

WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007

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 7/15/09

**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, 2008**

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, 2008 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, 2008**

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, 2008, 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 15-24 of this report.

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

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at December 31, 2008, by \$392,552.
- The Library's net assets increased by \$75,469 as a result of this year's operations.

At December 31, 2008, the Library's governmental fund (General Fund) reported an ending fund balance of \$311,246, an increase of \$22,853, including expenditures for capital assets. Of the balance of \$311,246, \$60,000 is designated for future expansion and renovation and \$251,246 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, 2008**

NET ASSETS

	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 362,114	\$325,997
Capital assets, net	<u>45,898</u>	<u>4,519</u>
Total assets	<u>408,012</u>	<u>330,516</u>
Liabilities - accounts and other payables	<u>15,460</u>	<u>13,433</u>
Net assets:		
Invested in capital assets	45,898	4,519
Unrestricted	<u>346,654</u>	<u>312,564</u>
Total net assets	<u>\$ 392,552</u>	<u>\$317,083</u>

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 \$392,552.

The changes in net assets for the years ended December 31, 2008 and 2007, are summarized as follows:

CHANGES IN NET ASSETS

	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues:		
Charges for services	\$ 10,221	\$ 9,147
Operating grants and contributions	28,313	35,267
General revenues:		
Ad valorem taxes	229,503	216,284
State grants	29,766	17,596
Other general revenues	<u>9,652</u>	<u>15,790</u>
Total revenues	<u>307,455</u>	<u>294,084</u>
Program expenses:		
Personal services	115,940	103,281
Operating services	91,500	161,732
Materials and supplies	14,033	10,127
Travel and other	625	484
Intergovernmental	<u>9,888</u>	<u>8,011</u>
Total expenses	<u>231,986</u>	<u>283,635</u>
Increase (decrease) in net assets	<u>\$ 75,469</u>	<u>\$10,449</u>

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2008**

Governmental activities. The most significant revenues of the governmental activities are general revenues (87%), which include ad valorem taxes (74%), unrestricted grants and contributions (includes state revenue sharing) (10%) and other general revenues (includes fines and forfeitures and investment earnings) (3%). Program revenues are 13% 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 \$13,371 in the current year. The increase was primarily attributable to a 6% increase in ad valorem taxes. Governmental activities expenses decreased by \$51,649 in the current year compared to 2007. The decrease is attributable to a decrease in depreciation expense offset by an increase in payroll and benefits due to replacement of staff and an \$8,932 increase in operating costs due to increases in utility costs, bookmobile operation costs, and grant expenditures. It was determined that the depreciation rate should be reduced for the current year and the future due to changes in the average lives of books and the trend of purchases versus disposals.

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, 2008, governmental fund (General Fund) fund balance of \$311,246 increased by \$22,853 from December 31, 2007. The entire fund balance is unreserved, which is considered available for appropriation.

Governmental funds revenues increased by only minimally while expenditures increased by \$40,475 from the prior year. The increase in expenditures is attributable to the same causes described above.

GENERAL FUND BUDGETARY HIGHLIGHTS

For 2008, total budgeted expenditures increased by \$17,600 from the original budget to the final budget.

General Fund revenues exceeded the amended budgeted revenues by \$46,918. General Fund expenditures exceeded the amended budgeted expenditures by \$26,070.

**WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2008**

CAPITAL ASSETS

Capital assets. West Carroll Parish Library's investment in capital assets for its governmental activities as of December 31, 2008, amounted to \$45,898 (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 2009 operations as compared to 2008's operations. Therefore, the 2009 budget is comparable to the 2008 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.



