

2010

RECEIVED  
LEGISLATIVE AUDITOR  
2010 JUN 28 AM 7:21

**WEST BATON ROUGE PARISH LIBRARY**  
**(A Component Unit of West Baton Rouge Parish Council)**  
**Port Allen, Louisiana**

**Annual Financial Statements**  
**As of and For the Year Ended December 31, 2009**

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

Release Date 7/21/10

**DONALD C. De VILLE**  
Certified Public Accountant  
7829 Bluebonnet Boulevard  
Baton Rouge, Louisiana 70810

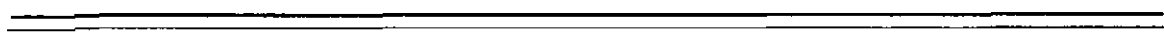


TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	4
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements:	
Statement of Net Assets	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet	9
Reconciliation of the Governmental Funds Balance Sheet To The Government-Wide Financial Statements of Net Assets	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to Financial Statements	13
<u>SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34</u>	
Budgetary Comparison Schedule - General Fund	32
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	33
Schedule of Prior Years Findings	35
Schedule of Current Year's Findings and Questioned Cost	36
Corrective Action Plan	37

*Certified Public Accountant*



*Donald C. DeVille*

Member  
American Institute CPAs

Member  
Louisiana Society CPAs

7829 BLUEBONNET BLVD.  
BATON ROUGE, LA 70810  
(225) 767-7829

REPORT OF INDEPENDENT ACCOUNTANT

April 16, 2010

To the Board of Directors  
West Baton Rouge Parish Library  
Port Allen, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Parish Library as of and for the year ended December 31, 2009, which collectively comprises the West Baton Rouge Parish Library basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Baton Rouge Parish Library management. My responsibility is to express an opinion of these basic financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Parish Library as of December 31, 2009, 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.

The budgetary comparison information on page 32 is not a required part of the basis financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

The West Baton Rouge Parish Library has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, I have also issued a report dated April 16, 2010, on our consideration of West Baton Rouge Parish Library internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in black ink, reading "Andrew C. Deville". The signature is written in a cursive style with a large initial 'A' and 'D'.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**GOVERNMENT WIDE STATEMENT OF NET ASSETS**

**WEST BATON ROUGE PARISH LIBRARY  
 PORT ALLEN, LOUISIANA  
 December 31, 2009**

	<b><u>GOVERNMENTAL ACTIVITIES</u></b>
<b>ASSETS:</b>	
Cash And Cash Equivalents	\$62,597
Investment-LAMP	781,016
Investment-Judge Landry	1,173,048
Taxes Receivable	1,198,178
Intergovernmental Receivable	30,278
Capital assets, net of accumulated depreciation	295,535
Total Assets	<u>3,540,652</u>
 <b>LIABILITIES AND NET ASSETS:</b>	
<b>LIABILITIES:</b>	
Payroll Taxes Payable	\$24,219
Compensated Absences Payable	8,393
Deferred Grants	6,902
Deferred Taxes	1,322,938
Net OPEB Obligation Payable	67,416
Total Liabilities	<u>1,429,868</u>
 <b>NET ASSETS:</b>	
Investment in Capital Assets, net of debt	295,535
Unreserved-Designated	1,097,860
Unreserved-Undesignated	717,389
Total Net Assets	<u>2,110,784</u>

The accompanying notes are an integral part of this statement.

