

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Financial Report

Year Ended December 31, 2010

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.

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INDEPENDENT AUDITORS' REPORT

Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the accompanying financial statements of the governmental activities and major fund of the Allen Parish Library, (the Library) a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Library's management. 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 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Allen Parish Library, as of December 31, 2010, and the respective changes in financial position thereof for the year 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 a report dated February 14, 2011 on our consideration of the Allen Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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.

The required supplementary information on page 25 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. Such information 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. The prior year comparative information on the required supplementary information has been derived from the Allen Parish Library's 2009 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Allen Parish Library has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
February 14, 2011

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Statement of Net Assets
December 31, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 480,073
Investments	247,990
Prepays	6,044
Due from other governmental units	813,676
Capital assets, net	<u>878,153</u>
Total assets	<u>2,425,936</u>
LIABILITIES	
Accounts, salaries and other payables	29,589
Long-term liabilities:	
Compensated absences	<u>2,325</u>
Total liabilities	<u>31,914</u>
NET ASSETS	
Invested in capital assets, net of related debt	878,153
Unrestricted	<u>1,515,869</u>
Total net assets	<u>\$ 2,394,022</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Statement of Activities
For the Year Ended December 31, 2010

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Culture and recreation	\$748,698	\$15,072	\$16,412	\$ (717,214)
Interest on long-term debt	<u>134</u>	-	-	<u>(134)</u>
Total governmental activities	<u>\$748,832</u>	<u>\$15,072</u>	<u>\$16,412</u>	<u>(717,348)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				790,966
State revenue sharing				67,861
Interest and investment earnings				1,208
Miscellaneous				<u>1,193</u>
Total general revenues				<u>861,228</u>
Change in net assets				143,880
Net assets - January 1, 2010				<u>2,250,142</u>
Net assets - December 31, 2010				<u>\$2,394,022</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Balance Sheet - Governmental Fund
December 31, 2010

	<u>General Fund</u>
ASSETS	
Cash	\$ 1,213
Interest-bearing deposits	478,860
Investments	247,990
Intergovernmental receivables	813,676
Prepaid insurance	<u>6,044</u>
 Total assets	 <u>\$1,547,783</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 11,095
Salaries payable	13,369
Accrued liabilities	<u>5,125</u>
Total liabilities	29,589
 Fund balance:	
Unreserved, undesignated	<u>1,518,194</u>
 Total liabilities and fund balance	 <u>\$1,547,783</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2010

Total fund balances for the governmental fund at December 31, 2010		\$ 1,518,194
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 10,500	
Building, net of \$183,360 accumulated depreciation	599,289	
Books, net of \$1,062,144 accumulated depreciation	158,252	
Furniture and fixtures, net of \$49,921 accumulated depreciation	356	
Equipment net of \$236,918 accumulated depreciation	<u>109,756</u>	878,153
Long-term liabilities at December 31, 2010:		
Compensated absences payable		<u>(2,325)</u>
Total net assets of governmental activities at December 31, 2010		<u>\$2,394,022</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Fund
For the Year Ended December 31, 2010

	<u>General Fund</u>
Revenues:	
Taxes - ad valorem	\$ 790,966
Intergovernmental	84,273
Miscellaneous	<u>17,473</u>
Total revenues	<u>892,712</u>
Expenditures:	
Culture and recreation	679,557
Debt service	229,307
Capital outlay	<u>117,225</u>
Total expenditures	<u>1,026,089</u>
Deficiency of revenues over expenditures	(133,377)
Fund balances, beginning	<u>1,651,571</u>
Fund balances, ending	<u>\$1,518,194</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2010

Total net changes in fund balances at December 31, 2010 per Statement of Revenues, Expenditures and Changes in Fund Balances			\$(133,377)
The change in net assets reported for governmental activities in the statement of activities is different because:			
Add: Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$117,225		
Less: Depreciation expense for the year ended December 31, 2010	<u>(96,066)</u>	21,159	
Add: Principal paid on long-term debt			226,276
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis			2,897
Add: Excess of compensated absences used over compensated absences earned			<u>26,925</u>
Total changes in net assets at December 31, 2010 per Statement of Activities			<u>\$ 143,880</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Allen Parish Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, the Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Allen Parish Library is a component unit of the Allen Parish Police Jury and was created under Louisiana Revised Statute 25:211. The Library operates under a Board of Control. Although the Parish does not provide financing, it does exercise some control over operations by virtue of the fact that it appoints the Board of Control. The purpose of the Library is to provide library facilities to residents within its boundaries.

