

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

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 8/17/11

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

**TABLE OF CONTENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

CONTENTS

	Page
REQUIRED SUPPLEMENTAL INFORMATION (PART I)	
Management's Discussion and Analysis	1 - 5
INDEPENDENT AUDITOR'S REPORT	
BASIC FINANCIAL STATEMENTS	
Statements of Net Assets	8
Statement of Activities for the Year Ended December 31, 2010	9
Statement of Activities for the Year Ended December 31, 2009	10
Governmental Fund - General Fund - Balance Sheets	11
Statements of Governmental Revenues, Expenditures, and Changes in Fund Balance	12
Notes to Financial Statements	13 - 23
REQUIRED SUPPLEMENTAL INFORMATION (PART II)	
General Fund Budgetary Comparison Schedule	24
OTHER REPORTS	
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>	25 - 26
Schedule of Findings	27
Status of Prior Audit Findings	28

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, 2010**

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, 2010, 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, 2010**

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, 2010, 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 13-23 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, 2010, by \$361,151.
- The Library's net assets decreased by \$24,973 as a result of this year's operations.

At December 31, 2010, the Library's governmental fund (General Fund) reported an ending fund balance of \$283,807, a decrease of \$10,000, including expenditures for capital assets. Of the balance of \$283,807, \$60,000 is designated for future expansion and renovation and \$223,807 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, 2010**

NET ASSETS

	2010	2009
Current and other assets	\$ 323,163	\$ 347,878
Capital assets, net	55,234	58,047
Total assets	378,397	405,925
 Liabilities - accounts and other payables	 17,246	 19,801
 Net assets:		
Invested in capital assets	55,234	58,047
Unrestricted	305,917	328,077
Total net assets	\$ 361,151	\$ 386,124

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 year, assets of the West Carroll Parish Library exceeded liabilities by \$361,151.

The changes in net assets for the years ended December 31, 2010 and 2009, are summarized as follows:

CHANGES IN NET ASSETS

	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$ 8,787	\$ 11,672
Operating grants and contributions	19,035	24,817
General revenues:		
Ad valorem taxes	226,391	237,161
State grants	16,982	18,035
Other general revenues	11,111	5,600
Total revenues	282,306	297,285
 Program expenses:		
Personal services	143,066	137,209
Operating services	135,179	146,310
Materials and supplies	19,868	10,756
Travel and other	174	4
Intergovernmental	8,992	9,434
Total expenses	307,279	303,713
 Increase (decrease) in net assets	 \$ (24,973)	 \$ (6,428)

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2010**

Governmental activities. The most significant revenues of the governmental activities are general revenues (90%), which include ad valorem taxes (80%), unrestricted grants and contributions (includes state revenue sharing) (6%) and other general revenues (includes fines and forfeitures and investment earnings) (4%). 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 decreased \$14,979 in the current year. The decrease was primarily attributable to a \$10,770 decrease in ad valorem taxes. Governmental activities expenses increased by \$3,566 in the current year compared to 2009. The increase is attributable to a \$5,857 increase in personal services, an \$11,131 decrease in operating services, a \$9,112 increase in materials and supplies, a \$170 increase in travel and other expenses, and a \$442 decrease in intergovernmental expenses.

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, 2010, governmental fund (General Fund) fund balance of \$283,807 decreased by \$10,000 from December 31, 2009. The entire fund balance is unreserved, which is considered available for appropriation.

Governmental funds revenues decreased by \$3,957 while expenditures decreased by \$11,396 from the prior year. The decrease in expenditures is attributable to the same causes described above.

GENERAL FUND BUDGETARY HIGHLIGHTS

No amendment was adopted during 2010.

General Fund revenues exceeded the budgeted revenues by \$8,866. General Fund expenditures exceeded the budgeted expenditures by \$18,866.

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2010**

CAPITAL ASSETS

West Carroll Parish Library's investment in capital assets for its governmental activities as of December 31, 2010, amounted to \$55,234 (net of accumulated depreciation). This investment includes vehicles, furniture and equipment, building improvements, and library materials.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The West Carroll Parish Library does not anticipate any significant changes in its 2011 operations as compared to 2010's operations. Therefore, the 2011 budget is comparable to the 2010 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.



Hulsey, Harwood & Sheridan, LLC

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, 2010 and 2009, 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, 2010 and 2009, 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.

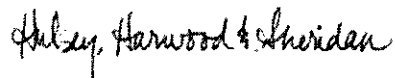
In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, on our consideration of the West Carroll Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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, 2010 and 2009

The management's discussion and analysis on pages 1 through 5, 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 24 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 & SHERIDAN, LLC



June 23, 2011

Basic Financial Statements

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

**STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2010 AND 2009**

ASSETS	2010	2009
Cash and cash equivalents	\$ 42,685	\$63,652
Investments	66,071	63,041
Receivables	214,407	221,185
Capital assets, net of accumulated depreciation	55,234	58,047
TOTAL ASSETS	378,397	405,925
LIABILITIES		
Accounts, salaries and other payables	17,246	19,801
TOTAL LIABILITIES	17,246	19,801
NET ASSETS		
Invested in capital assets	55,234	58,047
Unrestricted	305,917	328,077
TOTAL NET ASSETS	\$ 361,151	\$ 386,124

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, 2010**

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Culture and recreation	<u>\$ 307,279</u>	<u>\$ 8,787</u>	<u>\$ 19,035</u>	<u>\$ (279,457)</u>
General revenues:				
Property taxes levied for:				
Culture and recreation				226,391
State grants				16,982
Unrestricted investment earnings				994
Other				10,117
Total general revenues				<u>254,484</u>
Change in net assets				<u>(24,973)</u>
Net assets at beginning of year				<u>386,124</u>
Net assets at end of year				<u><u>\$ 361,151</u></u>

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, 2009

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Culture and recreation	\$ 303,713	\$ 11,672	\$ 24,817	\$ (267,224)
General revenues:				
Property taxes levied for:				
Culture and recreation				237,161
State grants				18,035
Unrestricted investment earnings				1,649
Other				3,951
Total general revenues				260,796
Change in net assets				(6,428)
Net assets at beginning of year				392,552
Net assets at end of year				\$ 386,124

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, 2010 AND 2009**

ASSETS	2010	2009
Cash and cash equivalents	\$ 42,685	\$ 63,652
Investments	66,071	63,041
Receivables	214,407	221,185
TOTAL ASSETS	\$ 323,163	\$ 347,878
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts, salaries, and other payables	\$ 17,246	\$ 19,801
Deferred revenues	22,110	34,270
Total liabilities	39,356	54,071
Fund equity - fund balance:		
Designated for expansion and renovation	60,000	60,000
Unreserved - undesignated	223,807	233,807
Total fund balance	283,807	293,807
TOTAL LIABILITIES AND FUND BALANCE	\$ 323,163	\$ 347,878

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

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

**STATEMENTS OF GOVERNMENTAL REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
Revenues:		
Ad valorem taxes	\$ 238,027	\$ 238,477
Intergovernmental funds:		
State funds	36,541	42,674
Fines and forfeitures	1,915	2,702
Charges for services	6,872	8,970
Investment earnings	994	1,649
Other revenues	10,117	3,951
Total revenues	<u>294,466</u>	<u>298,423</u>
Expenditures:		
Current:		
Culture and recreation:		
Personal services	143,066	137,209
Operating services	92,444	102,289
Materials and supplies	19,868	10,756
Travel and other	174	4
Capital outlay	39,922	56,170
Intergovernmental	8,992	9,434
Total expenditures	<u>304,466</u>	<u>315,862</u>
Net change in fund balance	(10,000)	(17,439)
Fund balance at beginning of year	293,807	311,246
Fund balance at end of year	<u>\$ 283,807</u>	<u>\$ 293,807</u>

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, 2010 AND 2009**

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, 2010 AND 2009**

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, 2010 AND 2009**

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, 2010 AND 2009**

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 is as follows:

	<u>2010</u>	<u>2009</u>
Fund balance	\$ 283,807	\$ 293,807
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources	55,234	58,047
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	<u>22,110</u>	<u>34,270</u>
Net assets of governmental activities	<u>\$ 361,151</u>	<u>\$ 386,124</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus and basis of accounting (Continued)

Reconciliation (Continued)

Net change in fund balance	<u>2010</u> \$ (10,000)	<u>2009</u> \$ (17,439)
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.	(2,813)	12,149
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>(12,160)</u>	<u>(1,138)</u>
Change in net assets of governmental activities	<u>\$ (24,973)</u>	<u>\$ (6,428)</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	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.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2010 and 2009.

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, 2010 and 2009, the library had cash and cash equivalents (book balances in demand deposits) totaling \$42,685 and \$63,652 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, 2010 and 2009, were \$116,728 and \$131,931, respectively. These deposits were fully insured 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 \$66,071. 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, 2010, 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, 2010 AND 2009**

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, 2010 and 2009.

NOTE 3 - LEVIED TAXES

The ad valorem tax millage levied by the Library was 4.62 for the years ended December 31, 2010 and 2009. The authorized millage for the years ended December 31, 2010 and 2009, 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 2010 assessed valuation (amounts expressed in thousands):

	2010 Assessed Valuation	Percent of Total Assessed Valuation
Trunkline Gas Company	\$ 19,841	29.73%
Entergy Louisiana Holdings	2,073	3.11%
Southern Natural Gas	1,390	2.08%
Centennial Pipeline LLC	1,249	1.87%
Wal-Mart Real Estate Business Trust	928	1.39%
ANR Pipeline Company	1,062	1.59%
Bellsouth Telecommunications	937	1.40%
Wal-Mart Louisiana, LLC	760	1.14%
Northeast Louisiana Power Coop	940	1.41%
Regions Bank	728	1.09%
Total	<u>\$ 29,908</u>	<u>44.81%</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 - RECEIVABLES

The receivables of \$214,407 and \$221,185 at December 31, 2010 and 2009, respectively, consisted of the following:

	<u>2010</u>	<u>2009</u>
Ad valorem taxes	\$ 202,729	\$ 208,984
State revenue sharing	11,678	12,201
Total	<u>\$ 214,407</u>	<u>\$ 221,185</u>

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2010, 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	61,472	1,044	-	62,516
Building improvements	43,082	-	-	43,082
Library materials	413,804	38,878	(63,134)	389,548
Total capital assets being depreciated	<u>582,677</u>	<u>39,922</u>	<u>(63,134)</u>	<u>559,465</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(53,460)	(2,691)	-	(56,151)
Building improvements	(17,233)	(2,872)	-	(20,105)
Library materials	(389,618)	(37,172)	63,134	(363,656)
Total accumulated depreciation	<u>(524,630)</u>	<u>(42,735)</u>	<u>63,134</u>	<u>(504,231)</u>
Net capital assets	<u>\$ 58,047</u>	<u>\$ (2,813)</u>	<u>\$ -</u>	<u>\$ 55,234</u>

The depreciation rate for library materials was reduced from 20 percent to 10 percent for 2008 and future years due to changes in the average useful lives of books and the trend of purchases versus disposals.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009**

NOTE 5 - CHANGES IN CAPITAL ASSETS (Continued)

A summary of changes in capital assets for the year ended December 31, 2009, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Vehicles	\$ 64,319	\$ -	\$ -	\$ 64,319
Furniture and equipment	55,502	5,970	-	61,472
Building improvements	43,082	-	-	43,082
Library materials	395,712	50,200	(32,108)	413,804
Total capital assets being depreciated	<u>558,615</u>	<u>56,170</u>	<u>(32,108)</u>	<u>582,677</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(50,817)	(2,643)	-	(53,460)
Building improvements	(14,360)	(2,873)	-	(17,233)
Library materials	(383,221)	(38,505)	32,108	(389,618)
Total accumulated depreciation	<u>(512,717)</u>	<u>(44,021)</u>	<u>32,108</u>	<u>(524,630)</u>
Net capital assets	<u>\$ 45,898</u>	<u>\$ 12,149</u>	<u>\$ -</u>	<u>\$ 58,047</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, 2010 AND 2009**

NOTE 5 - CHANGES IN CAPITAL ASSETS (Continued)

A summary of changes in capital assets for the year ended December 31, 2009, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Vehicles	\$ 64,319	\$ -	\$ -	\$ 64,319
Furniture and equipment	55,502	5,970	-	61,472
Building improvements	43,082	-	-	43,082
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Total capital assets being depreciated	<u>558,615</u>	<u>56,170</u>	<u>(32,108)</u>	<u>582,677</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(50,817)	(2,643)	-	(53,460)
Building improvements	(14,360)	(2,873)	-	(17,233)
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Total accumulated depreciation	<u>(512,717)</u>	<u>(44,021)</u>	<u>32,108</u>	<u>(524,630)</u>
Net capital assets	<u>\$ 45,898</u>	<u>\$ 12,149</u>	<u>\$ -</u>	<u>\$ 58,047</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, 2010 AND 2009**

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 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, 2010, 2009, and 2008, were \$11,463, \$9,089, and \$7,219, 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, 2010, 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. If the cases are settled in favor of the taxpayers, the Library will be obligated to refund all or a portion of the \$27,089 it received in previous years.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009**

NOTE 9 - NEW ACCOUNTING STANDARD

The requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, are effective for the Library's financial statements for the year ending December 31, 2011. The Library has not yet determined the effect that implementation of the requirements of the statement will have on its financial statements.

NOTE 10 - SUBSEQUENT EVENTS

See note 8 regarding protested taxes.

Management has evaluated subsequent events through June 23, 2011, 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, 2010**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
Revenues:				
Ad valorem taxes	\$ 230,000	\$ 230,000	\$ 238,027	\$ 8,027
Intergovernmental funds:				
State funds	17,000	17,000	17,506	506
Operating grants and contributions	23,600	23,600	19,035	(4,565)
Fines and forfeitures	2,000	2,000	1,915	(85)
Charges for services	8,000	8,000	6,872	(1,128)
Investment earnings	2,500	2,500	994	(1,506)
Other revenues	2,500	2,500	10,117	7,617
Total revenues	<u>285,600</u>	<u>285,600</u>	<u>294,466</u>	<u>8,866</u>
Expenditures:				
Current:				
Culture and recreation:				
Personal services	107,500	107,500	143,066	(35,566)
Operating services	113,600	113,600	92,444	21,156
Materials and supplies	20,000	20,000	19,868	132
Travel and other	-	-	174	(174)
Capital outlay	44,500	44,500	39,922	4,578
Intergovernmental	-	-	8,992	(8,992)
Total expenditures	<u>285,600</u>	<u>285,600</u>	<u>304,466</u>	<u>(18,866)</u>
Net change in fund balance	-	-	(10,000)	(10,000)
Fund balance at beginning of year	20,000	20,000	293,807	(273,807)
Fund balance at end of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 283,807</u>	<u>\$ (283,807)</u>

Other Reports



Hulsey, Harwood & Sheridan, LLC

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, 2010, which collectively comprise the Library's basic financial statements as listed in the table of contents and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings as 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

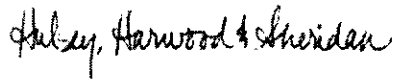
West Carroll Parish Library
Oak Grove, Louisiana
Independent Auditors' Report – GAGAS
December 31, 2010

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 & SHERIDAN, LLC



June 23, 2011

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

**SCHEDULE OF FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010**

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

2010-1 Segregation of Duties

Condition/Criteria/Effect

During 2010, the Director performed the following functions:

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

Lack of proper segregation of duties increases the risk that assets could be misappropriated without detection.

Cause

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

Recommendation

We understand that the Board has concluded that additional segregation is not possible at this time. In cases where it is not possible to implement ideal controls, we emphasize the importance of board oversight. We recommend that the Board actively review bank statements, payroll registers, vendor invoices, and financial reports. 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, 2010**

Finding 2009-1 Segregation of Duties

Initially Occurred: 2005

Corrective Action Taken: N/A

Planned Corrective Action: See finding 2010-1.