**GOVERNMENT WIDE STATEMENT OF ACTIVITIES**

WEST BATON ROUGE PARISH LIBRARY  
 PORT ALLEN, LOUISIANA  
 For the Year Ended December 31, 2009

	Program Revenues			Net (Expenses) Revenues and Increases (Decreases) in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>				
Culture and Recreation				
SUPPORT SERVICES				
Library	\$1,196,475	\$7,900	\$20,585	\$0
Total Governmental Activities	1,196,475	7,900	20,585	(1,167,990)
General Revenues:				
Ad Valorem Taxes				1,182,504
State Revenue Sharing				48,834
Investment earnings				10,054
Other general revenues				926
Total general revenues and transfers				1,242,318
Change in Net Assets				74,328
Net assets-beginning				2,036,456
Net assets-ending				2,110,784

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**



**BALANCE SHEET  
GOVERNMENTAL FUND**

**WEST BATON ROUGE PARISH LIBRARY  
PORT ALLEN, LOUISIANA  
December 31, 2009**

**ASSETS:**

Cash And Cash Equivalents	\$62,597
Investment-LAMP	781,016
Investment-Judge Landry	1,173,048
Taxes Receivable	1,198,178
Intergovernmental Receivable	30,278
Total Assets	<u>3,245,117</u>

**LIABILITIES AND FUND BALANCES:**

**LIABILITIES:**

Payroll Taxes Payable	\$24,219
Compensated Absences Payable	8,393
Deferred Grants	6,902
Deferred Taxes	1,322,938
Total Liabilities	<u>1,362,452</u>

**FUND BALANCES:**

Unreserved-Designated	1,097,860
Unreserved-Undesignated	784,805
Total Fund Balances	<u>1,882,665</u>
Total Liabilities and Fund Balances	<u>3,245,117</u>

The accompanying notes are an integral part of this statement.

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS

WEST BATON ROUGE PARISH LIBRARY  
PORT ALLEN, LOUISIANA  
December 31, 2009

Amounts reported for governmental activities in the  
Statement of Net Assets are different because:

Total Governmental Fund Balance		\$1,882,665
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	\$844,179	
Less accumulated depreciation	<u>(548,644)</u>	295,535
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net other post-employment benefit obligations		<u>(67,416)</u>
Net Assets of Governmental Activities		<u><u>2,110,784</u></u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

**WEST BATON ROUGE PARISH LIBRARY  
 PORT ALLEN, LOUISIANA  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>GENERAL FUND</b>
<b>REVENUE</b>	
Ad Valorem Taxes	\$1,182,504
State Revenue Sharing	48,834
Other Grants	20,585
Fees, Fines and Charges	7,900
Investment Income	10,054
Gifts and Donations	258
Miscellaneous Income	668
Total Revenue	<u>1,270,803</u>
<b>EXPENDITURES</b>	
<b>PUBLIC SAFETY</b>	
Salaries	539,700
Fringe	152,918
Travel	1,941
Operating Services	194,321
Material and Supplies	29,813
Intergovernmental	41,474
Capital Outlay	127,652
Total Expenditures	<u>1,087,819</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	182,984
<b>FUND BALANCE, BEGINNING</b>	<u>1,699,681</u>
<b>FUND BALANCE, END</b>	<u><u>1,882,665</u></u>

The accompanying notes are an integral part of this statement.

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

WEST BATON ROUGE PARISH LIBRARY  
PORT ALLEN, LOUISIANA  
For The Year Ended December 31, 2008

Amounts reported for governmental activities in the  
statement of activities are different because:

Net Change in Fund Balances-Total Governmental Funds		\$182,984
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	\$7,283	
Less depreciation expense	<u>(48,523)</u>	(41,240)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds:		
Net other post-employment benefit obligations		<u>(67,416)</u>
Changes in Net Assets of Governmental Activities		<u>74,328</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Purpose of the Parish Library:**

The West Baton Rouge Parish Library (Library) was established by the parish governing authority under the provisions of Louisiana Revised Statutes 25:211.

The function and objective of the West Baton Rouge Parish Library is to provide the citizens of the Parish and the adjoining parishes, through reciprocal agreements, access to library books, materials, magazines, records, videos and other services for education, information and recreation.

The responsibility for the Library is vested in the Board of Control by the West Baton Rouge Parish Council. The Board of Control consist of eight members. Pursuant to the Library Law of Louisiana (Act 36 of 1926), no per diem shall be paid board members for attendance at board meetings.

