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ALLEN PARISH LIBRARY
Oberlin, Louisiana

Financial Report

Year Ended December 31, 2003

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

Release Date 8.25.04

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INDEPENDENT AUDITORS' REPORT

Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the accompanying financial statements of the governmental activities and major funds 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, 2003, which collectively comprise the Library's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and major funds of the Allen Parish Library, as of December 31, 2003, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 9, 2004, on our consideration of the Allen Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on page 25 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the other required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of The Allen Parish Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Oberlin, Louisiana
June 9, 2004

BASIC FINANCIAL STATEMENTS

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Statement of Net Assets
December 31, 2003

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 425,220
Investments	208,891
Due from other governmental units	715,628
Capital assets, net	<u>503,044</u>
 Total assets	 <u>1,852,783</u>
LIABILITIES	
Accounts, salaries and other payables	80,806
Interest payable	5,596
Long-term liabilities:	
Due within one year	56,525
Due in more than one year	<u>479,382</u>
 Total liabilities	 <u>622,309</u>
NET ASSETS	
Invested in capital assets, net of related debt	291,214
Unrestricted	<u>939,260</u>
 Total net assets	 <u>\$1,230,474</u>

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Statement of Activities
For the Year Ended December 31, 2003

	Activities		Program Revenues		Net (Expense) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental activities:					
Culture and recreation	\$ 593,284	\$ 2,895	\$ 37,660		\$ (552,729)
Interest on long-term debt	14,215	-	-		(14,215)
Total governmental activities	<u>\$ 607,499</u>	<u>\$ 2,895</u>	<u>\$ 37,660</u>		<u>(566,944)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes				664,217	
State revenue sharing				53,711	
Interest and investment earnings				8,081	
Miscellaneous				<u>9,759</u>	
Total general revenues				735,768	
Change in net assets					168,824
Net assets - January 1, 2003					<u>1,061,650</u>
Net assets - December 31, 2003					<u>\$ 1,230,474</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 Funds
December 31, 2003
With Comparative Totals December 31, 2002

	<u>General</u>	<u>Capital Projects</u>	<u>Totals</u>	
			<u>2003</u>	<u>2002</u>
ASSETS				
Cash	\$ 767	\$ 344,466	\$ 345,233	\$ 892
Interest-bearing deposits	79,987	-	79,987	144,058
Investments	208,891	-	208,891	106,920
Ad valorem taxes receivable	683,663	-	683,663	546,680
Intergovernmental receivables:				
State revenue sharing	17,904	-	17,904	18,003
Police Jury	-	-	-	27,059
State grants	<u>14,061</u>	<u>-</u>	<u>14,061</u>	<u>1,938</u>
Total assets	<u>\$1,005,273</u>	<u>\$344,466</u>	<u>\$1,349,739</u>	<u>\$845,550</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 12,064	\$ 1,585	\$ 13,649	\$ 26,429
Contracts payable	-	39,070	39,070	-
Retainage payable	-	15,641	15,641	-
Salaries payable	<u>12,446</u>	<u>-</u>	<u>12,446</u>	<u>12,077</u>
Total liabilities	<u>24,510</u>	<u>56,296</u>	<u>80,806</u>	<u>38,506</u>
Fund balances:				
Reserved for capital improvements	-	288,170	288,170	-
Unreserved, undesignated	<u>980,763</u>	<u>-</u>	<u>980,763</u>	<u>807,044</u>
Total fund balances	<u>980,763</u>	<u>288,170</u>	<u>1,268,933</u>	<u>807,044</u>
Total liabilities and fund balances	<u>\$1,005,273</u>	<u>\$344,466</u>	<u>\$1,349,739</u>	<u>\$845,550</u>

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2003

Total fund balances for the governmental funds at December 31, 2003		\$1,268,933
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	\$ 251,732	
Buildings, net of \$66,572 accumulated depreciation	77,630	
Books, net of \$702,008 accumulated depreciation	153,469	
Equipment net of \$95,996 accumulated depreciation	20,213	
Furniture and fixtures, net of \$46,361 accumulated depreciation	<u>-</u>	503,044
Long-term liabilities at December 31, 2003:		
Bonds payable	\$(500,000)	
Accrued interest payable	(5,596)	
Compensated absences payable	<u>(35,907)</u>	<u>(541,503)</u>
Total net assets of governmental activities at December 31, 2003		<u>\$1,230,474</u>

