

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2007 AND 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/30/08

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

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Management's Discussion and Analysis

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007 and for the fiscal 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 West Carroll Parish Library's basic financial statements. The Library's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Because the Library is a special-purpose government, the government-wide and fund financial statements are presented on the same pages using an adjustment column. These statements are found on pages 10 and 11 of this report. This report also contains other supplemental 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 view of the West Carroll Parish Library's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the West Carroll Parish 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 West Carroll Parish Library is improving or deteriorating. The statement of activities presents information showing how the government's net assets changed during the most recent fiscal 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 unused vacation leave).

Fund financial statements. The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. All of the funds of the Library are 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 fiscal 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, 2007**

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 balances 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, 2007, is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances 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 12-20 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, 2007 by \$317,083.
- The Library's net assets increased by \$10,449 (3%) as a result of this year's operations.

At December 31, 2007, the Library's governmental funds reported total ending fund balances of \$288,393, an increase of \$63,278, including expenditures for capital assets. Of the balance of \$288,393, \$60,000 is designated for future expansion and renovation and \$228,393 is available for spending at the Library's discretion.

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2007**

NET ASSETS

	2007	2006
Current and other assets	\$ 325,997	\$ 265,650
Capital assets, net	4,519	55,266
Total assets	330,516	320,916
Liabilities - accounts and other payables	13,433	14,282
Net assets:		
Invested in capital assets	4,519	55,266
Unrestricted	312,564	251,368
Total net assets	\$ 317,083	\$ 306,634

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the West Carroll Parish Library exceeded liabilities by \$317,083. Its investments in capital assets (e.g. land, building and improvements and equipment, net of accumulated depreciation) represent 1% of that amount. These assets are not available for future spending.

The changes in net assets for the years ended December 31, 2007 and 2006 are summarized as follows:

CHANGES IN NET ASSETS

	2007	2006
Revenues:		
Program revenues:		
Charges for services	\$ 9,147	\$ 7,109
Operating grants and contributions	35,267	16,732
General revenues:		
Ad valorem taxes	216,284	194,763
State grants	17,596	17,497
Other general revenues	15,790	7,882
Total revenues	294,084	243,983
Program expenses:		
Personal services	103,281	111,587
Operating services	161,732	165,560
Materials and supplies	10,127	5,549
Travel and other	484	671
Intergovernmental	8,011	7,628
Total expenses	283,635	290,995
Increase (decrease) in net assets	\$ 10,449	\$ (47,012)

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2007**

Governmental activities. The most significant revenues of the governmental activities are general revenues (85%), which include ad valorem taxes (74%), unrestricted grants and contributions (includes state revenue sharing) (7%) and other general revenues (includes fines and forfeitures and investment earnings) (4%). Program revenues are 15% 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 \$50,101 in the current year. The increase was primarily attributable to ad valorem tax increases and investment earnings. Governmental activities expenses decreased by \$7,360 in the current year as compared to 2006. The decrease was attributable to decreases in payroll expenses due to employee turnover.

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 fiscal year.

Governmental funds. As of December 31, 2007, governmental fund balance of \$288,393 increased by \$63,278 from December 31, 2006. The entire fund balance is unreserved, which is considered available for appropriation.

Governmental funds revenues increased by \$58,320 and expenditures decreased by \$11,077 from the prior year. The decrease in expenditures is attributable a decrease payroll expenses caused by employee turnover.

GENERAL FUND BUDGETARY HIGHLIGHTS

For 2007, total budgeted expenditures increased by \$35,874 from the original budget to the final budget.

General Fund revenues exceeded the amended budgeted revenues by \$79,668. General Fund expenditures were less than the amended budgeted expenditures by \$14,259.

CAPITAL ASSETS

Capital assets. West Carroll Parish Library's investment in capital assets for its governmental activities as of December 31, 2007, amounted to \$4,519 (net of accumulated depreciation). This investment includes vehicles, furniture and equipment, building improvements, and library materials.

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2007**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The West Carroll Parish Library does not anticipate any significant changes in its 2008 operations as compared to 2007's operations. Therefore, the 2008 budget is comparable to the 2007 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 Clay Robertson, Director, P.O. Box 703, Oak Grove, Louisiana 71263.



