completed two evaluations since October and a review was conducted in September, 2012. The formal appraisal is only one component of an ongoing system which includes feedback, coaching, and development. Performance management allows organizations to set expectations, and, through constant evaluation, create consistent results.

Pay for performance is a simple concept that can have great results in the organization. Depending on the budget, next July the System will begin rewarding top performers more highly than others. All employees receiving a “Successful” rating will receive an across the board increase. Those employees receiving an “Outstanding” rating will receive an additional amount. Employees receiving a “Needs Improvement” rating will not receive an increase. The most important thing to remember about developing a performance management system is to be realistic, consistent, and passionate about helping staff, management, and the organization achieve its vision.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012
(Unaudited)**

...On Materials

Branches are decreasing their book and periodical purchases in favor of more digital material. 70% of all material checked out was print and 65% of material expenses were for print in FY12.

...On Operations

Operations is a major catch-all category for running the System. Sub categories include postage, supplies, insurance, data circuits, travel, recovery of materials, speakers, maintenance, property revaluation, etc. Additionally, Support Services pays rent on the Support offices and pays Amigos/OCLC for interlibrary loan and cataloging services. The System as a whole spent over \$23,000 with the Unique Management Service to help us collect overdue and lost material. Our ROI varies between 3:1 and 4:1.

Seven branches spent more on Operations than Material. "Operating" a branch takes a certain amount of money, but should it come at the expense of fewer Materials? Three branches exceeded their Operations allocation in FY12. This is a trend that cannot continue and should be watched closely. Cuts will have to be made in the Operational expenses for many branches.

...On Equipment

With a new Information Technology Manager on board, the System has plans to adopt an equipment/software replacement schedule. Up-to-date software and a faster internet connection will draw users back into the libraries. Completion of the OKConnect project in the fall of 2012 will greatly increase efficiency in six of our branches.

We are also planning for a migration of the automated library system to the Cloud. Current servers were purchased in 2007 and need to be replaced. The System holds in reserve \$150,000 to accomplish this goal.

...On Long Range Planning

On June 30, 2012 the System completed the current Long Range Plan. Many goals and objectives were not met. The Long Range Planning committee along with the administration decided the System needed to do a better job of marketing its services. The Executive Director interviewed consultants to assist with this idea and determined that part of the new long range plan must include a serious marketing campaign.

Nancy Bolt and Associates was hired to assist the System in creating a new Long Range Plan. She and her associate Liz Bishoff conducted focus groups with the public and with staff and led the committee through a series of meetings to discover where we wanted to be in three years. A new plan was adopted for FY13-15.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012
(Unaudited)**

New Long Range Plan adopted for FY13-FY15

The new Mission Statement:

“Eastern Oklahoma District Library System welcomes and supports all people through equal access to information and quality services that build on traditions of the past and innovate for the future in pursuit of enhanced quality of life.”

And a newly created Vision

*EODLS is: 1 common mission
1 common service
1 dynamic library*

will give each employee, each department and the entire System plenty to work with during the coming three years.

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 \$1,050,899. 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>% Unspent</u>
Stilwell	222,426	174,112	22%
Westville	220,906	186,523	16%
Tahlequah	735,306	649,360	12%
Hulbert	139,723	133,260	5%
Grove	462,264	435,758	6%
Jay	345,354	266,961	23%
Kansas	191,939	127,413	34%
Checotah	268,717	270,067	-1%
Eufaula	287,459	261,307	9%
Haskell	177,486	125,960	29%
Muskogee	1,674,807	1,629,667	3%
Ft. Gibson	193,884	185,342	4%
Warner	137,603	132,552	4%

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012
(Unaudited)**

Sallisaw	246,697	241,289	2%
Muldrow	147,340	135,232	8%

Highlights of Service Provided in FY12

- In FY12, **30,875 children and teens** attended a program at one of our 15 branch libraries. **15,484** young people participated in the Summer Reading Program at EODLS branch libraries, a 6% increase over last year.
- The total System Circulation for FY12 was **1,085,256**. This is a 5% decrease from FY11. Circulation of juvenile items consistently makes up about one third of the total.
- **730,388 people** entered our doors in FY12.
- Almost **186,876 users** logged on to EODLS computers last year.

Libraries change lives. Libraries mean business. Libraries build community. Libraries are a smart investment!