Hulse, 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, 2008 and 2007, 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, 2008 and 2007, 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, 2009, 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, 2008 and 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 26 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, 2009

Basic Financial Statements

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

**STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2008 AND 2007**

ASSETS	2008	2007
Cash and cash equivalents	\$ 76,797	\$58,550
Investments	63,041	63,041
Receivables	222,276	204,406
Capital assets, net of accumulated depreciation	45,898	4,519
TOTAL ASSETS	408,012	330,516
LIABILITIES		
Accounts, salaries and other payables	15,460	13,433
TOTAL LIABILITIES	15,460	13,433
NET ASSETS		
Invested in capital assets	45,898	4,519
Unrestricted	346,654	312,564
TOTAL NET ASSETS	\$ 392,552	\$ 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, 2008

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	\$ 231,986	\$ 10,221	\$ 28,313	\$ -	\$ (193,452)
General revenues:					
Property taxes levied for:					
Culture and recreation					229,503
State grants					29,766
Unrestricted investment earnings					4,128
Other					5,524
Total general revenues					<u>268,921</u>
Change in net assets					75,469
Net assets at beginning of year					317,083
Net assets at end of year					<u>\$ 392,552</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, 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	<u>\$ 283,635</u>	<u>\$ 9,147</u>	<u>\$ 35,267</u>	<u>\$ -</u>	<u>\$ (239,221)</u>
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					<u>249,670</u>
Change in net assets					10,449
Net assets at beginning of year					306,634
Net assets at end of year					<u>\$ 317,083</u>

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, 2008 AND 2007**

ASSETS	2008	2007
Cash and cash equivalents	\$ 76,797	\$ 58,550
Investments	63,041	63,041
Receivables	222,276	204,406
TOTAL ASSETS	\$ 362,114	\$325,997
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts, salaries, and other payables	\$ 15,460	\$ 13,433
Deferred revenues	35,408	24,171
Total liabilities	50,868	37,604
Fund equity - fund balance:		
Designated for expansion and renovation	60,000	60,000
Unreserved - undesignated	251,246	228,393
Total fund balance	311,246	288,393
TOTAL LIABILITIES AND FUND BALANCE	\$ 362,114	\$325,997

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

**STATEMENTS OF GOVERNMENTAL REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
Revenues:		
Ad valorem taxes	\$ 218,560	\$ 218,433
Intergovernmental funds:		
State funds	57,785	52,796
Fines and forfeitures	2,424	1,734
Charges for services	7,797	7,413
Investment earnings	4,128	9,172
Other revenues	5,524	6,620
Total revenues	<u>296,218</u>	<u>296,168</u>
Expenditures:		
Current:		
Culture and recreation:		
Personal services	115,940	103,281
Operating services	86,501	78,242
Materials and supplies	14,033	10,127
Travel and other	625	484
Capital outlay	46,378	32,745
Intergovernmental	9,888	8,011
Total expenditures	<u>273,365</u>	<u>232,890</u>
Net change in fund balance	22,853	63,278
Fund balance at beginning of year	288,393	225,115
Fund balance at end of year	<u><u>\$ 311,246</u></u>	<u><u>\$ 288,393</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

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, 2008 AND 2007**

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, 2008 AND 2007**

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 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, 2008 AND 2007**

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>2008</u>	<u>2007</u>
Fund balance	\$ 311,246	\$ 288,393
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources	45,898	4,519
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	<u>35,408</u>	<u>24,171</u>
Net assets of governmental activities	<u>\$ 392,552</u>	<u>\$ 317,083</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus and basis of accounting (Continued)

Reconciliation (Continued)

	<u>2008</u>	<u>2007</u>
Net change in fund balance	\$ 22,853	\$ 63,278
 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.	 41,379	 (50,745)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>11,237</u>	<u>(2,084)</u>
Change in net assets of governmental activities	<u>\$ 75,469</u>	<u>\$ 10,449</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, 2008 AND 2007**

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, 2008 and 2007.

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, 2008 and 2007, the library had cash and cash equivalents (book balances in demand deposits) totaling \$76,797 and \$58,550, 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, 2008 and 2007, were \$150,439 and \$133,655, 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 \$63,086. 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, 2008, 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, 2008 AND 2007**

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, 2008 and 2007.