This report includes the funds, which are controlled by or dependent on the Library executive and legislative branches (the Board of Control). Control by or dependence on the Library was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. Fund Accounting

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Library maintains one fund, which is categorized as a governmental fund. The major fund of the Library is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. Their funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

ALLEN PARISH LIBRARY
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Notes to Basic Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

E. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Library.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. 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 \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and improvements	40 years
Furniture, fixtures and equipment	5-10 years

Compensated Absences

Each full time employee earns eight (8) hours of sick leave per month, which can be accumulated up to sixty days. Employees who resign, retire or are dismissed from employment shall not be paid for any accrued sick leave.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

Vacation leave is earned as follows for each full time employee:

Director and professional staff with five year library degree	22 days
Professional staff with college degree and professional training and 18-33 hours of library science	
1 year to 5 years of service	10 days
5 years or more of service	15 days
Professional staff with college degree and less than 18 hours of library science	
1 to 10 years of service	10 days
10 years or more of service	15 days
Non-degree employees	
1 year to 15 years of service	10 days
15 years or more of service	15 days

Employees also earn compensated time for overtime hours worked. The compensated time may be used as time off in the future in lieu of overtime pay. Employees may accumulate and carry over vacation leave and compensated time.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

F. Revenues, Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character.

G. Budgetary Practices

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library's Director prepares a proposed budget and presents it to the Board of Control prior to ninety days before the beginning of each fiscal year.
2. After the proposed budget is presented to the Board of Control, the Board publishes the proposed budget and notifies the public that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held by the Board on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Board of Control.
5. No later than the last regular meeting of the fiscal year, the Board of Control adopts the annual operating budget for the ensuing fiscal year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budget appropriations lapse at year-end.

H. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 and expenditures during the reporting period. Actual results could differ from those estimates.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

1. Bad Debts

Uncollectible amounts due for ad valorem taxes and other revenues are recognized as bad debts at the time information becomes available which would indicate uncollectibility of the receivable. Although the specific charge - off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at December 31, 2010.

(2) Cash and Interest-Bearing Deposits

Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2010, the Library has cash and interest-bearing deposits (book balances) totaling \$480,073, as follows:

Demand deposits	\$ 1,213
Interest-bearing demand accounts	<u>478,860</u>
Total	<u>\$480,073</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Library's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, 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 bank. 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.

Deposit balances (bank balances) at December 31, 2010, are secured as follows:

Bank balances	<u>\$ 482,792</u>
Federal deposit insurance	251,213
Pledged securities	<u>231,579</u>
Total federal deposit insurance and pledged securities	<u>\$ 482,792</u>

Pledged securities in the amount of \$231,579 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Library's name. Even though the pledged securities are considered uncollateralized (Category 3), 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 has failed to pay deposited funds upon demand. The Library does not have a policy for custodial credit risk

ALLEN PARISH LIBRARY
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Notes to Basic Financial Statements (Continued)

(3) Investments

Investments in the amount of \$247,990 at December 31, 2010 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value of the Library's investment in LAMP is the same as the value of the pool shares. Normally, investments are required to be reported at fair value. For purposes of determining participants' shares, investments are valued at amortized cost. Investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. The fair value of the investment is not materially different from the reported amount. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

(4) Due from Other Governmental Units

Amounts due from other governmental units at December 31, 2010 consisted of the following:

Amount due from the Allen Parish Sheriff's Office for property taxes and related interest for the fiscal year ended December 31, 2010	\$790,966
Amount due from State of Louisiana for state revenue sharing payment for December 31, 2010	<u>22,710</u>
Total	<u>\$813,676</u>

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2010 is as follows:

	<u>Balance</u> 01/01/10	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/2010
Capital assets not being depreciated:				
Land	\$ 10,500	\$ -	\$ -	\$ 10,500
Other capital assets:				
Building	782,649	-	-	782,649
Books	1,164,004	56,392	-	1,220,396
Furniture and fixtures	50,277	-	-	50,277
Equipment	286,643	60,833	802	346,674
Total	<u>2,294,073</u>	<u>117,225</u>	<u>802</u>	<u>2,410,496</u>
Less accumulated depreciation:				
Building	163,721	19,639	-	183,360
Books	1,010,013	52,131	-	1,062,144
Furniture and fixtures	49,362	559	-	49,921
Equipment	213,983	23,737	802	236,918
Total	<u>1,437,079</u>	<u>96,066</u>	<u>802</u>	<u>1,532,343</u>
Net capital assets	<u>\$ 856,994</u>	<u>\$ 21,159</u>	<u>\$ -</u>	<u>\$ 878,153</u>

Depreciation expense of \$96,066 was charged to the culture and recreation function.

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at December 31, 2010:

Accounts	\$ 11,095
Salaries	13,369
Accrued liabilities	<u>5,125</u>
Total	<u>\$ 29,589</u>

ALLEN PARISH LIBRARY
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Notes to Basic Financial Statements (Continued)

(7) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Tax revenues are recognized in the year they are billed.

The taxes are based on assessed values determined by the Tax Assessor of Allen Parish and are collected by the Sheriff. The taxes are remitted to the Allen Parish Library net of deductions for Pension Fund Contributions.

For the year ended December 31, 2010, taxes of 10.81 mills were levied on property with net assessed valuations totaling \$73,169,820 and were dedicated to paying the administrative, operations and maintenance expenditures for the Library.

Total taxes levied during 2010 were \$790,966.

(8) Retirement Commitments

The Allen Parish Library participates in the Parochial Employees Retirement System of Louisiana, which is a cost-sharing, multiple-employer defined benefit public employee retirement system.

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898.

For the year ended December 31, 2010, plan members are required to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at the statutory rate of 12.75 percent of the annual covered payroll. The Library's contributions to the system for the year ended December 31, 2010, 2009, and 2008 were \$33,109, \$34,828 and \$21,226, respectively, equal to the required contribution for each year.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Board of Control

Non-commissioned members of the Allen Parish Library Board of Control at December 31, 2010 are as follows:

Linda Citizen Thompson
Kay Sonnier
Margaret Ann Osborn
Jane Anders
Ada Savoie
Ronald M. Craiger

Board members serve with no compensation.

(10) Risk Management

The Library is exposed to risks of loss in areas of general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(11) Changes in Long-Term Debt

The following is a summary of long-term debt transactions applicable to governmental activities of the Allen Parish Library for the year ended December 31, 2010:

	<u>Compensated Absences</u>	<u>Bonds Payable</u>	<u>Note Payable</u>	<u>Total</u>
Long-term debt, January 1, 2010	\$ 29,250	\$ 220,000	\$ 6,276	\$ 255,526
Additions	13,534	-	-	13,534
Retirements	<u>(40,459)</u>	<u>(220,000)</u>	<u>(6,276)</u>	<u>(266,735)</u>
Long-term debt, December 31, 2010	<u>\$ 2,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,325</u>

Compensated absences payable at December 31, 2010 are all long-term.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(12) Litigation

There was no litigation pending against the Allen Parish Library at December 31, 2010.

(13) Subsequent Event Review

The Allen Parish Library's management has evaluated subsequent events through February 14, 2011, the date which the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ALLEN PARISH LIBRARY
Oberlin, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2010
With Comparative Actual Amounts for the Year Ended December 31, 2009