Mary J.S. Moroney, Executive Director

Carole A. Fisher, 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, 2012
(Unaudited)

	Proposed Budget	Approved Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Ad Valorem, Sales Tax & City Support	\$3,876,811	\$ 3,863,737	4,247,100	\$ 383,363
Oklahoma Dept of Libraries State Aid	90,000	100,000	127,110	27,110
Other Grants/Donations			117	117
Other Revenues	136,629	137,662	152,509	14,847
Interest Revenue	22,000	25,002	22,657	(2,345)
McIntosh Co Sales Tax/Muldrow City Support	73,886	94,814	92,488	(2,326)
Total Revenues	4,199,326	4,221,215	4,641,981	420,766
<u>EXPENDITURES</u>				
Staff Expenditures	2,887,140	2,938,483	3,294,815	(356,332)
Supplies & Other Expenditures Operations	690,601	717,446	830,054	(112,608)
	749,000	731,000	706,404	24,596
Total Expenditures	4,326,741	4,386,929	4,831,273	(444,344)
NET INCREASE (DECREASE)	(127,415)	(165,714)	(189,292)	(23,578)
<u>OTHER FINANCING SOURCES (USES)</u>				
Capital outlay				
Informational materials (books)	(756,370)	(718,742)	(619,380)	99,362
Equipment and furnishings	(110,540)	(205,375)	(32,609)	172,766
FY 11 Revenue carryover	994,325	1,089,831	651,989	(437,842)
Total Other Financing Sources	127,415	165,714	-	(165,714)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ (189,292)	\$ (189,292)

Revenue carryovers and grant funding cover budget deficiencies.

The above budget to actual does not include depreciation expense, but rather budgets actual capital outlays.

BASIC FINANCIAL STATEMENTS

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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 (the Library), as of and for the year ended June 30, 2012, 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 Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits 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 of the Library as of June 30, 2012, and the respective changes in financial position for the year then ended 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, 2012, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's financial statements as a whole. The schedule of operating expenses and schedule of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Chambers Jackson and Fox PC

Ardmore, Oklahoma
September 13, 2012

EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
 COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
 STATEMENT OF NET ASSETS AND GOVERNMENTS FUNDS BALANCE SHEET
 June 30, 2012

<u>ASSETS AND OTHER DEBITS</u>	General	Special Revenue	Totals	Adjustments	Statement of Net Assets
Assets:					
Cash and Cash Equivalents	\$ 2,508,794	\$ 633,677	\$ 3,142,471		\$ 3,142,471
Receivables:			-		-
Ad Valorem Tax	108,395		108,395		108,395
Post Retirement Deferred Expense	10,169	14,478	24,647		24,647
Due from Other Funds	-		-		-
Prepaid Expenditures	22,410		22,410		22,410
Property, Plant and Equipment:			-		-
Materials Collection	9,611,242	74,351	9,685,593		9,685,593
Equipment and Furniture	2,405,743		2,405,743		2,405,743
Less: Accum Depreciation	(8,979,649)	(46,955)	(9,026,604)		(9,026,604)
Fine Art	\	85,846	85,846		85,846
Other Debits			-		-
Total Assets and Other Debits	<u>\$ 5,687,104</u>	<u>\$ 761,397</u>	<u>\$ 6,448,501</u>	<u>\$ -</u>	<u>\$ 6,448,501</u>
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts Payable	\$ 16,514	\$ 21,200	\$ 37,714		\$ 37,714
Compensated Absences Payable	117,360	-	117,360		117,360
Accrued Payroll and Related Costs	129,786	14,478	144,264		144,264
Deferred Revenue			-		-
Due to Other Funds			-		-
Total Liabilities	<u>263,660</u>	<u>35,678</u>	<u>299,338</u>	<u>-</u>	<u>299,338</u>
Equity and Other Credits:					
Nonspendable	3,037,336	113,242	3,150,578	(3,150,578)	-
Spendable			-		-
Restricted			-		-
Committed	32,579	612,477	645,056	(645,056)	-
Assigned	171,493		171,493	(171,493)	-
Unassigned	2,182,036		2,182,036	(2,182,036)	-
Total Equity and Other Credits	<u>5,423,444</u>	<u>725,719</u>	<u>6,149,163</u>	<u>(6,149,163)</u>	<u>-</u>
Total Liabilities, Equity and other Credits	<u>\$ 5,687,104</u>	<u>\$ 761,397</u>	<u>\$ 6,448,501</u>		
Net Assets:					
Nonspendable				3,150,578	3,150,578
Spendable					
Restricted					
Committed				645,056	645,056
Assigned				171,493	171,493
Unassigned				2,182,036	2,182,036
Total Net Assets				<u>\$ 6,149,163</u>	<u>\$ 6,149,163</u>