The Library is located in the City of Port Allen, adjacent to the Parish Court House and Parish Council.

The 2000 census population of West Baton Rouge Parish was 20,446. The Library's 95,961 collection serves approximately 97,570 people annually with over 9,961 registrations. The Library employes approximately 11 full time and 7 part time people.

**Reporting Entity:**

The Library does not possess all the corporate powers to make it a legally separate entity and the West Baton Rouge Parish Council holds the Library's corporate powers. For this reason, the Library is a component unit of the West Baton Rouge Parish Council, 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 parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the Library as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model as defined by GASB Statement No. 34 the focus is either the Library as a whole or major individual funds (within the fund financial statements). The statement of activities demonstrates the degree to which the direct expenses of a given functional category (Public Safety) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational requirement of a particular function or activity, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.)

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement. The major governmental fund is the general fund. GASB Statement No. 34 sets forth minimum criteria (percentages of assets, liabilities, revenues, and expenditures / expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. There were no nonmajor funds.

The government-wide focus is more on the sustainable of the Library as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, by category, and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation.**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the propriety fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad Valorem taxes are recognized as revenues in the year for which they are collected.

Grants and similar items are recognized as revenue as soon as all eligibility requirement imposed by the provider have been met.

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 available if they are collected with 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Ad Valorem taxes are recognized under the susceptible to accrual concept. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance.

The following major funds are used by the Library in its governmental funds:

General Fund accounts for the Library's primary public safety and is the primary operating unit of the Library.

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

**Assets, Liabilities and Equity:**

**Cash and Investments**

Cash and cash equivalents includes demand deposits and money market accounts.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

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, or of any other state of the United States, or under the laws of the United States.

State statute authorizes the Library to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at their fair value.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

**Receivables**

Receivables consist of all revenues earned at year-end and not yet received.

**Capital Assets, Depreciation, and Amortization**

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 capitalized capital assets.

Capital assets are recorded in the Statement of Net Assets and the 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:

Equipment -	5 to 10 Years
-------------	---------------

**Compensated Absences**

The Library's recognition and measurement criteria for compensated absences follows:



**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

**Deferred Revenue:**

The Parish Library reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements.

Deferred Revenues arise when the Parish Library receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Parish Library has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**Fund Equity Classifications**

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - Consist 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.
2. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Use of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**Budgetary Information**

The Library uses the following budget practices:

1. Annually in the fall of each year the Library submits a proposed operating budget for the general fund prepared on the GAAP basis, to the Board of Directors' adoption.
2. The Budget is then submitted to the West Baton Rouge Parish Council who conducts public hearings on the budget, which must be adopted by December 15.

At year end, public notices affording the public the opportunity to participate in the budget process, appeared in the May issues of the West Side Journal, the official journal of the parish.

3. Budget 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 respective Board of Directors.
4. All unencumbered budget appropriations, lapse at the end of each fiscal year.

**Deferred Revenue:**

The Library reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred Revenues arise when the Library receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Library has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**1. Deferred Revenue:**

The Parish Library reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements.

Deferred Revenues arise when the Parish Library receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Parish Library has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**WEST BATON ROUGE PARISH LIBRARY**  
 (A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - REVENUE RECOGNITION**

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the Fund Financial Statements governmental using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore they are recorded as revenue in the period received.