Hulsey, Harwood & Co.

A Professional Accounting Corporation

Certified Public Accountants

Independent Auditor's Report

West Carroll Parish Library
Oak Grove, Louisiana

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 December 31, 2007 and 2006 and for the years then ended, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of West Carroll Parish Library's management. 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 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 audits provide 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 and the General Fund of the West Carroll Parish Library, as of December 31, 2007 and 2006, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2008, 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* and should be considered in assessing the results of our audit.

West Carroll Parish Library
Oak Grove, Louisiana
Independent Auditor's Report,
December 31, 2007

The management's discussion and analysis on pages 1 through 6, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The budgetary comparison information on page 23 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

HULSEY, HARWOOD & CO., CPAs
A Professional Accounting Corporation

Hulsey, Harwood & Co.

June 30, 2008

Basic Financial Statements

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

**STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2007 AND 2006**

ASSETS	2007	2006
Cash and cash equivalents	\$ 58,550	\$18,686
Investments	63,041	67,633
Receivables	204,406	179,331
Capital assets, net of accumulated depreciation	4,519	55,266
TOTAL ASSETS	330,516	320,916
LIABILITIES		
Accounts, salaries and other payables	13,433	14,282
NET ASSETS		
Invested in capital assets	4,519	55,266
Unrestricted	312,564	251,368
TOTAL NET ASSETS	\$ 317,083	\$ 306,634

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, 2007

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Culture and recreation	\$ 283,635	\$ 9,147	\$ 35,267	\$ -	\$ (239,221)
General revenues:					
Property taxes levied for:					
Culture and recreation					216,284
State grants					17,596
Unrestricted investment earnings					9,172
Other					6,618
Total general revenues					249,670
Change in net assets					10,449
Net assets at beginning of year					306,634
Net assets at end of year					\$ 317,083

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, 2006

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Culture and recreation	\$ 290,995	\$ 8,128	\$ 16,732	\$ -	\$ (266,135)
General revenues:					
Property taxes levied for:					
Culture and recreation					194,763
State grants					17,497
Unrestricted investment earnings					6,192
Other					671
Total general revenues					219,123
Change in net assets					(47,012)
Net assets at beginning of year					353,646
Net assets at end of year					\$ 306,634

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

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

**GOVERNMENTAL FUNDS BALANCE SHEETS
AS OF DECEMBER 31, 2007 AND 2006**

ASSETS	2007	2006
Cash and cash equivalents	\$ 58,550	\$ 18,686
Investments	63,041	67,633
Receivables	204,406	179,331
TOTAL ASSETS	<u>325,997</u>	<u>265,650</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts, salaries, and other payables	\$ 13,433	\$ 14,282
Deferred revenues	24,171	26,253
Total liabilities	<u>37,604</u>	<u>40,535</u>
Fund equity - fund balance:		
Designated for expansion and renovation	60,000	60,000
Unreserved - undesignated	228,393	165,115
Total fund balance	<u>288,393</u>	<u>225,115</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>325,997</u>	<u>265,650</u>

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

**STATEMENTS OF GOVERNMENTAL REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Revenues:	\$ 218,433	\$188,502
Intergovernmental funds:		
State funds	52,796	34,355
Fines and forfeitures	1,734	1,019
Charges for services	7,413	7,109
Investment earnings	9,172	6,192
Other revenues	6,620	671
Total revenues	<u>296,168</u>	<u>237,848</u>
Expenditures:		
Current:		
Culture and recreation:		
Personal services	103,281	111,587
Operating services	78,242	83,543
Materials and supplies	10,127	5,549
Travel and other	484	671
Capital outlay	32,745	34,989
Intergovernmental	8,011	7,628
Total expenditures	<u>232,890</u>	<u>243,967</u>
Net change in fund balance	63,278	(6,119)
Fund balance, beginning	225,115	231,234
Fund balance, ending	<u>\$ 288,393</u>	<u>\$225,115</u>

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

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

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 is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria 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, 2007 AND 2006**

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 General Fund column of the 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 balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Library's operations.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

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 General Fund column of the 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 fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is 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 funds use 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, 2007 AND 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus and basis of accounting (Continued)

Government-Wide Financial Statements (GWFS)

The Statements of Net Assets 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.

