

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia
Parish Police Jury)
FERRIDAY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2012

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

Annual Financial Statements
as of and for the Year Ended December 31, 2012
with Supplemental Information Schedules

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report-----		1-2
Section I - Required Supplemental Information		
Management's Discussion and Analysis-----		3-5
Section II - Basic Financial Statements		
<i>Government-Wide Financial Statements:</i>		
Statement of Net Position-----	A	6
Statement of Activities-----	B	7
<i>Fund Financial Statements:</i>		
Balance Sheet - Governmental Fund-----	C	8
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position-----	D	9
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund-----	E	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities-----	F	11
<i>Notes to the Financial Statements</i> -----		12-19
Section III - Other Supplemental Information		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Governmental Fund-----	1	20
Notes to the Required Supplementary Information-----		21

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

Annual Financial Statements
as of and for the Year Ended December 31, 2012
with Supplemental Information Schedules

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Section IV – Reports Required by <i>Government Auditing Standards</i>		
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> -----		22-23
Section V – Schedule of Findings		
Schedule of findings-----		24
Schedule of Prior Year Audit Findings -----	2	25
Current Year Audit Findings-----	3	26



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INDEPENDENT AUDITOR'S REPORT

Board of Control
Concordia Parish Library
Ferriday, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Parish Library, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2012, which collectively comprise the Library's basic financial statements, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Parish Library as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 20 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2013, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

This report is intended for the information of the Members of the Library Board, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
April 19, 2013

SECTION I
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2012

INTRODUCTION

This discussion and analysis (MD&A) of the Concordia Parish Library's financial performance provides an overall narrative view of the Library's financial activities for the year ended December 31, 2012, as compared to 2011. The intent of this discussion and analysis is to look at the Library's performance as a whole; readers should also review the notes to the financial statements to enhance their understanding of the Library's financial performance.

The Concordia Parish Library's main office is located on 3rd Street in Ferriday, Louisiana in Concordia Parish. The Library provides library services to approximately 20,000 customers and is a component of the Concordia Parish Police Jury.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$6,445,999 and \$5,860,537 at December 31, 2012 and 2011, respectively.
- Total revenues exceeded expenditures by \$585,462 and \$574,003 at December 31, 2012 and 2011, respectively.
- The Library had net capital assets of \$1,537,169 and \$1,626,602 at December 31, 2012 and 2011, respectively.
- The total payroll was \$279,545 and \$259,362 for 2012 and 2011, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Concordia Parish 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.

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.

The government-wide financial statements can be found on pages 6-7 of this report.

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 basic governmental fund financial statements can be found on pages 8-11 of this report.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2012

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 12-19 of this report.

FUND FINANCIAL ANALYSIS

Net position for the period ending December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$ 4,935,205	\$ 4,254,846
Noncurrent assets - capital assets	<u>1,537,169</u>	<u>1,626,602</u>
Total assets	<u>\$ 6,472,374</u>	<u>\$ 5,881,448</u>
Liabilities and Net Position		
Current liabilities	<u>\$ 26,375</u>	<u>\$ 20,911</u>
Total liabilities	<u>\$ 26,375</u>	<u>\$ 20,911</u>
Net Position		
Investment in capital assets, net of related debt	\$ 1,537,169	\$ 1,626,602
Unrestricted	<u>4,908,830</u>	<u>4,233,935</u>
Total net position	<u>\$ 6,445,999</u>	<u>\$ 5,860,537</u>

The following is a summary of the statement of activities:

	<u>2012</u>	<u>2011</u>
Revenues		
Ad valorem taxes	\$ 1,143,344	\$ 1,120,861
General revenues	125,099	113,209
Grants	<u>12,823</u>	<u>45,548</u>
Total revenues	<u>\$ 1,281,266</u>	<u>\$ 1,279,618</u>
Expenses		
Operating expenses	<u>\$ 695,804</u>	<u>\$ 705,615</u>
Total expenses	<u>\$ 695,804</u>	<u>\$ 705,615</u>
Increase in net position	<u>\$ 585,462</u>	<u>\$ 574,003</u>
Net position, beginning of year	<u>5,860,537</u>	<u>5,286,534</u>
Net position, end of year	<u>\$ 6,445,999</u>	<u>\$ 5,860,537</u>

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2012

OVERVIEW OF FINANCIAL STATEMENTS (continued)

The notes to the financial statements should be read to have a full understanding of the data in the government-wide financial statements.

