

**WEST CARROLL PARISH LIBRARY**  
OAK GROVE, LOUISIANA

---

---

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION  
AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2012 AND 2011**



**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**TABLE OF CONTENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**CONTENTS**

	Page
<b>REQUIRED SUPPLEMENTAL INFORMATION (PART I)</b>	
Management's Discussion and Analysis	1 - 6
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>BASIC FINANCIAL STATEMENTS</b>	
Statements of Net Position	9
Statement of Activities for the Year Ended December 31, 2012	10
Statement of Activities for the Year Ended December 31, 2011	11
Governmental Fund - General Fund:	
Balance Sheets	12
Statements of Governmental Revenues, Expenditures, and Changes in Fund Balance	13
Notes to Financial Statements	14 - 24
<b>REQUIRED SUPPLEMENTAL INFORMATION (PART II)</b>	
General Fund Budgetary Comparison Schedule	25
<b>OTHER REPORTS</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26 - 27
Schedule of Findings	28
Status of Prior Audit Findings	29

**Required Supplemental Information (Part I)**  
**Management's Discussion and Analysis**

**WEST CARROLL PARISH LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

As Management of the West Carroll Parish Library, we offer readers of the West Carroll Parish Library's financial statements this narrative overview and analysis of the financial activities of the West Carroll Parish Library as of December 31, 2012, and for the year then ended. We encourage readers to consider the information presented here in conjunction with the Library's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-wide Financial Statements.*** The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Library's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The statement of activities presents information showing how the Library's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

***Fund Financial Statements.*** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the Library are included in one category - governmental funds.

***Governmental Funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

**WEST CARROLL PARISH LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The West Carroll Parish Library maintains one individual governmental fund. Information as of and for the year ended December 31, 2012, is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund.

The West Carroll Parish Library adopts an annual appropriated budget for the General Fund. A budgetary comparison statement is provided to demonstrate compliance with this budget.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-24 of this report.

Supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the West Carroll Parish Library's compliance with its budget for the general fund.

### **FINANCIAL HIGHLIGHTS**

- The assets of the Library exceeded its liabilities at December 31, 2012, by \$366,104. Subtracting deferred inflows of \$14,235 results in net position of \$351,869.
- The Library's net position increased by \$53,065 as a result of this year's operations.

At December 31, 2012, the Library's governmental fund (General Fund) reported an ending fund balance of \$290,014, an increase of \$56,888, including expenditures for capital assets. Of the \$290,014, \$60,000 is assigned for future expansion and renovation.

**WEST CARROLL PARISH LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**NET POSITION**

	<b>2012</b>	<b>2011</b>
Current and other assets	<b>\$ 347,927</b>	\$ 293,956
Capital assets, net	<b>37,568</b>	37,012
Total assets	<b>385,495</b>	330,968
Liabilities:		
Accounts and other payables	<b>19,391</b>	23,702
Deferred inflows:		
Deferred revenue	<b>14,235</b>	8,462
Net assets:		
Invested in capital assets	<b>37,568</b>	37,012
Unrestricted	<b>314,301</b>	261,792
Total net assets	<b>\$ 351,869</b>	\$ 298,804

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent year, the West Carroll Parish Library's net position was \$351,869.

The changes in net assets for the years ended December 31, 2012 and 2011 are summarized as follows:

## CHANGES IN NET POSITION

	<u>2012</u>	<u>2011</u>
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for services	\$ 17,851	\$ 10,761
Operating grants and contributions	15,754	8,436
<b>General revenues:</b>		
Ad valorem taxes	254,761	228,886
State grants	16,680	16,921
Other general revenues	20,171	1,511
Total revenues	<u>325,217</u>	<u>266,515</u>
<b>Program expenses:</b>		
Personal services	143,659	161,288
Operating services	96,632	133,875
Materials and supplies	22,234	24,367
Travel and other	96	-
Intergovernmental	9,531	9,332
Total expenses	<u>272,152</u>	<u>328,862</u>
Increase (decrease) in net assets	<u>\$ 53,065</u>	<u>\$ (62,347)</u>

**WEST CARROLL PARISH LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Governmental activities. The most significant revenues of the governmental activities are general revenues (90%), which include ad valorem taxes (79%), unrestricted grants and contributions (includes state revenue sharing) (5%) and other general revenues (includes fines and forfeitures and investment earnings) (6%). Program revenues are 10% of the total revenues of governmental activities.

Operating services and salaries and related benefits are the most significant of all governmental activities expenses.