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, 2012**

	General Fund	Special Revenue	Total	Adjustments	Statement of Activities
EXPENDITURES					
Current--					
Staff Expenditures	\$3,310,222	\$ 13,357	\$ 3,323,579		\$ 3,323,579
Supplies & Other Expenditures	149,407	35,716	185,123		185,123
Materials	141,184	3,981	145,165		145,165
Operations	681,159	342,977	1,024,136		1,024,136
Depreciation	627,329	3,716	631,045		631,045
Total Expenditures	<u>4,909,301</u>	<u>399,747</u>	<u>5,309,048</u>		<u>5,309,048</u>
REVENUES					
Ad Valorem, Sales Tax & City Support	4,354,995	69,341	4,424,336		4,424,336
Oklahoma Dept of Libraries State Aid	127,110	-	127,110		127,110
Other Grants/Donations	117	211,954	212,071		212,071
Other Revenues	152,509	41,977	194,486		194,486
Interest Revenue	22,657	4,974	27,631		27,631
Gain(loss) on asset disposal	(1,842)		(1,842)		(1,842)
Total Revenues	<u>4,655,546</u>	<u>328,246</u>	<u>4,983,792</u>	<u>-</u>	<u>4,983,792</u>
CHANGE IN NET ASSETS	(253,755)	(71,501)	(325,256)		(325,256)
Interfund transfers	4,668	(4,668)	-		-
FUND BALANCE, JULY 1, 2011	<u>5,672,531</u>	<u>801,888</u>	<u>6,474,419</u>		<u>6,474,419</u>
FUND BALANCE JUNE 30, 2012	<u>\$5,423,444</u>	<u>\$ 725,719</u>	<u>\$ 6,149,163</u>	<u>\$ -</u>	<u>\$ 6,149,163</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, 2012**

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.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012 - 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 agreement 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, 2012 - CONTINUED**

Prepaid Expenditures – Payments made to vendors for services that will benefit periods beyond June 30, 2012 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, 2012 – 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.

Deposits	Risk Category			Total Collateral	Balance Per Books	Bank Balance
	1	2	3			
Demand Deposits	\$ 250,000	\$ 691,468	\$ 4,114	\$ 941,468	\$ 845,391	\$ 949,705
Money Markets		8,237		8,237		
Certificates of Deposit	1,935,338	246,803		2,802,358	2,297,080	2,182,141
Totals	\$2,185,338	\$ 946,508	\$ 4,114	\$ 3,752,063	\$3,142,471	\$3,131,846

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012 – 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, 2012.

For the year ended June 30, 2012 the total property tax levy collected for EODLS was \$4,354,995, 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:

	Asset Balances		
	Equipment/ Furnishings	Informational Materials	Fine Art
Asset Balances, 7-01-11	\$ 2,451,068	\$ 9,698,969	\$ 85,846
Purchases/Donations	32,609	619,380	-
Disposals/adjustments	(77,934)	(632,756)	-
Asset Balances 6-30-12	<u>\$ 2,405,743</u>	<u>\$ 9,685,593</u>	<u>\$ 85,846</u>

	Accumulated Depreciation		
	Equipment/ Furnishings	Informational Materials	Fine Art
Asset Balances, 7-01-11	\$ 1,830,229	\$ 7,156,298	\$ 85,846
Depreciation expense	146,419	484,626	-
Disposal/adjustments	(80,835)	(510,133)	-
Asset Balances 6-30-12	<u>\$ 1,895,813</u>	<u>\$ 7,130,791</u>	<u>\$ 85,846</u>
Depreciation expense	<u>\$ 146,419</u>	<u>\$ 484,626</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 2013	\$ 59,400
FY 2014	\$ 59,400

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012 – 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, 2012

<u>Total Compensation</u>	<u>Eligible Compensation</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>
\$2,426,522	\$1,916,889	\$ 67,091	\$ 316,287

Additionally, employees participating in the step-up contribution option contributed an additional \$23,110

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. \$24,647 is encumbered to pay the additional health insurance benefits.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012 – 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, 2012 through the date of issuance of these financial statements, September 13, 2012, 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 accompanying financial statements of the governmental activities of Eastern Oklahoma District Library System (the Library), as of and for the year ended June 30, 2012, which collectively comprise the Library's basic financial statements and have issued our report thereon dated August 31, 2012. 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

Management of the Library is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency, or 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 on a timely basis.