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended December 31, 2003
With Comparative Totals for the Year Ended December 31, 2002

	<u>General</u>	<u>Capital Projects</u>	<u>Totals</u>	
			<u>2003</u>	<u>2002</u>
Revenues:				
Taxes - ad valorem	\$ 664,217	\$ -	\$ 664,217	\$ 551,692
Intergovernmental	91,371	-	91,371	99,444
Miscellaneous	<u>18,167</u>	<u>2,568</u>	<u>20,735</u>	<u>21,171</u>
Total revenues	<u>773,755</u>	<u>2,568</u>	<u>776,323</u>	<u>672,307</u>
Expenditures:				
Culture and recreation	523,567	-	523,567	523,116
Debt service	8,394	225	8,619	-
Capital outlay	<u>68,075</u>	<u>214,173</u>	<u>282,248</u>	<u>80,940</u>
Total expenditures	<u>600,036</u>	<u>214,398</u>	<u>814,434</u>	<u>604,056</u>
Excess (deficiency) of revenues over expenditures	<u>173,719</u>	<u>(211,830)</u>	<u>(38,111)</u>	<u>68,251</u>
Other financing sources:				
Proceeds from the issuance of debt	-	500,000	500,000	-
Transfer from primary government	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,059</u>
Total other financing sources	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>27,059</u>
Excess of revenues and other sources over expenditures	173,719	288,170	461,889	95,310
Fund balance, beginning	<u>807,044</u>	<u>-</u>	<u>807,044</u>	<u>711,734</u>
Fund balance, ending	<u>\$ 980,763</u>	<u>\$ 288,170</u>	<u>\$ 1,268,933</u>	<u>\$ 807,044</u>

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2003

Total net changes in fund balances at December 31, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 461,889
The change in net assets reported for governmental activities in the statement of activities is different because:	
Add: Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	282,248
Less: Depreciation expense for the year ended December 31, 2003	(63,666)
Less: Proceeds from the issuance of debt	(500,000)
Less: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	(5,596)
Less: Excess of compensated absences earned over compensated absences used	<u>(6,051)</u>
Total changes in net assets at December 31, 2003 per Statement of Activities	<u>\$ 168,824</u>

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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

C. Fund Accounting

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

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

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

The major funds of the Library are described below:

Governmental Funds -

General Fund

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

Capital Projects Fund

The Capital Projects Fund is used to account for the proceeds and expenditure of the 2003 Certificates of Indebtedness, which is being used for Library building improvements.

D. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

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

E. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

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

Compensated Absences

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

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

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.

Equity Classifications

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

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

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

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.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

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 requires a majority vote of the Board of Control.
5. No later than the last regular meeting of the fiscal year, the Board of Control adopts the annual operating budget for the ensuing fiscal year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budget appropriations lapse at year-end.

H. Use of Estimates

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

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, 2003.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

(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, 2003, the Library has cash and interest-bearing deposits (book balances) totaling \$425,220, as follows:

Demand deposits	\$ 767
Interest-bearing demand and savings accounts	<u>424,453</u>
Total	<u>\$425,220</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, 2003, are secured as follows:

Bank balances	<u>\$ 425,079</u>
Federal deposit insurance	100,000
Pledged securities (Category 3)	<u>325,079</u>
Total federal deposit insurance and pledged securities	<u>\$ 425,079</u>

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.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

(3) Investments

Investments in the amount of \$208,891 at December 31, 2003 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.164 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. For purposes of determining participants' shares, investments are valued at amortized cost. 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, 2003 consisted of the following:

General Fund:

Amount due from the Allen Parish Sheriff's Office for property taxes and related interest and state revenue sharing. \$ 701,567

Amount due from the State Library of Louisiana. 14,061
\$ 715,628

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2003 is as follows:

	<u>Balance</u> 01/01/03	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/2003
Capital assets not being depreciated:				
Land	\$ 10,500	\$ -	\$ -	\$ 10,500
Construction in progress	27,059	214,173	-	241,232
Other capital assets:				
Building	140,677	3,525	-	144,202
Books	793,165	62,312	-	855,477
Furniture and fixtures	46,361	-	-	46,361
Equipment	113,971	2,238	-	116,209
Total	<u>1,131,733</u>	<u>282,248</u>	<u>-</u>	<u>1,413,981</u>
 Less accumulated depreciation:				
Building	63,023	3,549	-	66,572
Books	652,662	49,346	-	702,008
Furniture and fixtures	46,361	-	-	46,361
Equipment	85,225	10,771	-	95,996
Total	<u>847,271</u>	<u>63,666</u>	<u>-</u>	<u>910,937</u>
 Net capital assets	 <u>\$ 284,462</u>	 <u>\$ 218,582</u>	 <u>\$ -</u>	 <u>\$ 503,044</u>

Depreciation expense of \$63,666 was charged to the culture and recreation function.

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at December 31, 2003:

Accounts	\$ 13,649
Contracts	39,070
Retainages	15,641
Salaries	<u>12,446</u>
 Totals	 <u>\$ 80,806</u>

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

(7) Ad Valorem Taxes

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

Tax revenues are recognized in the year they are billed.

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

For the year ended December 31, 2003, taxes of 10.76 mills were levied on property with net assessed valuations totaling \$63,537,120 and were dedicated to paying the administrative, operations and maintenance expenditures for the Library.

Total taxes levied during 2003 were \$683,663. Taxes receivable at December 31, 2003 amounted to \$683,663.

(8) Retirement Commitments

The Allen Parish Library participates in the Parochial Employees Retirement System of Louisiana, a cost-sharing multiple-employer, and 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.

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 7.75 percent of the annual covered payroll. The Library's contributions to the system for the year ended December 31, 2003 and 2002 were \$17,436 and \$17,019, respectively, equal to the required contribution for each year.

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

(9) Board of Control

Non-commissioned members of the Allen Parish Library Board of Control at December 31, 2003 are as follows:

Linda Citizen Thompson
Romona Bruce
Minnie-Lou Lynch
Margaret Ann Osborn
Ron Craiger
Jane Anders

Board members serve with no compensation.

(10) Risk Management

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

(11) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Allen Parish Library for the year ended December 31, 2003:

	Compensated Absences	Bonds Payable
Long-term debt, January 1, 2003	\$ 29,856	\$ -
Additions	17,098	500,000
Retirements	<u>(11,047)</u>	<u>-</u>
Long-term debt, December 31, 2003	<u>\$ 35,907</u>	<u>\$ 500,000</u>

Bonds payable is comprised of the following individual issue:

\$500,000 Library Certificates of Indebtedness, Series 2003, due in annual installments of \$45,000 - \$60,000 through March 1, 2013; interest at 3.64%	<u>\$ 500,000</u>
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ALLEN PARISH LIBRARY
Oberlin, Louisiana

Notes to Financial Statements (Continued)

The bonds are due as follows:

<u>Year ending December 31,</u>	<u>Principal payments</u>	<u>Interest payments</u>	<u>Total</u>
2004	\$ 45,000	\$ 16,195	\$ 61,195
2005	45,000	15,010	60,010
2006	45,000	13,825	58,825
2007	45,000	12,640	57,640
2008	50,000	11,356	61,356
2009-2013	<u>270,000</u>	<u>27,650</u>	<u>297,650</u>
Total	<u>\$ 500,000</u>	<u>\$ 96,676</u>	<u>\$ 596,676</u>