Governmental activities revenues increased \$58,702 in the current year. The increase was attributable to an 11% increase in ad valorem taxes, a 66% increase in charges for services, and a reimbursement for internet services. Governmental activities expenses decreased by \$56,710 in the current year compared to 2011. The Library held down expenses during 2012 as much as possible.

**FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS**

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Governmental funds. As of December 31, 2012, governmental fund (General Fund) fund balance of \$290,014 increased by \$56,888 from December 31, 2011.

Governmental funds revenues increased by \$69,637 while expenditures decreased by \$37,932 from the prior year. The variances are attributable to the same causes described above.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

One amendment was adopted during 2012. The amendment decreased revenues by \$47,369 primarily for ad valorem taxes. Expenditures were also reduced by \$54,506 to adjust for expected decreases in all expenditures.

General Fund revenues exceeded budgeted revenues by \$75,756. General Fund expenditures were \$8,937 below budgeted expenditures.

**CAPITAL ASSETS**

West Carroll Parish Library's investment in capital assets for its governmental activities as of December 31, 2012, totaled \$37,568 (net of accumulated depreciation). This investment includes vehicles, furniture and equipment, building improvements, and library materials. During 2012, the Library made \$7,850 in building improvements and added \$17,536 in library materials. Also, during 2012, the Library disposed of \$16,987 in library materials.



**WEST CARROLL PARISH LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The West Carroll Parish Library does not anticipate any significant changes in its 2013 operations as compared to 2012's operations. Therefore, the 2013 budget is comparable to the 2012 operating statement.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the West Carroll Parish Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to P.O. Box 703, Oak Grove, Louisiana 71263.



## Independent Auditor's Report

Honorable Members of the Board  
West Carroll Parish Library  
Oak Grove, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the General Fund of West Carroll Parish Library, a component unit of the West Carroll Parish Police Jury, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Library'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 audits. 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 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.

West Carroll Parish Library  
Oak Grove, Louisiana  
Independent Auditor's Report,  
December 31, 2012 and 2011

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 and the General Fund of the West Carroll Parish Library, as of December 31, 2012 and 2011, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 6 and 25 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 audits 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2013, on our consideration of the West Carroll Parish 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC



May 13, 2013

## **Basic Financial Statements**

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**STATEMENTS OF NET POSITION  
AS OF DECEMBER 31, 2012 AND 2011**

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
Cash and cash equivalents	\$ 57,651	\$ 8,670
Investments	60,189	60,189
Receivables	230,087	225,097
Capital assets, net of accumulated depreciation	37,568	37,012
<b>TOTAL ASSETS</b>	<b>385,495</b>	<b>330,968</b>
<b>LIABILITIES</b>		
Accounts, salaries and other payables	19,391	23,702
<b>DEFERRED INFLOWS</b>		
Deferred revenues	14,235	8,462
<b>NET POSITION</b>		
Invested in capital assets	37,568	37,012
Unrestricted	314,301	261,792
<b>TOTAL NET POSITION</b>	<b>\$ 351,869</b>	<b>\$ 298,804</b>

*The accompanying notes are an integral part of these financial statements.*

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>FUNCTIONS - GOVERNMENTAL ACTIVITIES</b>	<b>EXPENSES</b>	<b>PROGRAM REVENUES</b>		<b>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</b>
		<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	
Culture and recreation	\$ 272,152	\$ 17,851	\$ 15,754	\$ (238,547)
General revenues:				
Property taxes levied for:				
Culture and recreation				254,761
State grants				16,680
Unrestricted investment earnings				772
Other				19,399
Total general revenues				291,612
<b>Change in net position</b>				53,065
Net position at beginning of year				298,804
<b>Net position at end of year</b>				<b>\$ 351,869</b>

*The accompanying notes are an integral part of these financial statements.*

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>FUNCTIONS - GOVERNMENTAL ACTIVITIES</b>	<b>EXPENSES</b>	<b>PROGRAM REVENUES</b>		<b>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</b>
		<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	
Culture and recreation	\$ 328,862	\$ 10,761	\$ 8,436	\$ (309,665)
General revenues:				
Property taxes levied for:				
Culture and recreation				228,886
State grants				16,921
Unrestricted investment earnings				707
Other				804
Total general revenues				247,318
<b>Change in net position</b>				(62,347)
Net position at beginning of year				361,151
<b>Net position at end of year</b>				<b>\$ 298,804</b>

*The accompanying notes are an integral part of these financial statements.*

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND - BALANCE SHEETS  
AS OF DECEMBER 31, 2012 AND 2011**

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
Cash and cash equivalents	\$ 57,651	\$ 8,670
Investments	60,189	60,189
Receivables	230,087	225,097
<b>TOTAL ASSETS</b>	<b>\$ 347,927</b>	<b>\$ 293,956</b>
<b>LIABILITIES</b>		
Liabilities:		
Accounts, salaries, and other payables	\$ 19,391	\$ 23,702
<b>DEFERRED INFLOWS</b>		
Deferred revenues	38,522	37,128
<b>FUND EQUITY - FUND BALANCE:</b>		
Unassigned	230,014	173,126
Assigned	60,000	60,000
Total fund balance	290,014	233,126
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 347,927</b>	<b>\$ 293,956</b>

*The accompanying notes are an integral part of these financial statements.*



**STATEMENTS OF GOVERNMENTAL REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
Revenues:		
Ad valorem taxes	\$ 258,979	\$ 221,933
Intergovernmental funds:		
State funds	32,595	25,754
Fines and forfeitures	3,585	1,946
Charges for services	14,266	8,815
Investment earnings	772	707
Other revenues	19,399	804
Total revenues	<u>329,596</u>	<u>259,959</u>
Expenditures:		
Current:		
Culture and recreation:		
Personal services	143,659	161,288
Operating services	71,802	89,914
Materials and supplies	22,234	24,367
Travel and other	96	-
Capital outlay	25,386	25,739
Intergovernmental	9,531	9,332
Total expenditures	<u>272,708</u>	<u>310,640</u>
<b>Net change in fund balance</b>	<b>56,888</b>	<b>(50,681)</b>
Fund balance at beginning of year	<u>233,126</u>	<u>283,807</u>
<b>Fund balance at end of year</b>	<b><u>\$ 290,014</u></b>	<b><u>\$ 233,126</u></b>

*The accompanying notes are an integral part of these financial statements.*

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

---

**Introduction**

The West Carroll Parish Library was established by the West Carroll Parish Police Jury, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films. The Library is governed by a board of control which is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the Board of Control serve without compensation.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The accompanying basic financial statements of the West Carroll Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting entity**

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity are financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and;
  - a. The ability of the police jury to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Reporting entity (Continued)**

Because the police jury appoints the Library Board of Control and the Library provides services to all residents of West Carroll Parish, the West Carroll Parish Library was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Funds**

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Library functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The General Fund accounts for all of the Library's general activities. Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Library.

**Measurement focus and basis of accounting**

**Fund Financial Statements (FFS)**

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement focus and basis of accounting (Continued)**

**Fund Financial Statements (FFS) (Continued)**

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues available if they are collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages.

Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees, fines, and forfeitures are recorded when the Library is entitled to the funds. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes and state revenue sharing have been treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement focus and basis of accounting (Continued)**

**Fund Balance Type Definitions**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the West Carroll Parish Library classifies governmental fund balances as follows:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
Restricted	Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Fund balance may be committed by the West Carroll Parish Library Board.
Assigned	Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the West Carroll Library Board.
Unassigned	Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

**Government-Wide Financial Statements (GWFS)**

The Statements of Net Position and the Statements of Activities display information about the Library as a whole. These statements include all of the financial activities of the Library. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program Revenues - Program revenues included in the Statements of Activities are derived directly from the Library's users as a fee for services. Program revenues reduce the cost of the function to be financed from the Library's general revenues.

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement focus and basis of accounting (Continued)**

**Reconciliation**

The reconciliation of the items reflected in the fund statements to the government-wide statements is as follows:

Fund balance	<u>2012</u> \$ 290,014	<u>2011</u> \$ 233,126
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources	37,568	37,012
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	<u>24,287</u>	<u>28,666</u>
Net position of governmental activities	<u>\$ 351,869</u>	<u>\$ 298,804</u>
Net change in fund balance	<u>2012</u> \$ 56,888	<u>2011</u> \$ (50,681)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
	556	(18,222)
Revenues that do not provide current financial resources are deferred in the funds, but are recognized on the statement of activities. This is the amount by which the current-year deferred revenue is less than the prior-year deferred revenue as reported on the governmental fund balance sheets.		
	<u>(4,379)</u>	<u>6,556</u>
Change in net position of governmental activities	<u>\$ 53,065</u>	<u>\$ (62,347)</u>

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement focus and basis of accounting (Continued)**

**Capital assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for their intended purposes by the Library, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Building improvements	15 Years
Vehicles	5 Years
Furniture and equipment	3 - 15 Years
Library materials	10 Years

Approximately 95 percent of capital assets are valued at actual historical costs while the remaining 5 percent are based on estimated historical costs based on the actual costs of like items.