CAPITAL ASSETS AND DEBT

As of December 31, 2012, the Library had \$1,537,169 invested in capital assets net of accumulated depreciation of \$508,834. During the year, expenditures of \$3,474 were made to acquire capital assets.

As of December 31, 2012, the Library had no outstanding long-term debt.

During the year, the Library purchased the following capital assets:

Dell laptops and desktop computers	\$	3,163
Printer		<u>311</u>
	<u>\$</u>	<u>3,474</u>

COMMENT ON THE BUDGET

The Library budgeted revenues of \$1,160,617 and expenditures of \$830,500 during the year. Actual revenues (budget basis) were \$1,205,287 and actual expenditures budget basis were \$606,397.

LIBRARY INFORMATION

Concordia Parish Library Board is in the planning stage of building a new facility in Clayton and refurbishing the first floor of the old Vidalia courthouse. The Library administration is saving money for these projects. Architects have been hired to develop these plans and have received an initial payment. Estimated costs are \$1,000,000 for the Clayton building and \$400,000 for renovation of the Vidalia courthouse's first floor.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Amanda Taylor, Director of Library, at 318-757-3550.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2012

ASSETS	
Cash and cash equivalents	\$ 3,823,954
Receivables	1,090,798
Prepaid expenses	20,453
Capital assets, net	<u>1,537,169</u>
Total assets	<u>\$ 6,472,374</u>
LIABILITIES	
Accounts payable	\$ 17,294
Accrued salaries	5,137
Accrued compensated absences	<u>3,944</u>
Total liabilities	<u>\$ 26,375</u>
NET POSITION	
Invested in capital assets	\$ 1,537,169
Unrestricted	<u>4,908,830</u>
Total net position	<u>\$ 6,445,999</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

EXPENDITURES/EXPENSES	
Library services	\$ 695,804
PROGRAM REVENUES	
Fees, fines, and other charges for services	<u>996</u>
Net program expense	<u>\$ 694,808</u>
GENERAL REVENUES	
Ad valorem taxes	\$ 1,143,344
Federal revenue sharing	3,976
State revenue sharing	44,476
Interest earned	55,389
Miscellaneous	<u>33,085</u>
Total general revenues	<u>\$ 1,280,270</u>
Changes in net position	\$ 585,462
NET POSITION	
Beginning of year	<u>5,860,537</u>
End of year	<u>\$ 6,445,999</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUND

DECEMBER 31, 2012

ASSETS

Cash and cash equivalents	\$	3,823,954
Receivables (net of allowances for uncollectibles)		1,090,798
Prepaid expenses		<u>20,453</u>
Total assets	\$	<u>4,935,205</u>

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts payable	\$	17,294
Accrued salaries		<u>5,137</u>
Total liabilities	\$	<u>22,431</u>
Fund balance		
Unassigned	\$	<u>4,912,774</u>
Total liabilities and fund balances	\$	<u>4,935,205</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION**

DECEMBER 31, 2012

Total fund balance - governmental fund (Statement C)	\$	4,912,774
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p> <p>Those assets consist of:</p>		
Buildings and equipment	\$ 2,046,003	
Less accumulated depreciation	(508,834)	1,537,169
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements.</p>		
Accrued compensated absences liability		(3,944)
Total net assets of governmental activities (Statement A)	\$	6,445,999

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	
Ad valorem taxes	\$ 1,143,344
Intergovernmental revenues:	
Federal revenue sharing	3,976
State revenue sharing	44,476
Fines	996
Interest earned	55,389
Other revenues	<u>33,085</u>
Total revenues	<u>\$ 1,281,266</u>
EXPENDITURES	
General government	\$ 601,659
Capital outlay	<u>3,474</u>
Total expenditures	<u>\$ 605,133</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 676,133
Fund balance - beginning of year	<u>4,236,641</u>
Fund balance - end of year	<u>\$ 4,912,774</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