**NOTE 3 - LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2009 follows:

<u>FUND</u>	<u>MILLS</u>	<u>EXPIRATION DATE</u>	<u>PROPERTY ASSESSED VALUATIONS</u>	<u>TAXES ASSESSED FOR GENERAL PURPOSES</u>
General Fund				
Library Tax	4.10	2015	\$349,289,280	\$1,277,522

The following are the principal taxpayers for the parish:

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>% OF TOTAL ASSESSED VALUATION</u>	<u>AD VALOREM TAX REVENUE FOR MUSEUM</u>
Dow Chemical Co	Chemicals	\$51,633,990	14.8%	\$189,074
Exxon Corporation	Oil Storage	35,224,210	10.1%	129,030
Placid Refining Co	Oil Refinery	17,981,590	5.1%	65,154
MGT Services, Inc	Service	13,414,000	3.8%	48,546
Cargill, Inc	Grain	9,197,550	2.6%	33,216
Totals		127,451,340	36.4%	465,020

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CASH**

At December 31, 2009, the West Baton Rouge Library had cash and cash equivalent (book balances) totaling \$62,597.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Custodial Credit Risk-Deposits.** At year-end the bank balance was \$66,662. Of the bank balances, \$109,615 was covered by federal depository insurance. \$-0- was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Library's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledge securities within 10 days of being notified by the library that the fiscal agent has failed to pay deposited funds upon demand.

**Interest Rate-Deposits.** The Library's policy does not address interest rate risk.

**NOTE 5 - INVESTMENTS**

As of December 31, 2009, the Library's had a total of \$1,954,064 invested in an external investment pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objectives of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes on securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

**WEST BATON ROUGE PARISH LIBRARY**  
 (A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

**Credit Risk:** LAMP is rated AAAM by Standard & Poor's.

**Custodial Credit Risk:** LAMP participant's investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

**Concentration of Credit Risk:** Pooled investments are excluded from the 5 percent disclosure requirement.

**Interest Rate Risk:** 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

**Foreign Currency Risk:** Not applicable to 2a7-like pools entities.

The dollar weight 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. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**NOTE 6 - RECEIVABLES AND PAYABLE**

A. A Summary of Receivables at year end follows:

<u>CLASS OF RECEIVABLES</u>	<u>GENERAL FUND</u>
Ad Valorem Taxes	\$1,173,048
State Shared Revenue	30,278
	<hr/>
Total	1,203,326
	<hr/> <hr/>

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

**NOTE 7 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended **December 31, 2009**, is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>12-31-08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-09</u>
Land	\$175,000	-0-	-0-	\$175,000
Equipment	547,226	7,283	-0-	554,509
Vehicles	114,670	-0-	-0-	114,670
Subtotal	<u>836,896</u>	<u>7,283</u>	<u>-0-</u>	<u>844,179</u>
Accumulated Depreciation:				
Equipment	422,024	39,379	-0-	461,403
Vehicles	78,097	9,144	-0-	87,241
Subtotal	<u>500,121</u>	<u>48,523</u>	<u>-0-</u>	<u>548,644</u>
Net Capital Assets	<u>336,775</u>	<u>(41,240)</u>	<u>-0-</u>	<u>295,535</u>

**NOTE 8 - DEFERRED REVENUE**

Deferred Taxes at year-end comprises of:

Deferred Ad Valorem Taxes	\$1,277,522
Deferred State Revenue Sharing	45,416

Total	<u>1,322,938</u>
-------	------------------

**WEST BATON ROUGE PARISH LIBRARY**  
 (A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

Deferred Grants at year-end comprises of:

Dow Community Mother Goose Cares about Math	\$435
Dow Takeout the Garbage and the Trash	4,010
Ezra Jack Keats Foundation	3
Horizon Milling/Cargill Grant	763
Viburnum-Mother Goose Grant	1,505
Dow Centennial Grant	186
Total	6,902

**NOTE 9 - PENSION PLAN AND RETIREMENT COMMITMENTS**

**Plan Description.**

Substantially all Parish Library's employees are members of the Parochial Employees' Retirement System of Louisiana ("System"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All employees of the Parish Library are members of Plan A. All permanent Parish Library employees working at least 28 hours a 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 credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for most employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental plan only service earned prior to 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 credited 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 by state statute.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

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 Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

**Funding Policy**

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Parish Library is required to contribute at an actuarially determined rate. The current rate is 12.25% of annual covered payroll. Contributions to the System also include one-fourth of 1 % of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. 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 Parish Library are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Parish Library's contributions to the System under Plan A for the years ended **December 31, 2009, 2008, and 2007,** were **\$58,328, \$54,711, and \$56,151,** respectively, equal to the required contributions for each year.