**Cash and cash equivalents and investments**

Custodial credit risk is the risk that in the event of a bank failure, the library's deposits may not be returned to it. The library's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Library had no custodial credit risk related to its deposits at December 31, 2012 and 2011.

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012 and 2011, the library had cash and cash equivalents (book balances in demand deposits) totaling \$57,651 and \$8,670 respectively.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2012 and 2011, were \$126,064 and \$86,497, respectively. These deposits were fully insured by FDIC.



**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and cash equivalents and investments (Continued)**

The West Carroll Parish Library considers all investments with an original maturity of ninety days or less to be cash equivalents. Those investments with an original maturity greater than ninety days are reported as investments in the financial statements.

Included in the bank balances above are certificates of deposit totaling \$60,189. These certificates of deposit are reported as investments in the accompanying financial statements.

**Vacation and sick leave**

Employees receive from five to twenty days of vacation leave each year, depending on length of service and professional status. Vacation leave is not cumulative. Sick leave is earned at the rate of one day per month, with a maximum accumulation of eighteen days. Upon termination, employees may be paid for one out of every four sick leave days accrued. Upon retirement, accumulated sick leave is considered earned service for purposes of calculating employees' retirement benefits. At December 31, 2012, there are no material accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the Library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workers' compensation.

No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the years ended December 31, 2012 and 2011.



**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 3 - LEVIED TAXES**

The ad valorem tax millage levied by the Library was 4.62 for the years ended December 31, 2012 and 2011. The authorized millage for the years ended December 31, 2012 and 2011 was 4.62. The current tax expires in 2017. Any difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2012 assessed valuation (amounts expressed in thousands):

	2012 Assessed Valuation	Percent of Total Assessed Valuation
Trunkline Gas Company	\$ 21,036	39.15%
Entergy Louisiana Holdings	2,042	3.80%
Southern Natural Gas	1,775	3.30%
Memphis Light, Gas & Water Division	1,066	1.98%
ANR Pipeline Company	1,111	2.07%
Northeast Louisiana Power Co-Op	1,042	1.94%
Wal-Mart Real Estate Business Trust	953	1.77%
Centennial Pipeline LLC	904	1.68%
Bellsouth Telecommunications	862	1.60%
Ruffin Building Systems	823	1.53%
Total	<u>\$ 31,614</u>	<u>58.82%</u>

**NOTE 4 - RECEIVABLES**

The receivables of \$230,087 and \$225,097 at December 31, 2012 and 2011, respectively, consisted of the following:

	<u>2012</u>	<u>2011</u>
Ad valorem taxes	\$ 218,967	\$ 213,816
State revenue sharing	11,120	11,281
Total	<u>\$ 230,087</u>	<u>\$ 225,097</u>

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 5 - CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets for the year ended December 31, 2012, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Vehicles	\$ 64,319	\$ -	\$ -	\$ 64,319
Furniture and equipment	63,869	-	-	63,869
Building improvements	43,082	7,850	-	50,932
Library materials	398,183	17,536	(16,987)	398,732
Total capital assets being depreciated	<u>569,453</u>	<u>25,386</u>	<u>(16,987)</u>	<u>577,852</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(58,842)	(2,439)	-	(61,281)
Building improvements	(22,977)	(2,916)	-	(25,893)
Library materials	(386,303)	(19,475)	16,987	(388,791)
Total accumulated depreciation	<u>(532,441)</u>	<u>(24,830)</u>	<u>16,987</u>	<u>(540,284)</u>
Net capital assets	<u>\$ 37,012</u>	<u>\$ 556</u>	<u>\$ -</u>	<u>\$ 37,568</u>

The depreciation rate for library materials was reduced from 10 percent to 5 percent for 2012 and future years due to changes in the average useful lives of books and the trend of purchases versus disposals.

A summary of changes in capital assets for the year ended December 31, 2011, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Vehicles	\$ 64,319	\$ -	\$ -	\$ 64,319
Furniture and equipment	62,516	1,353	-	63,869
Building improvements	43,082	-	-	43,082
Library materials	389,548	24,386	(15,751)	398,183
Total capital assets being depreciated	<u>559,465</u>	<u>25,739</u>	<u>(15,751)</u>	<u>569,453</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(56,151)	(2,691)	-	(58,842)
Building improvements	(20,105)	(2,872)	-	(22,977)
Library materials	(363,656)	(38,398)	15,751	(386,303)
Total accumulated depreciation	<u>(504,231)</u>	<u>(43,961)</u>	<u>15,751</u>	<u>(532,441)</u>
Net capital assets	<u>\$ 55,234</u>	<u>\$ (18,222)</u>	<u>\$ -</u>	<u>\$ 37,012</u>

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 6 - PENSION PLAN**

Substantially all employees of the West Carroll Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Library are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each salary for each year of service credited after the revision date.

Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the West Carroll Parish Library is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the West Carroll Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The West Carroll Parish Library's contributions to the System under Plan A for the years ending December 31, 2012, 2011, and 2010, were \$14,566, \$16,103, and \$11,463, respectively, equal to the required contributions for each year.

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

---

**NOTE 7 - ASSIGNED FUND BALANCE**

In a prior year, the West Carroll Parish Library Board of Control placed \$60,000 in a certificate of deposit that they intend to use future building expansion and renovations.

**NOTE 8 - LITIGATION AND CLAIMS**

At December 31, 2012, the West Carroll Parish Library is not involved in any litigation.

On January 31, 2011, the Library was notified by the Parish Tax Collector that certain taxpayers had protested 2010 taxes. The notice indicated that \$28,817 has been placed in escrow by the Tax Collector for tax years 1994 through 2000 and 2009 through 2010. The notice also indicated that the Library has already received protested taxes totaling \$27,089 for the years from 2001 through 2008.

During 2012, the Library received notice that \$8,462 was protested and placed in escrow for the tax year 2011.

On November 9, 2012, the Library received a partial distribution in the amount of \$27,616 of taxes protested for years 1994 through 2011. The Library remitted taxes totaling \$1,416 previously held by the Library.

On January 8, 2013, the Library was notified by the Parish Tax Collector that a certain taxpayer had protested 2012 taxes totaling \$4,935.

Total protested taxes held in escrow by the Parish Tax Collector at December 31, 2012 and 2011 were \$13,397 and \$8,462, respectively. These amounts are included in deferred revenues on the statements of net position and the balance sheets.

**NOTE 9 - SUBSEQUENT EVENTS**

See note 8 regarding protested taxes.

Management has evaluated subsequent events through May 13, 2013, the date on which the financial statements were available to be issued.

**Required Supplemental Information (Part II)**

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**GENERAL FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>WITH</u> <u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Revenues:				
Ad valorem taxes	\$ 243,831	\$ 205,192	\$ 258,979	\$ 53,787
Intergovernmental funds:				
State funds	17,516	11,281	16,841	5,560
Operating grants and contributions	30,900	28,405	15,754	(12,651)
Fines and forfeitures	1,600	1,600	3,585	1,985
Charges for services	7,100	7,100	14,266	7,166
Investment earnings	300	300	772	472
Other revenues	800	800	19,399	18,599
Total revenues	<u>302,047</u>	<u>254,678</u>	<u>329,596</u>	<u>74,918</u>
Expenditures:				
Current:				
Culture and recreation:				
Personal services	186,600	160,100	143,659	16,441
Operating services	80,177	66,921	71,802	(4,881)
Materials and supplies	21,500	11,750	22,234	(10,484)
Travel and other	-	-	96	(96)
Capital outlay	30,000	25,000	25,386	(386)
Intergovernmental	-	-	9,531	(9,531)
Total expenditures	<u>318,277</u>	<u>263,771</u>	<u>272,708</u>	<u>(8,937)</u>
<b>Net change in fund balance</b>	(16,230)	(9,093)	56,888	65,981
Fund balance at beginning of year	<u>16,230</u>	<u>16,230</u>	<u>233,126</u>	<u>(216,896)</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 7,137</u>	<u>\$ 290,014</u>	<u>\$ (150,915)</u>

## **Other Reports**



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*

Honorable Members of the Board  
West Carroll Parish Library  
Oak Grove, Louisiana

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 and the General Fund of West Carroll Parish Library, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 13, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered West Carroll Parish 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 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.

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.



West Carroll Parish Library  
Oak Grove, Louisiana  
Report - GAGAS  
December 31, 2012

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether West Carroll Parish 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*.

### **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.

This report is for the information and use of the members of the West Carroll Parish Library, management, federal awarding agencies, pass-through entities and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC



May 13, 2013

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**SCHEDULE OF FINDINGS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

---

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the West Carroll Parish Library.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of the West Carroll Parish Library were disclosed during the audit.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

No findings are reported.

**WEST CARROLL PARISH LIBRARY  
OAK GROVE, LOUISIANA**

**STATUS OF PRIOR AUDIT FINDINGS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

---

**Finding 2011-1 Failure to Properly Balance Cash Register Receipts**

Initially Occurred: 2011

Corrective Action Taken: A test of a sample of daily receipts indicated that the Library prepared daily reconciliations from the cash register tapes to the deposits. Overages and shortages were smaller than in the prior year.

Planned Corrective Action: N/A