

**ALLEN PARISH LIBRARY**

Oberlin, Louisiana

Financial Report

Year Ended December 31, 2014

## TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	5
Statement of activities	6
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	8
Reconciliation of the governmental fund balance sheet to the statement of net position	9
Statement of revenues, expenditures, and changes in fund balance - governmental fund	10
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities	11
Notes to basic financial statements	12-25
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	27
 INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29-30
Summary schedule of current and prior year audit findings and management's corrective action plan	31

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Retired.  
Conrad O. Chapman, CPA\* 2008

## INDEPENDENT AUDITORS' REPORT

Board of Control  
Allen Parish Library  
Oberlin, Louisiana

### Report on the Financial Statements

We have audited the accompanying 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, 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Allen Parish Library, as of December 31, 2014, and the respective changes in financial position for the year then in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The prior year comparative information presented with the required supplementary information has been derived from the Allen Parish Library's 2013 financial statements, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Allen Parish Library has omitted management's discussion and analysis that, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2015, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

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

Oberlin, Louisiana  
June 2, 2015

**BASIC FINANCIAL STATEMENTS**

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

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Statement of Net Position  
December 31, 2014

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 590,197
Investments	200,033
Prepaid items	8,617
Due from other governmental units	960,545
Noncurrent assets:	
Land and construction in progress	108,516
Capital assets, net	<u>759,052</u>
Total assets	<u>2,626,960</u>
<b>LIABILITIES</b>	
Accounts, salaries and other payables	66,988
Long-term liabilities:	
Compensated absences	<u>25,663</u>
Total liabilities	<u>92,651</u>
<b>NET POSITION</b>	
Net investment in capital assets	867,568
Unrestricted	<u>1,666,741</u>
Total net position	<u>\$2,534,309</u>

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

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Statement of Activities  
December 31, 2014

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Culture and recreation	<u>\$ 931,873</u>	<u>\$ 9,512</u>	<u>\$ 22,866</u>	<u>\$ -</u>	\$ (899,495)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					956,461
State revenue sharing					57,837
Interest and investment earnings					250
Miscellaneous					<u>4,915</u>
Total general revenues					<u>1,019,463</u>
Change in net position					119,968
Net position - January 1, 2014					<u>2,414,341</u>
Net position - December 31, 2014					<u>\$2,534,309</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, 2014

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 590,197
Investments	200,033
Due from other governmental units	960,545
Prepaid items	<u>8,617</u>
Total assets	<u>\$1,759,392</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 50,407
Salaries payable	15,928
Accrued liabilities	<u>653</u>
Total liabilities	<u>66,988</u>
Deferred inflows of resources	
Unavailable revenue - delinquent ad valorem taxes	<u>24,562</u>
Fund balance:	
Nonspendable	8,617
Unassigned	<u>1,659,225</u>
Total fund balance	<u>1,667,842</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$1,759,392</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 Position  
December 31, 2014

Total fund balance for the governmental fund at December 31, 2014		\$1,667,842
Total net position reported for governmental activities in the statement of net position 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	
Construction in progress	98,016	
Building, net of \$261,509 accumulated depreciation	518,640	
Books, net of \$1,264,637 accumulated depreciation	139,691	
Furniture and fixtures, net of \$47,673 accumulated depreciation	2,746	
Equipment net of \$84,656 accumulated depreciation	<u>97,975</u>	867,568
Some of the Library's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		24,562
Long-term liabilities at December 31, 2014:		
Compensated absences payable		<u>(25,663)</u>
Total net position of governmental activities at December 31, 2014		<u>\$2,534,309</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 Balance -  
Governmental Fund  
For the Year Ended December 31, 2014

	<u>General Fund</u>
Revenues:	
Taxes - ad valorem	\$ 957,908
Intergovernmental	80,703
Miscellaneous	<u>14,677</u>
Total revenues	<u>1,053,288</u>
Expenditures:	
Culture and recreation	815,323
Capital outlay	<u>168,453</u>
Total expenditures	<u>983,776</u>
Excess of revenues over expenditures	69,512
Fund balances, beginning	<u>1,598,330</u>
Fund balances, ending	<u>\$ 1,667,842</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 Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2014

Total net changes in fund balance at December 31, 2014 per the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 69,512
The change in net position reported for governmental activities in the statement of activities is different because:		
Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 168,453	
Depreciation expense for the year ended December 31, 2014	(92,741)	
Loss on disposal of assets	<u>(14,397)</u>	61,315
Some of the Library's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		
Net change in unavailable revenues - Delinquent ad valorem taxes		(1,447)
Excess of compensated absences earned over compensated absences used		<u>(9,412)</u>
Total changes in net position at December 31, 2014 per Statement of Activities		<u>\$ 119,968</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. 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 position 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 non-exchange revenues.

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.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

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 position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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 position.

Basis of Accounting

In the government-wide statement of net position 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

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

Investments

Under State law, the Library may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Library may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost.

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 position. 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

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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.

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 year 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.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, a government is required to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. As of December 31, 2014 the Library had deferred inflows of resources totaling 24,562, which represented unavailable delinquent ad valorem tax revenue. There were no deferred outflows of resources as of December 31, 2014.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

- a. Net investment in capital assets – 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 – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be 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 amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board of Control. The Board of Control is the highest level of decision-making authority for the Allen Parish Library.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Board of Control. Under the Library's adopted policy, only the Library may assign amounts for specified purposes.

Unassigned – all other spendable amounts.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Library considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Library considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the Library has provided otherwise in its commitment or assignment actions.

As of December 31, 2014, fund balance is composed of the following:

	General Fund
Nonspendable - prepaid items	\$ 8,617
Unassigned	1,659,225
Total fund balance	\$1,667,842

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.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

4. 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.

I. 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, 2014.

(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, 2014, the Library has cash and interest-bearing deposits (book balances) totaling \$590,197, as follows:

Demand deposits	\$ 490,018
Time and savings deposits	<u>100,179</u>
Total	<u>\$ 590,197</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

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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, 2014, are secured as follows:

Bank balances	<u>\$ 615,368</u>
Federal deposit insurance	250,000
Pledged Securities	<u>365,368</u>
Total	<u>\$ 615,368</u>

Deposits in the amount of \$365,368 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution, its trust department or agent, but not in the Library's name (Category 3 deposits). 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.

(3) Investments

Investments in the amount of \$200,033 at December 31, 2014 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.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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, 2014 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, 2014	<u>\$ 960,545</u>
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(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2014 is as follows:

	Balance 01/01/14	Additions	Deletions	Balance 12/31/2014
Capital assets not being depreciated:				
Land	\$ 10,500	\$ -	\$ -	\$ 10,500
Construction in progress	-	98,016	-	98,016
Other capital assets:				
Building	782,649	-	2,500	780,149
Books	1,373,770	30,558	-	1,404,328
Furniture and fixtures	51,457	1,878	2,916	50,419
Equipment	419,660	38,001	275,030	182,631
Total	<u>2,638,036</u>	<u>168,453</u>	<u>280,446</u>	<u>2,526,043</u>
Less accumulated depreciation:				
Building	242,277	19,576	344	261,509
Books	1,215,495	49,142	-	1,264,637
Furniture and fixtures	50,424	165	2,916	47,673
Equipment	323,587	23,858	262,789	84,656
Total	<u>1,831,783</u>	<u>92,741</u>	<u>266,049</u>	<u>1,658,475</u>
Net capital assets	<u>\$ 806,253</u>	<u>\$ 75,712</u>	<u>\$ 14,397</u>	<u>\$ 867,568</u>

Depreciation expense of \$92,741 was charged to the culture and recreation function.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at December 31, 2014:

Accounts	\$ 50,407
Salaries	15,928
Accrued liabilities	<u>653</u>
Total	<u>\$ 66,988</u>

(7) Unavailable Revenues

Unavailable revenues are reported in governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At December 31, 2014, governmental funds' revenues that have been earned but are unavailable totaled \$24,562, which was comprised of delinquent ad valorem tax revenue.

(8) 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, 2014, taxes of 10.81 mills were levied on property with net assessed valuations totaling \$88,479,292 and were dedicated to paying the administrative, operations and maintenance expenditures for the Library.

Total taxes levied during 2014 were \$956,461.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(9) 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, 2014, 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 16 percent of the annual covered payroll. The Library's contributions to the system for the year ended December 31, 2014, 2013, and 2012 were \$57,778, \$50,289 and \$40,840, respectively, equal to the required contribution for each year.

(10) Compensation, Benefits, and Other Payments to Director

A detail of compensation, benefits, and other payments paid to Director Renee Grantham for the year ended December 31, 2014 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	55,962
Benefits - retirement	8,954
Dues	298
Reimbursements	1,860
Travel	693
Registration fees	1,105
Conference travel	1,682
Special meals	215
Other	50
	<u>\$ 70,819</u>

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Board of Control

Non-commissioned members of the Allen Parish Library Board of Control at December 31, 2014 are as follows:

Linda Citizen Thompson	Fran Jordan
Kay Sonnier	Ronald M. Craiger
Margaret Ann Osborn	Jon Strother
Jane Anders	Steven Sumbler

Board members serve with no compensation.

(12) 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, nor have settlements exceeded coverage for the past three years.

(13) 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, 2014:

	<u>Compensated Absences</u>
Long-term debt, January 1, 2013	\$ 16,251
Additions	19,684
Retirements	<u>(10,272)</u>
Long-term debt, December 31, 2014	<u>\$ 25,663</u>

Compensated absences payable at December 31, 2014 are all long-term.

(14) Litigation

There was no litigation pending against the Allen Parish Library at December 31, 2014.

ALLEN PARISH LIBRARY  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(15) Subsequent Events

In April 2015, the Allen Parish Police Jury issued \$1,500,000 of Limited Tax Library Revenue Bonds. Based upon an agreement between the Library and the Allen Parish Police Jury, the proceeds of the bonds will be utilized to fund renovations of two Library branches. The Library will fund the debt service of these bonds by transferring ad valorem tax revenue equal to the debt service payment on the bonds annually to the Police Jury.

(16) Subsequent Event Review

The Allen Parish Library's management has evaluated subsequent events through June 2, 2015, the date which the financial statements were available to be issued.

(17) New Accounting Pronouncements

In June, 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangement that meet the criteria established by this standard. The provisions of GASB Statement No. 68 must be implemented by the Library for the year ending December 31, 2015. The effect of implementation of this statement on the Library's financial statements has not yet been determined.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

ALLEN PARISH LIBRARY  
Oberlin, Louisiana  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2014  
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			Variance - Favorable (Unfavorable)	2013
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes - ad valorem	\$ 814,279	\$ 852,273	\$ 957,908	\$ 105,635	\$ 874,550
<b>Intergovernmental -</b>					
State revenue sharing	59,936	59,936	57,837	(2,099)	58,612
State aid	-	-	21,875	21,875	-
State grants	3,964	3,964	991	(2,973)	5,388
<b>Miscellaneous -</b>					
Interest	200	200	250	50	279
Other sources	11,000	11,000	14,427	3,427	16,483
<b>Total revenues</b>	<u>889,379</u>	<u>927,373</u>	<u>1,053,288</u>	<u>125,915</u>	<u>955,312</u>
<b>Expenditures:</b>					
<b>Current -</b>					
<b>Culture and recreation:</b>					
Salaries and wages	427,000	427,000	438,147	(11,147)	418,765
Payroll taxes	10,000	10,000	9,728	272	13,336
Retirement contributions	55,500	55,500	57,778	(2,278)	50,289
Pension expense	32,196	32,196	30,267	1,929	28,089
Group insurance	65,503	65,503	69,326	(3,823)	48,141
Utilities and telephone	56,000	56,000	54,213	1,787	65,387
Professional fees	8,500	8,500	9,340	(840)	9,398
Advertising, dues and subscriptions	2,000	2,000	2,924	(924)	1,973
Equipment rentals	6,975	6,975	11,496	(4,521)	12,877
Electronic resources	10,250	10,250	9,161	1,089	58,174
General insurance	19,000	19,000	18,575	425	25,364
Periodicals and subscriptions	3,961	3,961	5,073	(1,112)	5,715
Travel	9,530	11,530	15,918	(4,388)	10,156
Supplies	30,750	45,750	69,650	(23,900)	69,986
Repairs and maintenance	14,350	14,350	13,727	623	17,146
Book rentals	250	250	-	250	-
<b>Total culture and recreation</b>	<u>751,765</u>	<u>768,765</u>	<u>815,323</u>	<u>(46,558)</u>	<u>834,796</u>
<b>Capital outlay -</b>					
Books	33,000	33,000	30,558	2,442	60,836
Renovation projects	53,600	101,500	98,016	3,484	-
Equipment	51,014	41,108	39,879	1,229	32,115
<b>Total capital outlay</b>	<u>137,614</u>	<u>175,608</u>	<u>168,453</u>	<u>7,155</u>	<u>92,951</u>
<b>Total expenditures</b>	<u>889,379</u>	<u>944,373</u>	<u>983,776</u>	<u>(39,403)</u>	<u>927,747</u>
<b>Excess of revenues over expenditures</b>	-	(17,000)	69,512	86,512	27,565
Fund balance, beginning	<u>1,598,330</u>	<u>1,598,330</u>	<u>1,598,330</u>	-	<u>1,570,765</u>
Fund balance, ending	<u>\$1,598,330</u>	<u>\$1,581,330</u>	<u>\$1,667,842</u>	<u>\$ 86,512</u>	<u>\$1,598,330</u>

**INTERNAL CONTROL,  
COMPLIANCE, AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITORS' 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, in accordance with the 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated June 2, 2015.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Library's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency described in the accompanying summary schedule of current and prior year audit findings and management's correction action plan as #2014-001(IC) to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's correction action plan as #2014-002(IC) to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Allen Parish Library's Response to Findings**

The 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. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Oberlin, Louisiana  
June 2, 2015

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, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (12/31/14) --</u>						
<u>Internal Control:</u>						
2014-001(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.	Agnes Guillory, Director	N/A
2014-002(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 Library'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.	Agnes Guillory, Director	N/A
<u>PRIOR YEAR (12/31/13) --</u>						
<u>Internal Control:</u>						
2013-001(IC)	Unknown	Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.	No	See current year finding 2014-001(IC)		
2013-002(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 Library's financial transactions or preparing its financial statements, including the related notes.	No	See current year finding 2014-002(IC)		