**NOTE 10. OTHER POST-RETIREMENT BENEFITS (OPEB)**

**Plan Description**

The West Baton Rouge Parish Library's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or age 67 and 7 years of service. Complete plan provisions are included in the official plan documents.

Life insurance coverage is continued to retirees and the blended rate for active employees and retirees is \$0.29 per \$1,000 of insurance plus an unblended rate of \$0.01 per \$1,000 for AD&D. The employer pays for life insurance after retirement but based on the blended rate. The life volume after retirement is reduced to 65%, 45%, 30%,



**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. OTHER POST-RETIREMENT BENEFITS (OPEB) (Continued)**

20%, and 15% at age 65, 70, 80 and 85, respectively. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the basic life rates so as to reproduce the composite blend rate overall as the rate structure to calculate the actuarial valuation result for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

**Contribution Rates**

Employees do not contribute to their post employee benefits cost until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Funding Policy**

Until 2009, the West Baton Rouge Parish Library recognized the cost of providing post-employment medical and life benefits (West Baton Rouge Parish Library's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2009, West Baton Rouge Parish Library's portion of health care funding cost for retired employees totaled \$15,737 and life insurance totaled \$77.

Effective with the Fiscal Year beginning January 1, 2009, West Baton Rouge Parish Library implemented Governmental Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (GASB 45).

**Annual Required Contributions**

West Baton Rouge Parish Library's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning January 1, 2009 is \$89,239 for medical, and \$991 for life, as set fourth below:

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. OTHER POST-RETIREMENT BENEFITS (OPEB) (Continued)**

	<u>Medical</u>	<u>Life</u>
Normal Cost	\$36,844	\$414
30 Year UAL amortization Amount	45,395	577
	82,239	991
	82,239	991

**Net Post-Employment Benefit Obligation (Asset)**

The table below shows West Baton Rouge Parish Library's Net Other Post-Employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2009:

	<u>Medical</u>	<u>Life</u>
Beginning Net OPEB Obligation	\$-0-	\$-0-
Annual Required Contribution	82,239	991
Interest on Net OPEB Obligation	-0-	-0-
ARC Adjustment	-0-	-0-
	82,239	991
OPEB Cost	82,239	991
Contribution	-0-	-0-
Current year retiree premium	(15,737)	(77)
	66,502	914
Change in Net OPEB Obligation	66,502	914
	66,502	91
Ending Net OPEB Obligation	66,502	91

The following table shows West Baton Rouge Library's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability (asset):

	Fiscal Year Ended	Annual OPEB Cost	% of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	12-31-09	\$82,239	19.14%	\$66,502
Life	12-31-09	\$991	7.77%	\$914

**WEST BATON ROUGE PARISH LIBRARY**  
 (A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. OTHER POST-RETIREMENT BENEFITS (OPEB)** (Continued)

**Funding Status and Funding Progress**

In the fiscal year ending December 31, 2009, West Baton Rouge Parish Library made no contributions to its post-employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of January 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$784,961 (medical) and \$9,947 (life), which is defined as that portion, as determined by a particular actuarial cost method (West Baton Rouge Parish Library uses the Unit Cost Method), of the Actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009, the entire actuarial accrued liability of \$784,961 (medical) and \$9,947 (life) was unfunded.

	<u>Medical</u>	<u>Life</u>
Actuarial Accrued Liability (AAL)	\$784,961	\$9,947
Actuarial Value of Plan Assets	-0-	-0-
Unfunded Act Accrued Liability (UAAL)	784,961	9,947
Funded Ratio (Act. Val. Asset/AAL)	0%	0%
Covered Payroll (active Plan Members)	\$447,388	\$447,388
UAAL as a Percentage of Payroll	175%	2%

**Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption) and (6) the period to which the costs apply (past current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by West Baton Rouge Parish Library and its employee plan members) at the time of the valuation and on the pattern of sharing costs between West Baton Rouge Parish Library and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the patterns of cost sharing between West Baton Rouge Parish Library and plan members in the future.

**WEST BATON ROUGE PARISH LIBRARY**  
 (A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. OTHER POST-RETIREMENT BENEFITS (OPEB) (Continued)**

Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and actuarial value of assets.

**Actuarial Cost Method**

The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

**Actuarial Value of Plan Assets**

Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

**Turnover Rate**

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

Age	Percent Turnover
18-25	20.0%
26-40	12.0%
41-54	8.0%
55+	6.0%

**Post-Employment Benefit Plan Eligibility Requirements**

Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P. The three years represents three years in the D.R.O.P. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Parochial Employee's Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Entitlement to benefits continue through Medicare to death.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. OTHER POST-RETIREMENT BENEFITS (OPEB)** (Continued)

**Investment Return Assumption (Discount Rate)**

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

**Health Care Cost Trend Rate**

The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003-2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percentage Change by Source of Funds: Selected Calendar Years 1990-2013, released in January 2004 by Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later. Zero trend has been assumed for valuing life insurance.

**Mortality Rate**

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have use 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

**Method of Determining Value of Benefits**

The "value of benefit" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for active and retired before Medicare as 130% of the blended rate and the "unblended" rates for retirees after Medicare as 80% of the blended rate, as required by GASB 45 for valuation purposes.

**WEST BATON ROUGE PARISH LIBRARY**  
(A Component Unit Of The West Baton Rouge Parish Council)  
**PORT ALLEN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - COMPENSATED ABSENCES**

At December 31, 2009, employees of the Parish Library have accumulated and vested \$8,393 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, all is recorded as an obligation of the General Fund.

**NOTE 12 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES**

There is no litigation pending against the Parish Library as of year-end. The Parish Library's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Parish Library's financial statements.

No claims were paid-out or litigation costs incurred during the year.

**NOTE 13 - LEASE OBLIGATIONS**

The Parish Library has no material operating or capital leases as of December 31, 2009.

**NOTE 14 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with the Law of Louisiana (Act 36 of 1926), no compensation is paid to any member of the Board of Control.

**NOTE 15 - ON-BEHALF PAYMENTS**

The West Baton Rouge Parish Council provides the Parish Library its building.

**NOTE 16 - RISK MANAGEMENT**

The Parish Library is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Parish Library has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Parish Library's coverages.

The Parish Library's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

**WEST BATON ROUGE PARISH LIBRARY  
PORT ALLEN, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>B U D G E T</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b> <b>(GAAP Basis)</b>	<b>Favorable</b> <b>(Unfavorable)</b>
<b>REVENUE</b>				
Ad Valorem Taxes	\$1,191,137	\$1,191,137	\$1,182,504	-\$8,633
State Revenue Sharing	45,000	45,000	48,834	3,834
Other Grants	30,972	30,972	20,585	(10,387)
Fees, Fines and Charges	7,000	7,000	7,900	900
Investment Income	21,000	21,000	10,054	(10,946)
Gifts and Donations	500	500	258	(242)
Miscellaneous Income	100	100	668	568
<b>Total Revenue</b>	<b>1,295,709</b>	<b>1,295,709</b>	<b>1,270,803</b>	<b>(24,906)</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
Salaries	577,193	577,193	539,700	37,493
Fringe	151,049	151,049	152,918	(1,869)
Travel	5,000	5,000	1,941	3,059
Operating Services	200,785	200,785	194,321	6,464
Material and Supplies	31,500	31,500	29,813	1,687
Intergovernmental	44,668	44,668	41,474	3,194
Capital Outlay	285,514	285,514	127,652	157,862
<b>Total Expenditures</b>	<b>1,295,709</b>	<b>1,295,709</b>	<b>1,087,819</b>	<b>207,890</b>
Excess of Revenues over (under) Expenditures	0	0	182,984	182,984
Fund Balance, Beginning	1,699,681	1,699,681	1,699,681	0
Fund Balance, Ending	1,699,681	1,699,681	1,882,665	182,984