	2010				
	Budget		Actual	Variance - Favorable (Unfavorable)	2009 Actual
	Original	Final			
Revenues:					
Taxes - ad valorem	\$ 720,000	\$ 753,431	\$ 790,966	\$ 37,535	\$ 790,618
Intergovernmental -					
State revenue sharing	68,277	67,955	67,861	(94)	68,105
State aid	18,912	18,912	13,656	(5,256)	18,912
State grants	-	-	2,756	2,756	7,412
Miscellaneous -					
Interest	1,100	585	1,208	623	1,973
Other sources	16,000	11,622	16,265	4,643	25,410
Total revenues	<u>824,289</u>	<u>852,505</u>	<u>892,712</u>	<u>40,207</u>	<u>912,430</u>
Expenditures:					
Current -					
Culture and recreation:					
Salaries and wages	341,506	341,506	340,236	1,270	328,306
Payroll taxes	11,876	11,876	11,832	44	11,065
Retirement contributions	33,233	33,233	33,109	124	34,828
Pension expense	25,108	25,108	25,015	93	-
Group insurance	31,851	31,851	31,733	118	33,119
Utilities and telephone	80,788	91,180	66,912	24,268	53,925
Professional fees	16,092	18,162	13,328	4,834	8,311
Advertising, dues and subscriptions	3,743	4,224	3,100	1,124	2,131
Building rentals	1,046	1,046	1,800	(754)	1,800
Equipment rentals	8,188	8,188	14,085	(5,897)	10,392
General insurance	19,171	21,637	15,878	5,759	21,386
Periodicals and subscriptions	9,256	9,503	11,123	(1,620)	7,066
Travel	12,374	13,966	10,249	3,717	6,782
Supplies	38,847	38,847	66,822	(27,975)	59,478
Repairs and maintenance	7,547	7,547	12,982	(5,435)	10,237
Bad debt expense	14,067	15,877	11,651	4,226	19,363
Book rentals	8,073	8,289	9,702	(1,413)	9,702
Total culture and recreation	<u>662,767</u>	<u>682,041</u>	<u>679,557</u>	<u>2,484</u>	<u>617,891</u>
Debt service:					
Principal retirement	56,276	226,276	226,276	-	50,000
Interest and fiscal charges	7,702	3,031	3,031	-	9,677
Total debt service	<u>63,978</u>	<u>229,307</u>	<u>229,307</u>	<u>-</u>	<u>59,677</u>
Capital outlay -					
Books	46,924	48,181	56,392	(8,211)	51,487
Equipment	50,620	51,976	60,833	(8,857)	16,796
Total capital outlay	<u>97,544</u>	<u>100,157</u>	<u>117,225</u>	<u>(17,068)</u>	<u>68,283</u>
Total expenditures	<u>824,289</u>	<u>1,011,505</u>	<u>1,026,089</u>	<u>(14,584)</u>	<u>745,851</u>
Deficiency of revenues over expenditures	-	(159,000)	(133,377)	(25,623)	166,579
Fund balance, beginning	<u>1,651,571</u>	<u>1,651,571</u>	<u>1,651,571</u>	<u>-</u>	<u>1,484,992</u>
Fund balance, ending	<u>\$1,651,571</u>	<u>\$1,492,571</u>	<u>\$1,518,194</u>	<u>\$ (25,623)</u>	<u>\$1,651,571</u>

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guioy, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Seif, CPA
Paul L. Delcambre, Jr. CPA
Wanda F. Arcement, CPA, CVA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA
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Jane R. Hebert, CPA

Retired:
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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
Allen Parish Library
Oberlin, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the Allen Parish Library (the Library), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements and have issued our report thereon dated February 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen 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 Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan that we consider to be significant deficiencies in internal control over financial reporting as items 10-1(IC) and 10-2(IC). A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance

As part of obtaining reasonable assurance about whether the Allen 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 objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The Allen Parish Library's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Library's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
February 14, 2011

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
For the Year Ended December 31, 2010

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/10) --					
<u>Internal Control:</u>					
10-1(IC) Unknown	Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.		No response is considered necessary.	Karen Teigen, Director	N/A
10-2(IC) 2007	The Library does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		The Library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Library to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Karen Teigen, Director	N/A
PRIOR YEAR (12/31/09) --					
<u>Internal Control:</u>					
09-1(IC) Unknown	Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Karen Teigen, Director	N/A
09-2(IC) 2007	The Library does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Library to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Karen Teigen, Director	N/A