

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

Pension benefit obligation	\$ 691,858,596
Net assets available	<u>(597,625,304)</u>
Unfunded pension benefit obligation	<u>\$ 94,233,292</u>

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report. The Library does not guarantee the benefits granted by the System.

(6) Board of Control

Non-commissioned members of the Allen Parish Library Board of Control at December 31, 1995 are as follows:

Linda Citizen Thompson
Barbara Conner
Minnie-Lou Lynch
Margaret Ann Osborn
John Stegall
R.E. Weatherford

Board members serve with no compensation.

(7) Litigation and Claims

There were no litigation or claims pending against the Allen Parish Library at December 31, 1995.

(8) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Allen Parish Library for the year ended December 31, 1995:

Compensated absences payable, January 1, 1995	\$12,263
Additions	9,579
Retirements	<u>(6,891)</u>
Compensated absences payable, December 31, 1995	<u>\$14,951</u>

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

(9) Operating Leases

The Allen Parish Library leases copiers and other equipment under operating leases expiring at various times. During the year ended December 31, 1995, rental expense under all operating leases totaled \$5,214.

Minimum future rentals, payments under operating leases having remaining terms in excess of one year as of December 31, 1995 are as follows:

Year Ended
December 31,

1996	\$4,671
1997	3,684
1998	<u>798</u>
Total minimum future rental payments	<u>\$9,153</u>

INTERNAL CONTROL AND
COMPLIANCE

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

Offices:

E. Larry Sikes, CPA
C. Burton Kolder, CPA
Danny P. Frederick, CPA
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Clayton E. Darnall, CPA
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P. Troy Courville, CPA
Stephen R. Dischler, MBA, CPA

125 Rue Boaugard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

113 East Bridge Street
Breaux Bridge, LA 70517
(318) 332-4020

404 Pere Megret
Abbeville, LA 70510
(318) 893-5470

1231 E. Laurel Avenue
Eunice, LA 70535
(318) 457-4146

2011 MacArthur Drive
Building 1
Alexandria, LA 71301
(318) 445-5564

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Parish Library, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and 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 general purpose financial statements are free of material misstatement.

The management of the Allen Parish Library is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Allen Parish Library, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose

of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as described above. We believe the reportable condition described above is a material weakness.

This report is intended for the information of management and the Allen Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 23, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

125 Rue Beauregard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

113 East Bridge Street
Breaux Bridge, LA 70517
(318) 332-4020

404 Pere Megret
Abbeville, LA 70510
(318) 893-5470

1231 E. Laurel Avenue
Eunice, LA 70535
(318) 457-4146

2011 MacArthur Drive
Building 1
Alexandria, LA 71301
(318) 445-5564

Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Parish Library, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Allen Parish Library is the responsibility of the Board of Control. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Library's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failure to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from these failures or violations is material to the general purpose financial statements. The results of our tests disclosed the following material instance of noncompliance that is required to be reported under Government Auditing Standards:

Noncompliance with Accounting, Auditing and Financial Reporting Laws

Finding:

Louisiana Revised Statute 24:513 requires that an audit performed by a licensed certified public accountant be completed within six months of the close of the Library's fiscal year. The Library did not submit its audited financial statement timely.

Recommendation:

The Library should engage a licensed certified public accountant in sufficient time to complete the annual audit within six months of the close of its fiscal year.

Response:

The management of the Allen Parish Library intends to comply with Louisiana Revised Statute 24:513 and complete its annual audit within six months of the close of the fiscal year.

We considered this material instance of noncompliance in forming our opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated June 23, 1996 on those financial statements.

This report is intended for the information of management and the Allen Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 23, 1996

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

125 Rue Beauregard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

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Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Parish Library, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended December 31, 1995, we considered the internal control structure of the Allen Parish Library in order to determine our auditing procedures for the purpose of expressing our opinion on the Library's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated June 23, 1996.

The management of the Allen Parish Library is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed

in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

Revenues and cash receipts
Purchases and cash disbursements
Payroll

Administrative Controls

<u>General Requirements</u>	<u>Specific Requirements</u>
Political activity Civil rights Cash management Federal financial reports Drug-free Workplace Act	Types of services allowed or not allowed

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the Allen Parish Library, had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under the following nonmajor federal financial assistance program:

U. S. Department of Health and Human Services
Job Opportunities and Basic Skills Training

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for reimbursements that are applicable to the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted no matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design

or operation of the internal control structure that, in our judgment, could adversely affect the Library's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Allen Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
June 23, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

125 Rue Beaugard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

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2011 MacArthur Drive
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Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Parish Library, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 23, 1996.