(12) Litigation

There was no litigation pending against The Allen Parish Library at December 31, 2003.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ALLEN PARISH LIBRARY
Oberlin, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes - ad valorem	\$505,700	\$536,145	\$664,217	\$ 128,072	\$551,692
Intergovernmental -					
State revenue sharing	54,219	53,810	53,711	(99)	54,149
State aid	14,141	14,500	14,061	(439)	14,141
Federal grant	28,142	28,142	17,345	(10,797)	22,898
State grant	6,250	6,250	6,254	4	8,256
Miscellaneous -					
Interest	3,000	3,267	5,513	2,246	9,438
Other sources	13,138	12,368	12,654	286	11,733
Total revenues	<u>624,590</u>	<u>654,482</u>	<u>773,755</u>	<u>119,273</u>	<u>672,307</u>
Expenditures:					
Current -					
Culture and recreation:					
Salaries and wages	305,000	305,300	304,251	1,049	304,301
Payroll taxes	8,300	8,500	8,762	(262)	9,019
Retirement contributions	16,000	17,000	17,436	(436)	17,019
Group insurance	48,000	48,683	47,582	1,101	33,858
Utilities and telephone	25,000	27,000	27,230	(230)	26,031
Professional fees	5,300	6,000	6,377	(377)	4,110
Advertising, dues and subscriptions	1,300	1,500	1,494	6	1,772
Building rentals	1,200	1,800	1,800	-	1,850
Equipment rentals	6,000	7,000	6,959	41	6,347
General insurance	9,000	10,400	10,405	(5)	16,414
Periodicals and subscriptions	2,300	3,500	3,475	25	9,573
Travel	7,000	8,300	6,909	1,391	9,177
Supplies	53,800	55,426	58,948	(3,522)	57,197
Election expenses	-	-	-	-	8,350
Repairs and maintenance	11,500	12,300	12,560	(260)	8,719
Consulting	-	-	-	-	-
Book rentals	9,000	9,500	9,379	121	9,379
Total culture and recreation	<u>508,700</u>	<u>522,209</u>	<u>523,567</u>	<u>(1,358)</u>	<u>523,116</u>
Debt service:					
Interest and fiscal charges	-	8,394	8,394	-	-
Capital outlay -					
Books	68,000	70,000	62,312	7,688	48,766
Building improvements	45,890	50,879	3,525	47,354	27,059
Equipment	2,000	3,000	2,238	762	5,115
Total capital outlay	<u>115,890</u>	<u>123,879</u>	<u>68,075</u>	<u>55,804</u>	<u>80,940</u>
Total expenditures	<u>624,590</u>	<u>654,482</u>	<u>600,036</u>	<u>54,446</u>	<u>604,056</u>
Excess of revenues over expenditures	-	-	173,719	64,827	68,251
Other financing sources:					
Transfer from primary government	-	-	-	-	27,059
Excess of revenues and other sources over expenditures	-	-	173,719	64,827	95,310
Fund balance, beginning	<u>807,044</u>	<u>807,044</u>	<u>807,044</u>	-	<u>711,734</u>
Fund balance, ending	<u>\$807,044</u>	<u>\$807,044</u>	<u>\$980,763</u>	<u>\$ 64,827</u>	<u>\$807,044</u>

SUPPLEMENTARY INFORMATION

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

WEB SITE:
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Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachel, CPA
Cheryl L. Bartley, CPA, CVA

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

* A Professional Accounting Corporation

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

Board of Control
Allen Parish Library
Oberlin, Louisiana

We have audited the financial statements of the governmental activities and the major funds of the Allen Parish Library, a component unit of the Allen Parish Police Jury as of and for the year ended December 31, 2003, which comprise the Library's basic financial statements and have issued our report thereon dated June 9, 2004. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Parish Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Library's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at Item 03-1(IC).

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Abbeville, LA 70510
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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described in the accompanying schedule of current and prior year audit findings and corrective action plan at Item 03-1(IC) is a material weakness.

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

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

Oberlin, Louisiana
June 9, 2004

ALLEN PARISH LIBRARY
Oberlin, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/03) --						
<u>Internal Control:</u>						
03-1(IC)	Unknown	Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Karen Teigen, Director	N/A
PRIOR YEAR (12/31/02)						
<u>Internal Control:</u>						
02-1(IC)	Unknown	Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Karen Teigen, Director	N/A