Reconciliation

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

	<u>2007</u>	<u>2006</u>
Fund balance	\$ 288,393	\$225,115
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources	4,519	55,266
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	<u>24,171</u>	<u>26,253</u>
Net assets of governmental activities	<u>\$ 317,083</u>	<u>\$306,634</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus and basis of accounting (Continued)

Reconciliation (Continued)

	<u>2007</u>	<u>2006</u>
Net change in fund balance	\$ 63,278	\$ (6,119)
 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 depreciation exceeded capital outlays in the current period.	 (50,745)	 (47,028)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	 <u>(2,084)</u>	 <u>6,135</u>
 Change in net assets of governmental activities	 <u>\$ 10,449</u>	 <u>\$ (47,012)</u>

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:

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

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents and investments

Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Library may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2007, the Library has cash and cash equivalents (demand deposits) totaling \$58,550.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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, 2007 total \$133,655 and are secured as by FDIC.

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 \$63,041. 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, 2007, 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.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

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, 2007 and 2006.

NOTE 3 - LEVIED TAXES

The ad valorem tax millage levied by the Library was 4.71 for the year ended December 31, 2007. The authorized millage for the year ended December 31, 2007, was 4.25. The current tax expires in 2007. The 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 2007 assessed valuation (amounts expressed in thousands):

	2007 Assessed Valuation	Percent of Total Assessed Valuation
Trunkline Gas Company	\$ 15,929	26.09%
Entergy Louisiana, Inc.	1,706	2.79%
Centennial Pipeline, LLC	1,471	2.41%
Southern Natural Gas	1,242	2.03%
ANR Pipeline Company	1,001	1.64%
BellSouth Telecommunication	1,045	1.71%
Ruffin Building Systems, Inc.	1,019	1.67%
Wal-mart Real Estate Business Trust	956	1.57%
Northeast Louisiana Power	917	1.50%
Amerencips	830	1.36%
Total	<u>\$ 26,116</u>	<u>42.78%</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

NOTE 4 - RECEIVABLES

The receivables of \$204,406 and \$179,331 at December 31, 2007 and 2006, respectively, consisted of the following:

	<u>2007</u>	<u>2006</u>
Ad valorem taxes	\$ 192,676	\$ 167,668
State revenue sharing	11,730	11,663
Total	<u>\$ 204,406</u>	<u>\$ 179,331</u>

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2007 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Vehicles	\$ 64,319	\$ -	\$ -	\$ 64,319
Furniture and equipment	51,066	1,980	-	53,046
Building improvements	43,082	-	-	43,082
Library materials	383,323	30,765	(30,970)	383,118
Total capital assets being depreciated	<u>541,790</u>	<u>32,745</u>	<u>(30,970)</u>	<u>543,565</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(44,696)	(3,994)	-	(48,690)
Building improvements	(8,616)	(2,872)	-	(11,488)
Library materials	(368,895)	(76,624)	30,970	(414,549)
Total accumulated depreciation	<u>(486,526)</u>	<u>(83,490)</u>	<u>30,970</u>	<u>(539,046)</u>
Net capital assets	<u>\$ 55,264</u>	<u>\$ (50,745)</u>	<u>\$ -</u>	<u>\$ 4,519</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

NOTE 5 - CHANGES IN CAPITAL ASSETS (Continued)

A summary of changes in capital assets for the year ended December 31, 2006 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Vehicles	\$ 64,319	\$ -	\$ -	\$ 64,319
Furniture and equipment	47,064	4,002	-	51,066
Building improvements	43,082	-	-	43,082
Library materials	389,082	30,987	(36,746)	383,323
Total capital assets being depreciated	<u>543,547</u>	<u>34,989</u>	<u>(36,746)</u>	<u>541,790</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(42,214)	(2,480)	-	(44,694)
Building improvements	(5,744)	(2,872)	-	(8,616)
Library materials	(328,976)	(76,665)	36,746	(368,895)
Total accumulated depreciation	<u>(441,253)</u>	<u>(82,017)</u>	<u>36,746</u>	<u>(486,524)</u>
Net capital assets	<u>\$ 102,294</u>	<u>\$ (47,028)</u>	<u>\$ -</u>	<u>\$ 55,266</u>

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.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

NOTE 6 - PENSION PLAN (Continued)

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 13.25 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 fiscal year. The West Carroll Parish Library's contributions to the System under Plan A for the years ending December 31, 2007, 2006, and 2005 were \$6,749, \$6,831, and \$6,965, respectively, equal to the required contributions for each year.