Net change in fund balances – total governmental funds (Statement E)	\$	676,133
<p>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:</p>		
Capital outlay	\$	3,474
Depreciation expense		<u>(92,907)</u>
		(89,433)
Net accrued compensated absences expensed		<u>(1,238)</u>
Change in net assets of governmental activities (Statement B)	\$	<u>585,462</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

INTRODUCTION

1. The Concordia Parish Library has been a component unit of the Concordia Parish Police Jury since its inception in 1954. Administration and accounting functions for funds of the Library were transferred from the Concordia Parish Police Jury to the Concordia Parish Library Board of Control effective July 1, 2005, by R.S. 25:215(b)(15).
2. The purpose of the Concordia Parish Library (the Library) is to provide library services to the citizens of Concordia Parish.
3. The Library consists of eight board members appointed by the Concordia Parish Police Jury. Members serve five year terms without pay.
4. The Library has four service outlets which include branches in Ferriday, Clayton, Vidalia, and one bookmobile.
5. The Library serves approximately 20,000 people.
6. The Library has six full-time and nine part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Concordia Parish Library have been prepared in conformity with 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Concordia Parish Police Jury, which holds the Library's corporate powers. For this reason, the Library is a component unit of the Concordia 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.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Library functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the Library's general activities. These 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 that may be used to finance future period programs or operations of the Library. The following is a description of the Library's fund:

General Fund

The primary operating fund of the Library and accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Library policy.

D. Measurement Focus/Basis of Accounting

Fund Equity

Beginning with fiscal year 2011, the Library implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting (continued)

- Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes)

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the Library strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the Library as a whole. These statements include all the financial activities of the Library. Information contained in these statements reflect 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 column labeled Statement of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Library's general revenues.

E. Budgets

The Library uses the following budget practices:

1. The Library Director prepares a proposed budget and submits same to the Library Board no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets (continued)

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Library Board.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets are adopted on a cash basis. Budget amounts are as originally adopted, or as amended from time to time by the Library Board.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Capital Assets

Capital assets are capitalized at historical cost. 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. These financial statements include capital assets acquired subsequent to December 31, 2004. All capital assets owned prior to January 1, 2005, are accounted for by the Concordia Parish Police Jury.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Furniture and fixtures	3-5 years
Vehicles	15 years

H. Compensated Absences

The Library has implemented GASB Statement Number 16 "Accounting for Compensated Absences." Under GASB Statement Number 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Compensated Absences (continued)

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes	8.5	8.5	2018

The following are the principal taxpayers and related ad valorem tax revenue for the Library:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Revenue for Library</u>
Catalyst Old River	Power Plant	\$ 39,103,470	29%	\$ 316,931
Union Underwear Co., Inc.	Warehouse	<u>13,608,990</u>	<u>10%</u>	<u>111,089</u>
Total		<u>\$ 52,712,460</u>	<u>39%</u>	<u>\$ 428,020</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2012, the Library has cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 62,297
Time deposits	<u>3,761,657</u>
Total	<u>\$ 3,823,954</u>

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2012, the Library has \$3,835,380 in deposits (collected bank balances). These deposits are secured from risk by \$765,380 of federal deposit insurance and \$4,083,042 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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 has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The receivables at December 31, 2012, are as follows:

<u>Class of Receivable</u>	<u>Total</u>
Ad valorem taxes	\$ 1,034,547
Accrued interest	41,677
State revenue sharing	<u>14,574</u>
Total	<u>\$ 1,090,798</u>

These accounts receivable are considered to be 100% collectible and no provision for bad debts has been made by the Library.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2012, is as follows:

	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/12</u>
Capital assets being depreciated				
Buildings	\$ 1,543,377	\$ -	\$ -	\$ 1,543,377
Bookmobile	94,952	-	-	94,952
Equipment	389,200	3,474	-	392,674
Construction in progress	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Total capital assets being depreciated	<u>\$ 2,042,529</u>	<u>\$ 3,474</u>	<u>\$ -</u>	<u>\$ 2,046,003</u>
Less accumulated depreciation:				
Buildings	\$ (167,197)	\$ (38,584)	\$ -	\$ (205,781)
Bookmobile	(43,825)	(6,330)	-	(50,155)
Equipment	<u>(204,905)</u>	<u>(47,993)</u>	<u>-</u>	<u>(252,898)</u>
Total accumulated depreciated	<u>\$ (415,927)</u>	<u>\$ (92,907)</u>	<u>\$ -</u>	<u>\$ (508,834)</u>
Total capital assets, net	<u>\$ 1,626,602</u>	<u>\$ (89,433)</u>	<u>\$ -</u>	<u>\$ 1,537,169</u>

NOTE 6 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The accounts, salaries, and other payables at December 31, 2012, are as follows:

Retirement payable	\$ 12,613
Payroll taxes payable	<u>4,681</u>
Total	<u>\$ 17,294</u>

NOTE 7 - PENSION PLAN

Plan Description. Substantially all employees of the Concordia 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.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7 - PENSION PLAN (continued)

All permanent employees working at least 28 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% 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.

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 benefit 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 financial 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, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (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 Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the year ending December 31, 2012, was \$32,519, equal to the required contributions for each year.

NOTE 8 - RISK MANAGEMENT

The Library is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The Library minimizes its losses by purchase of commercial insurance. The Library's exposure over the amount of insurance is considered to be immaterial.

**SECTION III
OTHER SUPPLEMENTAL INFORMATION**

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Differences Over/ (Under)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,066,117	\$ 1,066,117	\$ 1,089,110	\$ 22,993
Federal revenue sharing	3,000	3,000	3,976	976
State revenue sharing	35,000	35,000	29,902	(5,098)
Fines	700	700	996	296
Interest earned	33,000	40,000	48,218	8,218
Other revenue	7,350	15,800	33,085	17,285
Total revenues	<u>\$ 1,145,167</u>	<u>\$ 1,160,617</u>	<u>\$ 1,205,287</u>	<u>\$ 44,670</u>
EXPENDITURES				
General government	\$ 1,090,167	\$ 815,500	\$ 602,923	\$ 212,577
Capital outlay	55,000	15,000	3,474	11,526
Total expenditures	<u>\$ 1,145,167</u>	<u>\$ 830,500</u>	<u>\$ 606,397</u>	<u>\$ 224,103</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES				
	\$ -	\$ 330,117	\$ 598,890	\$ 268,773
Fund balance (cash basis)				
- beginning of year	<u>3,225,064</u>	<u>3,225,064</u>	<u>3,225,064</u>	<u>-</u>
Fund balance (cash basis) - end of year	<u>\$ 3,225,064</u>	<u>\$ 3,555,181</u>	<u>\$ 3,823,954</u>	<u>\$ 268,773</u>

See Independent Auditor's Report.

CONCORDIA PARISH LIBRARY
 (A Component Unit of the Concordia Parish Police Jury)
 FERRIDAY, LOUISIANA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major special revenue fund:

Net change in fund balance - budget basis	\$	598,890
Increase		
Net adjustments for revenue accruals		75,979
Net adjustments for expenditure accruals		<u>1,264</u>
Net change in fund balance - GAAP basis	\$	<u>676,133</u>

SECTION IV
REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
 OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

Board of Control
 Concordia Parish Library
 Ferriday, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Parish Library as of and for the year ended December 31, 2012, which collectively comprise the Concordia Parish Library's basic financial statements and have issued our report thereon dated April 19, 2013. 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 Concordia Parish Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Concordia Parish Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Concordia Parish 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 a 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 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 object 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 is required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management of the Concordia Parish Library, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Silas Simmons, LLP

Natchez, Mississippi
April 19, 2013

SECTION V
SCHEDULE OF FINDINGS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2012

Section I: Summary of Auditor's Reports

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to the primary government financial statements? | No |

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

CURRENT YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2012

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
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Section I - Internal Control and Compliance Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None