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

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Library'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 management, the audit committee, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chamber Jackson and Fox PC

Ardmore, Oklahoma
September 13, 2012

OTHER SUPPLEMENTARY INFORMATION

Eastern Oklahoma District Library System
Schedule of State Financial Assistance
Year ended June 30, 2012
(Unaudited)

State of Oklahoma Assistance	Project Amount	Receipts Recognized	Expenses Paid
Oklahoma Department of Library Grants			
Oklahoma Department of Libraries State Aid for the Development and Expansion of Library Services	\$ 127,110	\$ 127,110	\$ 127,110
Oklahoma Department of Libraries Early Literacy Grant	3,000	3,000	3,000
Oklahoma Department of Libraries Association of Rural and Small Libraries	900	900	900
Oklahoma Department of Libraries Oklahoma College Savings Grant	1,000	1,000	1,000
Oklahoma Department of Libraries Continuing Education Grant	1,941	1,941	1,941
National Endowment for the Humanities			
Traveling Exhibition: the Constitution And the Civil War	1,500	1,500	1,500
	<u>\$ 135,451</u>	<u>\$ 135,451</u>	<u>\$ 135,451</u>

**SCHEDULE OF COMBINED EXPENDITURES, GENERAL
AND SPECIAL REVENUE FUNDS – ALL DEPARTMENTS AND BRANCHES
FOR THE YEAR ENDED JUNE 30, 2012**

	TOTAL SUPPORT SERVICES	TOTAL LIBRARIES SERVICES	TOTAL
<u>STAFF EXPENDITURES</u>	\$ 502,919	\$ 2,820,660	3,323,579
Books	626	372,292	372,918
Periodical	713	37,566	38,279
Compact Discs	-	43,206	43,206
Online Subscription	1,000	94,980	95,980
Downloadable Audios	-	21,021	21,021
DVD	-	58,219	58,219
Other-Microforms, Kits, Software	-	12,297	12,297
<u>LIBRARY MATERIALS</u>	2,339	639,581	641,920
Postage	1,702	51,701	53,403
Supplies	10,799	170,143	180,942
Equipment Supplies	-	6,275	6,275
Consultants/Speakers/Grants	80,574	234,506	315,080
Printing/Binding	-	4,253	4,253
Inspection Expense	117	46	163
Telephone	1,323	17,061	18,384
Insurance	4,245	18,387	22,632
Data Circ Line/Automation	4,132	20,907	25,039
AMIGOS/OCLC	25,869	-	25,869
Seminars/Training	4,348	14,092	18,440
Travel/Gasoline	25,242	36,047	61,289
Software/Licenses	11,647	23,325	34,972
Equip Maint Contracts	15,464	62,933	78,397
Other Maint/Repairs	8,196	73,962	82,158
Recovery Expense	-	23,230	23,230
Equipment Rent/Lease	-	200	200
Utilities	11,877	234	12,111
Property Revaluation	-	74,432	74,432
Advertising	790	15,120	15,910
Memberships	5,029	7,192	12,221
Meals/Food	1,642	18,015	19,657
Rent	61,073	4,412	65,485
Construction Expense	-	57,138	57,138
Misc Contract Labor	-	280	280
Miscellaneous	-	786	786
<u>SUPPLIES & OTHER EXP</u>	274,069	934,677	1,208,746
<u>EQUIPMENT & FURNISHINGS</u>	2,283	34,995	37,278
<u>TOTAL EXPENDITURES</u>	\$ 781,610	\$ 4,429,913	\$ 5,211,523

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, 2012

	Stillwell	Westville	Tahlequah	Hulbert	Grove	Jay	Kansas	Checotah	Eufaula	Haskell	Muskogee	Gibson	Warner	Sallisaw	Muldrow	Total Public Services
STAFF EXPENDITURES	\$83,016	\$99,663	\$366,430	\$66,817	\$226,779	\$133,529	\$46,714	\$147,547	\$150,600	\$51,683	\$1,042,200	\$104,436	\$74,224	\$144,974	\$73,291	2,811,903
Books	23,197	15,410	39,850	12,240	55,002	36,566	14,384	16,722	19,500	14,294	68,448	14,686	6,197	16,528	13,096	366,120
Periodical	497	2,321	3,916	1,394	5,933	1,420	748	2,870	1,942	1,146	10,414	1,028	586	2,433	893	37,541
Compact Discs	3,764	1,726	2,844	0	4,736	3,036	2,346	37	2,465	1,614	8,400	2,355	281	1,475	2,056	37,135
Online Subscription	2,507	2,301	15,780	1,282	10,106	3,417	1,390	3,242	3,242	1,469	40,938	2,025	1,608	3,876	1,796	94,979
Downloadable Audios	0	0	5,878	0	3,364	0	0	0	0	0	10,656	0	0	0	0	19,898
DVD	3,845	1,546	9,113	3,584	4,586	1,372	3,413	2,333	3,255	5,435	6,423	3,283	2,218	175	2,478	53,059
Other-micro, kits, sft w.r	385	420	955	350	1,264	350	350	35	735	1,350	715	350	350	350	350	8,309
LIBRARY MATERIALS	34,195	23,724	78,336	18,850	84,991	46,161	22,631	25,239	31,139	25,308	145,994	23,727	11,240	24,837	20,669	617,041
Postage	2,209	2,376	7,483	1,483	2,868	3,244	1,095	3,468	3,265	1,574	12,693	1,650	1,904	4,212	2,022	51,546
Supplies	4,190	6,504	18,032	4,996	13,920	13,045	5,248	12,735	8,095	4,803	26,050	4,019	3,761	6,254	3,940	135,592
Consultants/Speakers	868	1,235	3,048	1,128	5,850	2,614	1,199	14,863	2,691	1,131	308	3,832	578	699	428	40,472
Printing/Binding	0	0	0	0	0	0	0	0	0	0	4,253	0	0	0	0	4,253
Recovery Expense	1,000	662	4,311	358	1,422	1,023	660	1,197	1,271	520	6,788	817	759	1,728	715	23,231
Telephone	877	995	1,643	301	983	1,530	1,202	2,929	834	1,580	1,904	625	1,658	0	-	17,061
Insurance	613	1,083	1,751	760	1,207	900	683	1,263	1,172	829	4,348	952	805	1,129	890	18,385
Data Circ	362	0	0	0	0	1,072	3,130	0	0	2,072	0	0	12,807	1,463	0	20,906
Line/Automation																
Seminars/Training	392	618	1,404	69	1,118	192	89	527	857	189	4,466	637	792	638	365	12,353
Travel/Gasoline	1,053	3,379	3,177	1,610	5,364	1,682	1,528	2,073	3,479	759	3,866	424	2,031	2,125	922	33,472
Software/Licenses	531	553	5,585	507	3,605	620	377	957	905	383	6,083	739	398	937	681	22,861
Equip Maint Contracts	1,949	3,467	7,302	2,805	3,496	2,928	2,091	4,231	2,487	1,595	21,666	1,743	1,751	2,733	1,887	62,131
Other Maint/Repairs	-	0	17,495	0	6,833	0	0	300	78	0	49,256	0	0	0	0	73,962
Equipment Rent/Lease	-	0	-	-	-	-	-	200	-	-	0	-	-	-	0	200
Utilities	-	-	-	-	-	-	234	-	-	-	-	-	-	-	-	234
Property Revaluation	6,367	6,367	16,428	2,900	4,613	2,698	1,392	5,092	5,092	790	12,639	1,343	1,027	4,996	2,690	74,434
Equipment Supplies	-	375	0	460	1,428	208	225	734	588	437	449	0	208	0	0	5,112
Advertising	904	253	580	111	515	460	144	1,435	96	438	5,480	1,450	333	374	170	12,743
Memberships	93	0	568	137	838	284	67	453	577	47	2,623	189	257	366	277	6,776
Meals/Food	73	395	244	43	106	78	43	523	342	49	901	161	581	231	130	3,900
Rent	0	0	0	0	0	495	21	710	420	0	2,231	0	0	0	0	3,877
Miscellaneous	0	0	18	46	75	0	42	-	0	6	0	-	0	0	0	187
SUPPLIES & OTHER EXP	21,481	28,262	89,069	17,714	54,241	33,073	19,470	53,690	32,249	17,202	166,004	18,581	29,650	27,885	15,117	623,688
EQUIPMENT & FURN	544	0	2,184	3,724	0	1,886	3,724	0	3,724	5,624	5,192	3,724	0	0	0	30,326
TOTAL EXPENDITURES	\$139,236	\$151,649	\$536,019	\$107,105	\$366,011	\$214,649	\$92,539	\$226,476	\$217,712	\$99,817	\$1,359,390	\$150,468	\$115,114	\$197,696	\$109,077	\$4,082,958

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, 2012

	Fort														Total Public Services		
	Stillwell	Westville	Tahlequah	Hulbert	Grove	Jay	Kansas	Checotah	Eufaula	Haskell	Muskogee	Gibson	Warner	Sallisaw		Muldrow	
STAFF EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,927	\$0	\$0	\$0	\$0	\$0	\$8,758
Books	-	106	-	-	-	-	-	88	100	18	5,182	18	0	442	218	6,172	
Periodical	-	-	-	-	-	-	-	-	-	-	25	-	-	-	-	25	
Compact Discs	-	-	-	-	-	-	-	-	79	-	315	-	-	4,971	705	6,070	
Downloadable Audios	-	-	-	-	-	-	-	-	-	-	-	-	-	436	688	1,124	
DVD	-	-	-	-	-	-	-	-	-	-	896	-	-	2,836	1,063	4,795	
Other-Mco. kits, software	-	2,900	-	-	-	-	-	1,050	366	-	6	-	-	33	0	4,355	
LIBRARY MATERIALS	0	3,006	0	0	0	0	0	1,138	545	18	6,424	18	0	8,718	2,674	22,541	
Postage	-	-	105	-	-	-	-	-	-	-	-	50	-	-	-	155	
Supplies	1,545	1,414	2,168	698	7,214	1,207	361	2,079	5,308	713	6,693	1,268	898	1,555	1,432	34,553	
Consultants/Speakers/Grants	-	3,525	340	-	-	-	-	750	3,075	420	182,296	150	917	915	1,646	194,034	
Printing/Binding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Data Circ Line/Automation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
AMGOS/OCLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Seminars/Training	-	-	-	-	-	-	-	400	-	-	1,338	-	-	-	-	1,738	
Travel/Gasoline	-	-	127	-	-	-	-	829	313	-	1,308	-	-	-	-	2,577	
Software/Licenses	-	-	-	-	-	-	-	-	-	-	465	-	-	-	-	465	
Equip Maint Contracts	-	-	-	-	-	-	-	-	800	-	-	-	-	-	-	800	
Equipment Supplies	-	-	-	-	-	-	-	-	1,164	-	-	-	-	-	-	1,164	
Advertising	-	25	-	-	50	-	-	-	-	-	2,303	-	-	-	-	2,378	
Memberships	-	20	40	-	50	-	-	139	20	-	124	-	25	-	-	418	
Meals/Food	11	401	1,039	8	2,280	254	104	2,803	1,943	290	4,013	456	342	172	-	14,116	
Rent	-	-	-	-	-	-	-	-	-	-	275	225	-	-	35	535	
Misc Contract Labor	-	40	-	-	-	-	-	-	-	-	240	-	-	-	-	280	
Construction Expense	-	-	42,138	-	-	-	-	15,000	-	-	-	-	-	-	-	57,138	
Miscellaneous	-	-	-	-	200	-	-	-	275	-	100	-	-	-	70	645	
SUPPLIES & OTHER EXP	1,556	5,425	45,957	706	9,794	1,461	465	22,000	12,898	1,423	199,155	2,149	2,182	2,642	3,183	310,996	
EQUIPMENT & FURNISHINGS	0	0	544	0	0	0	0	0	2,493	0	544	544	0	0	544	4,669	
TOTAL EXPENDITURES	\$1,556	\$8,431	\$46,501	\$706	\$13,625	\$1,461	\$465	\$23,138	\$15,936	\$1,441	\$211,050	\$2,711	\$2,182	\$11,360	\$6,401	\$346,964	

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.