*Certified Public Accountant*



*Donald C. DeVille*

Member  
American Institute CPAs

Member  
Louisiana Society CPAs

7829 BLUEBONNET BLVD.  
BATON ROUGE, LA 70810  
(225) 767-7829

**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**

April 16, 2010

To the Board of Directors  
West Baton Rouge Parish Library  
Port Allen, Louisiana

I have audited the financial statements of the governmental activities and each major fund, of West Baton Rouge Parish Library as of and for the year ended December 31, 2009, which comprise the West Baton Rouge Parish Library's financial statements and have issued my report thereon dated April 16, 2010. I conducted my 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 my audit, I considered West Baton Rouge Parish Library's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Baton Rouge Parish Library's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity'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 in a timely basis.

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned cost that I consider to be significant deficiency in internal control over financial reporting. (See Item #1)

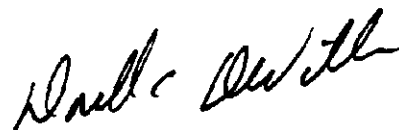
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is a less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether West Baton Rouge Parish Library's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclose 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 management, board members, and federal awarding agencies, pass-through entities, and state Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



WEST BATON ROUGE PARISH LIBRARY  
 (A Component Unit Of The West Baton Rouge Parish Library)  
PORT ALLEN, LOUISIANA  
SCHEDULE OF PRIOR YEARS AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2009

<u>REF</u> <u>NO.</u>	<u>FISCAL YEAR</u> <u>FINDING</u> <u>INITIALLY</u> <u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION TAKEN</u> <u>(YES, NO, PARTIALLY)</u>	<u>CORRECTIVE</u> <u>ACTION/PARTIAL</u> <u>CORRECTIVE</u> <u>ACTION TAKEN</u>
1.	12-31-07	Management lacks the qualifications and training to prepare its financial statements.	No	Due to the cost to hire a CPA is too great no corrective action is planned.

WEST BATON ROUGE PARISH LIBRARY  
(A Component Unit Of The West Baton Rouge Council)  
PORT ALLEN, LOUISIANA  
SCHEDULE OF CURRENT YEAR'S FINDINGS  
DECEMBER 31, 2009

**A. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unqualified

Material weakness(es) identified? None

Significant deficiency(ies) identified  
that are not considered to be  
material weaknesses? None

Noncompliance material to financial  
statements noted? No

Federal Awards - Not Applicable

There were no major programs.

No federal funds were used to pay audit cost.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

2009-1

Condition: The Organization's management lacks the qualifications and training to prepare its financial statements.

Criteria: SAS No. 112 defines this as a deficiency in the design of controls.

Cause: The Organization does not have a CPA on the Board of Directors or staff familiar with governmental accounting standards.

Effect: There is no material effect to the financial statements since the auditor prepared the financial statements.

Recommendation: Because the Organization is so small and the cost to benefit ratio is too great, I do not have a recommendation.

**C. MANAGEMENT LETTER**

WEST BATON ROUGE PARISH LIBRARY  
 (A Component Unit Of The West Baton Rouge Parish Library)  
PORT ALLEN, LOUISIANA  
CORRECTIVE ACTION PLAN  
DECEMBER 31, 2009

REF NO.	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	NAME OF CONTACT PERSON	ANTICIPATED COMPLETION DATE
1.	Manangement Lacks The Qualifications and Training To Prepare Their Financial Statements.	Cost To Benefit Does Not Justify The Hiring of Another CPA.	Beth Vandersteen	N/A