NOTE 3 - LEVIED TAXES

The ad valorem tax millage levied by the Library was 4.62 and 4.71 for the years ended December 31, 2008 and 2007, respectively. The authorized millage for the years ended December 31, 2008 and 2007, was 4.62 and 4.25, respectively. The current tax expires in 2017. 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 2008 assessed valuation (amounts expressed in thousands):

	2008 Assessed Valuation	Percent of Total Assessed Valuation
Trunkline Gas Company	\$ 19,276	28.20%
Memphis Light, Gas & Water Division	1,679	2.46%
Entergy Louisiana Holdings	1,747	2.56%
Centennial Pipeline LLC	1,477	2.16%
Southern Natural Gas	1,322	1.93%
Regions Bank	1,014	1.48%
Wal-Mart Real Estate Business Trust	965	1.41%
ANR Pipeline Company	1,058	1.55%
Wal-Mart Louisiana, LLC	842	1.23%
Bellsouth Telecommunications	959	1.40%
Total	<u>\$ 30,339</u>	<u>44.38%</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 - RECEIVABLES

The receivables of \$222,277 and \$204,406 at December 31, 2008 and 2007, respectively, consisted of the following:

	<u>2008</u>	<u>2007</u>
Ad valorem taxes	\$ 210,253	\$ 192,676
State revenue sharing	12,024	11,730
Total	<u>\$ 222,277</u>	<u>\$ 204,406</u>

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2008, 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	53,046	2,456	-	55,502
Building improvements	43,082	-	-	43,082
Library materials	383,118	43,922	(31,328)	395,712
Total capital assets being depreciated	<u>543,565</u>	<u>46,378</u>	<u>(31,328)</u>	<u>558,615</u>
Less accumulated depreciation:				
Vehicles	(64,319)	-	-	(64,319)
Furniture and equipment	(48,690)	(2,127)	-	(50,817)
Building improvements	(11,488)	(2,872)	-	(14,360)
Library materials	(414,549)	-	31,328	(383,221)
Total accumulated depreciation	<u>(539,046)</u>	<u>(4,999)</u>	<u>31,328</u>	<u>(512,717)</u>
Net capital assets	<u>\$ 4,519</u>	<u>\$ 41,379</u>	<u>\$ -</u>	<u>\$ 45,898</u>

It was determined that the depreciation rate should be reduced for the current 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, 2008 AND 2007**

NOTE 5 - CHANGES IN CAPITAL ASSETS (Continued)

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

	Beginning Balance	Additions	Deletions	Ending Balance
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>

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, 2008 AND 2007**

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 year. The West Carroll Parish Library's contributions to the System under Plan A for the years ending December 31, 2008, 2007, and 2006, were \$7,219, \$6,749, and \$6,831, 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, 2008, the West Carroll Parish Library is not involved in any litigation.

Required Supplemental Information (Part II)

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

**GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Revenues:				
Ad valorem taxes	\$ 200,000	\$200,000	\$218,560	\$ 18,560
Intergovernmental funds:				
State funds	18,000	18,000	29,472	11,472
Operating grants and contributions	16,800	16,800	28,313	11,513
Fines and forfeitures	1,000	1,000	2,424	1,424
Charges for services	7,500	7,500	7,797	297
Investment earnings	2,500	2,500	4,128	1,628
Other revenues	3,500	3,500	5,524	2,024
Total revenues	<u>249,300</u>	<u>249,300</u>	<u>296,218</u>	<u>46,918</u>
Expenditures:				
Current:				
Culture and recreation:				
Personal services	111,500	111,500	115,940	(4,440)
Operating services	77,295	86,895	86,501	394
Materials and supplies	5,900	5,900	14,033	(8,133)
Travel and other	-	-	625	(625)
Capital outlay	35,000	43,000	46,378	(3,378)
Intergovernmental	-	-	9,888	(9,888)
Total expenditures	<u>229,695</u>	<u>247,295</u>	<u>273,365</u>	<u>(26,070)</u>
Net change in fund balance	19,605	2,005	22,853	20,848
Fund balance at beginning of year	-	-	288,393	288,393
Fund balance at end of year	<u>\$ 19,605</u>	<u>\$ 2,005</u>	<u>\$311,246</u>	<u>\$309,241</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, 2008, 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, 2009. 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 2008-1, 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
December 31, 2008

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, 2009

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

**SCHEDULE OF FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

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

2008-1 Segregation of Duties

Condition/Criteria/Effect

During 2008, 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

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, 2008**

Finding 2007-1 Segregation of Duties

Initially Occurred: 2005

Corrective Action Taken: N/A

Planned Corrective Action: See finding 2008-1.