We have applied procedures to test the Allen Parish Library's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995:

General Requirements

Political activity
Civil rights
Cash management
Federal financial reports
Drug-free Workplace Act

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Allen Parish Library's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Allen Parish Library had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management and the Allen Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
June 23, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

125 Rue Beauregard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
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408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

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Board of Control
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Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Parish Library, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 23, 1996.

In connection with our audit of the general purpose financial statements of the Allen Parish Library, and with our consideration of the Allen Parish Library's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to the Job Opportunities and Basic Skills Training nonmajor federal financial assistance program for the year ended December 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Allen Parish Library's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Allen Parish Library had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management and the Allen Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

125 Rue Beauregard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

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Ville Platte, LA 70586
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Board of Control
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We have audited the general purpose financial statements of the Allen Parish Library, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 23, 1996. These general purpose financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Allen Parish Library, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
June 23, 1996

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Schedule of Federal Financial Assistance
Year Ended December 31, 1995

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Grant Funds Earned</u>	<u>Expended This Year</u>
<u>Nonmajor Federal Assistance Program</u>				
U. S. Department of Health and Human Services: Passed through the Office of Family Support	93.561	-	<u>\$56,620</u>	<u>\$56,620</u>

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ALLEN PARISH LIBRARY
Oberlin, Louisiana

Financial Report

Year Ended December 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 7-24-96

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Eugene H. Darnall, III, CPA
Russell F. Champagne, CPA
Victor R. Slaven, CPA
Conrad O. Chapman, CPA

RETIREE

Eugene H. Darnall, CPA 1990

Lloyd F. Dore, Jr. CPA
Paula D. Birm, CPA
Christine L. Cousin, CPA
Stephanie M. Higginbotham, CPA
Kathleen T. Darnall, CPA
Jennifer S. Ziegler, CPA
P. Troy Courville, CPA
Stephen R. Dischler, MBA, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the accompanying general purpose financial statements of the Allen Parish Library, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Allen Parish Library as of December 31, 1995 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 23, 1996 on our consideration of the Allen Parish Library's internal control structure and a report dated June 23, 1996 on its compliance with laws and regulations.

Darnall, Sikes, Kolder, Frederick & Rainey

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 23, 1996

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Combined Balance Sheet - Governmental Fund Type and Account Groups
December 31, 1995

	Governmental Fund Type <u>General Fund</u>	Account Groups		Total (Memorandum Only)
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
ASSETS AND OTHER DEBITS				
Cash	\$ 247	\$ -	\$ -	\$ 247
Interest - bearing deposits	109,181	-	-	109,181
Ad valorem taxes receivable	386,847	-	-	386,847
Intergovernmental receivables:				
State revenue sharing	21,594	-	-	21,594
Grants	2,858	-	-	2,858
Library, land, building, equipment and books	-	1,070,853	-	1,070,853
Amount to be provided for retirement of general long-term debt	-	-	14,951	14,951
Total assets and other debits	<u>\$520,727</u>	<u>\$1,070,853</u>	<u>\$14,951</u>	<u>\$1,606,531</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 6,674	\$ -	\$ -	\$ 6,674
Accrued payables	6,899	-	-	6,899
Salaries payable	9,576	-	-	9,576
Compensated absences payable	-	-	14,951	14,951
Total liabilities	<u>23,149</u>	<u>-</u>	<u>14,951</u>	<u>38,100</u>
Fund equity:				
Investment in general fixed assets	-	1,070,853	-	1,070,853
Fund balance - unreserved, undesignated	497,578	-	-	497,578
Total fund equity	<u>497,578</u>	<u>1,070,853</u>	<u>-</u>	<u>1,568,431</u>
Total liabilities and fund equity	<u>\$520,727</u>	<u>\$1,070,853</u>	<u>\$14,951</u>	<u>\$1,606,531</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget
(GAAP Basis) and Actual - General Fund
Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes - ad valorem	\$368,712	\$396,933	\$ 28,221
Intergovernmental -			
State revenue sharing	10,711	32,391	21,680
Federal grant	52,040	56,620	4,580
State grant	19,247	21,091	1,844
Miscellaneous -			
Interest	6,012	6,106	94
Other sources	<u>13,960</u>	<u>15,851</u>	<u>1,891</u>
Total revenues	<u>470,682</u>	<u>528,992</u>	<u>58,310</u>
Expenditures:			
Current -			
Culture and recreation:			
Salaries and wages	240,673	239,530	1,143
Retirement contributions	17,627	17,543	84
Group insurance	11,898	11,842	56
Utilities and telephone	27,538	23,498	4,040
Professional fees	7,145	6,096	1,049
Advertising, dues and subscriptions	6,731	5,743	988
Building rentals	4,969	4,240	729
Equipment rentals	6,111	5,214	897
General insurance	11,006	9,673	1,333
Periodicals and subscriptions	7,460	8,949	(1,489)
Travel	12,000	9,725	2,275
Supplies	25,925	30,198	(4,273)
Repairs and maintenance	<u>8,122</u>	<u>6,932</u>	<u>1,190</u>
Total culture and recreation	<u>387,205</u>	<u>379,183</u>	<u>8,022</u>
Capital outlay -			
Books	40,043	48,034	(7,991)
Equipment	<u>40,282</u>	<u>48,320</u>	<u>(8,038)</u>
Total capital outlay	<u>80,325</u>	<u>96,354</u>	<u>(16,029)</u>
Total expenditures	<u>467,530</u>	<u>475,537</u>	<u>(8,007)</u>