NOTE 7 - DESIGNATED FUND BALANCE

The West Carroll Parish Library Board of Control has designated \$60,000 of the unreserved fund balance for future building expansion and renovations.

NOTE 8 - LITIGATION AND CLAIMS

At December 31, 2007, the West Carroll Parish Library is involved in one legal proceeding with a third party that has arisen in the ordinary course of operation. Management is unable to predict the outcome of the matter at this time.

Required Supplemental Information (Part II)

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

**GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
Revenues:				
Ad valorem taxes	\$ 168,000	\$ 168,000	\$ 218,433	\$ 50,433
Intergovernmental funds:				
State funds	33,500	33,500	52,796	19,296
Fines and forfeitures	1,000	1,000	1,734	734
Charges for services	7,000	7,000	7,413	413
Investment earnings	5,000	5,000	9,172	4,172
Other revenues	2,000	2,000	6,620	4,620
Total revenues	<u>216,500</u>	<u>216,500</u>	<u>296,168</u>	<u>79,668</u>
Expenditures:				
Current:				
Culture and recreation:				
Personal services	84,800	86,897	103,281	(16,384)
Operating services	96,875	111,652	78,242	33,410
Materials and supplies	9,100	11,600	10,127	1,473
Travel and other	-	-	484	(484)
Capital outlay	20,500	37,000	32,745	4,255
Intergovernmental	-	-	8,011	(8,011)
Total expenditures	<u>211,275</u>	<u>247,149</u>	<u>232,890</u>	<u>14,259</u>
Net change in fund balance	5,225	(30,649)	63,278	93,927
Fund balance, beginning	-	-	225,115	225,115
Fund balance, ending	<u>\$ 5,225</u>	<u>\$ (30,649)</u>	<u>\$ 288,393</u>	<u>\$ 319,042</u>

Other Reports



Hulsey, Harwood & Co.

A Professional Accounting Corporation

Certified Public Accountants

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*

West Carroll Parish Library
Oak Grove, Louisiana

We have audited the accompanying financial statements of the governmental activities and the General Fund of West Carroll Parish Library, as of and for the year ended December 31, 2007, which collectively comprise the Library's basic financial statements as listed in the table of contents and have issued our report thereon dated June 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Carroll Parish 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 West Carroll Parish 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency, identified as item 2007-1, described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

West Carroll Parish Library
Oak Grove, Louisiana
Independent Auditors' Report - GAGAS

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the identified significant deficiency described above to be a material weakness.

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*.

This report is intended solely 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.

HULSEY, HARWOOD & CO., CPAs
A Professional Accounting Corporation

Hulsey, Harwood & Co.

June 30, 2008

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

**SCHEDULE OF FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007**

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. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
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

2007-1 Segregation of Duties

Condition/Criteria/Effect

During 2007, the Director performed the following functions:

- Opened mail
- Prepared deposits
- Prepared checks
- Posted checks
- Prepared payroll checks
- Reconciled the bank account

Lack of proper segregation of duties increases the risk that assets could be misappropriated and be undetected.

Cause

It is not economically feasible for the Library to hire additional personnel to effect the appropriate segregation of duties.

Recommendation

The Board implemented our prior year recommendation to assign the duty of reconciling bank accounts to the external bookkeeper. We understand that the Board has concluded that additional segregation is not possible at this time. We have no further recommendation at this time.

Management's Response

We concur with the auditor's recommendation.

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

**STATUS OF PRIOR AUDIT FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007**

Finding 2006-1 Segregation of Duties

Initially Occurred: 2005

Corrective Action Taken: Partial

Planned Corrective Action: See finding 2007-1.