(continued)

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

G. Compensated Absences

Each full time employee earns eight (8) hours of sick leave per month which can be accumulated indefinitely. Employees who resign, retire or who 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	1 month
Other employees-	
15 years or more of service	3 weeks
1 year to 15 years of service	2 weeks

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. The liability for these items has been recorded in the General Long-Term Debt Account Group.

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Library as an extension of formal budgetary integration in the funds.

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, 1995.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

J. Memorandum Only - Total Column

The total column on the Combined Balance Sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(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, 1995, the Library has cash and interest-bearing deposits (book balances) totaling \$109,428, as follows:

Demand deposits	\$ 247
Interest-bearing demand accounts	<u>109,181</u>
Total	<u>\$109,428</u>

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 bank. Deposit balances (bank balances) at December 31, 1995, are secured as follows:

Bank balances	\$112,326
Federal deposit insurance	\$112,326
Pledged securities (Category 3)	<u>-</u>
Total	<u>\$112,326</u>

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Library's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

(3) Ad Valorem Taxes

Ad valorem taxes attach as a 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, 1995, taxes of 8.76 mills were levied on property with net assessed valuations totaling \$45,432,540 and were dedicated to paying the administrative, operative and maintenance expenditures for the Library.

Total taxes levied during 1995 were \$397,611. Taxes receivable at December 31, 1995 amounted to \$386,847.

(4) General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>January 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 1995</u>
Land	\$ 10,500	\$ -	\$ -	\$ 10,500
Books	642,604	48,034	15,155	675,483
Buildings	139,357	-	-	139,357
Equipment	155,689	48,321	63,689	140,321
Furniture and fixtures	<u>105,192</u>	<u>-</u>	<u>-</u>	<u>105,192</u>
 Total	 <u>\$1,053,342</u>	 <u>\$96,355</u>	 <u>\$78,844</u>	 <u>\$1,070,853</u>

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

(5) Retirement Commitments

Substantially all full-time employees of the Allen Parish Library participate in the Parochial Employees' Retirement System of Louisiana (Plan A). This system is a multiple-employer public retirement system (PERS) and is controlled and administered by a separate board of trustees. Pertinent information relative to this plan follows:

Summary of benefits -

Members with ten years of creditable service may retire at age 60; members with 25 years of service may retire at age 55; members with 30 years of service may retire regardless of age. The retirement allowance is equal to three percent of the member's final compensation, multiplied by his years of creditable service; however, any employee who was a member of the supplemental plan only prior to the revision date has the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of member's final salary or the final compensation.

Contributions -

Contributions to the Parochial Employees' Retirement System requires covered employees to contribute 9.50 percent of their salaries to the System. The System requires an employer contribution equal to 8.00 percent of each covered member's salary.

Although contributions are determined by state statute rather than actuarial calculations, actuarially required contributions are determined for the System. The following actuarial and payroll information relating to the previously described System and to the Allen Parish Library is presented below.

Retirement System:

Annual payroll of covered employees of the system \$ 250,437,323

Systems' total actuarially required contribution from
all sources (dedicated taxes, employees, and employers) -

Dollar amount 43,753,287

Percent of covered members' payroll 17.47%

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

Amount estimated to be provided by dedicated taxes -	
Dollar amount	2,484,390
Percent of covered members' payroll	<u>5.67%</u>
Total actuarially required contribution for both employees and employers after deducting dedicated taxes -	
Dollar amount	41,268,897
Percent of covered members' payroll	<u>16.47%</u>
Allen Parish Library:	
Total payroll for employees covered by the System	<u>159,736</u>
Total payroll of all employees	<u>236,572</u>
Statutorily required contribution -	
Employer	12,779
Employees	<u>15,174</u>
Total statutorily required contribution	<u>\$ 27,953</u>
Actuarially required contribution -	
Employer and employees	\$ 27,905
As a percent of all participating employers and employees	<u>.06%</u>
Actual contributions made to the System -	
Employer	12,779
Employees	<u>15,174</u>
Total actual contributions	<u>\$ 27,953</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole, determined through actuarial valuation, follows: