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**ST. JOHN THE BAPTIST PARISH LIBRARY**  
LaPlace, Louisiana

Component Unit Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1995

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KEITH J. ROVIRA  
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### INDEPENDENT AUDITOR'S REPORT

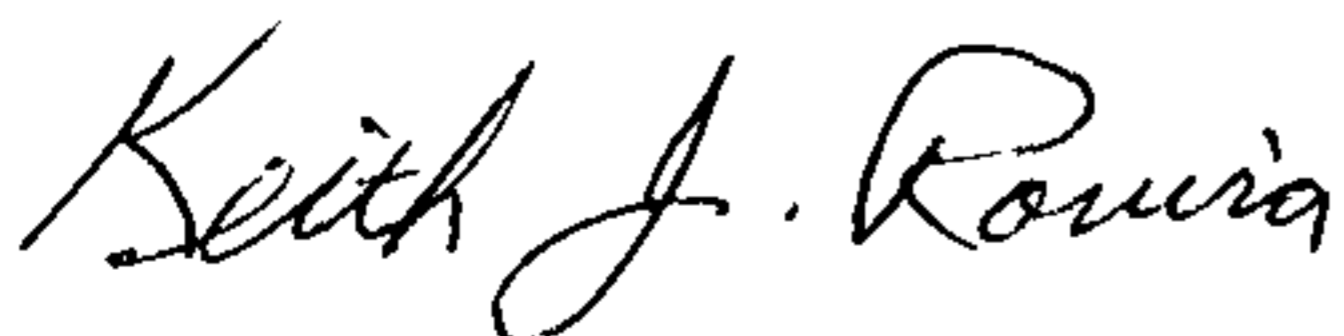
St. John the Baptist Parish Library  
A Component Unit of the  
St. John the Baptist Parish Council  
LaPlace, Louisiana

I have audited the accompanying component unit financial statements of the St. John the Baptist Parish Library, a component unit of the St. John the Baptist Parish Council, as of and for the year ended December 31, 1995, as listed in the table of contents. These component unit financial statements are the responsibility of the management of the St. John the Baptist Parish Library. My responsibility is to express an opinion on these component unit financial statements based on my audit.

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

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the St. John the Baptist Parish Library as of December 31, 1995, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated June 11, 1996 on my consideration of the St. John the Baptist Parish Library's internal control structure and a report dated June 11, 1996 on its compliance with laws and regulations. Both reports are presented separately after the notes to the financial statements of this audit report.



Keith J. Rovira  
Certified Public Accountant

June 11, 1996

COMPONENT UNIT FINANCIAL STATEMENTS

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 December 31, 1995

Statement A

	Governmental Fund Type - General Fund	Account Groups	
		General Fixed Assets	General Long-Term Obligations
<u>ASSETS AND OTHER DEBITS</u>			
Cash, cash equivalents and investments (Note C)	\$676,560	-	-
Receivables:			
Ad valorem taxes	999,863	-	-
State revenue sharing	44,256	-	-
Equipment, books, shelving, etc. (Note D)	-	\$3,239,541	-
Amount to be provided for retirement of general long-term obligations (Note G)	-	-	\$31,248
TOTAL ASSETS AND OTHER DEBITS	<u>\$1,720,679</u>	<u>\$3,239,541</u>	<u>\$31,248</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$5,140	-	-
Pension contribution deduction from ad valorem taxes	40,178	-	-
Compensated absences payable (Notes G)	-	-	\$31,248
Total Liabilities	<u>45,318</u>	-	<u>31,248</u>
Fund Equity:			
Investment in general fixed assets	-	\$3,239,541	-
Fund balance:			
Reserved for endowment (Note I)	5,000	-	-
Unreserved - undesignated	1,670,361	-	-
Total Fund Equity	<u>1,675,361</u>	<u>3,239,541</u>	-
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,720,679</u>	<u>\$3,239,541</u>	<u>\$31,248</u>

The accompanying notes are an integral part of this statement.

Total  
(Memorandum  
Only)

\$676,560

999,863

44,256

3,239,541

31,248

\$4,991,468

\$5,140

40,178

31,248

76,566

3,239,541

5,000

1,670,361

4,914,902

\$4,991,468

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 For the Year Ended December 31, 1995

Statement B

	<u>Capital Project Funds</u>			
	<u>General</u>	<u>Automation</u>	<u>West</u>	<u>Total</u>
	<u>Fund</u>	<u>Project</u>	<u>Bank</u>	<u>(Memorandum</u>
			<u>Branch</u>	<u>Only)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$1,000,775	-	-	\$1,000,775
Intergovernmental revenues - state revenue sharing	66,384	-	-	66,384
Fees and charges for library services	10,504	-	-	10,504
Fines and forfeitures	24,733	-	-	24,733
Interest earnings	40,267	-	-	40,267
Gifts/donations	1,613	-	-	1,613
Other revenues	<u>521</u>	<u>-</u>	<u>-</u>	<u>521</u>
Total Revenues	<u>1,144,797</u>	<u>-</u>	<u>-</u>	<u>1,144,797</u>
<u>EXPENDITURES</u>				
Salaries, related benefits and payroll taxes	711,485	-	-	711,485
Operating services	185,076	\$34,652	-	219,728
Materials and supplies	25,114	1,638	-	26,752
Travel and other charges	2,391	-	-	2,391
Capital outlay	261,288	297,939	\$20,319	579,546
Intergovernmental	<u>45,648</u>	<u>-</u>	<u>-</u>	<u>45,648</u>
Total Expenditures	<u>1,231,002</u>	<u>334,229</u>	<u>20,319</u>	<u>1,585,550</u>
(Deficiency) of Revenues over Expenditures	<u>(86,205)</u>	<u>(334,229)</u>	<u>(20,319)</u>	<u>(440,753)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer to Automation Project	(334,229)	-	-	(334,229)
Transfer to West Bank Branch	(20,319)	-	-	(20,319)
Transfer in from General Fund	<u>-</u>	<u>334,229</u>	<u>20,319</u>	<u>354,548</u>
Total Other Sources (Uses)	<u>(354,548)</u>	<u>\$334,229</u>	<u>\$20,319</u>	<u>-</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	(440,753)	-	-	<u>(440,753)</u>
Fund Balance at Beginning of Year	<u>2,116,114</u>	<u>-</u>	<u>-</u>	<u>2,116,114</u>
Fund Balance at End of Year	<u>\$1,675,361</u>	<u>-</u>	<u>-</u>	<u>\$1,675,361</u>

The accompanying notes are an integral part of this statement.



**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Combined Statement of Receipts, Disbursements  
 and Changes in Cash Balance - Budget  
 (Non-GAAP Basis) and Actual  
 All Governmental Fund Types  
 For the Year Ended December 31, 1995

Statement C

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>RECEIPTS</b>			
Ad valorem taxes	\$968,801	\$1,000,542	\$31,741
Intergovernmental revenues - state revenue sharing	66,235	65,969	(266)
Fees and charges for library services	10,350	10,504	154
Fines and forfeitures	9,550	24,733	15,183
Interest earnings	10,000	40,268	30,268
Gifts/donations	300	1,613	1,313
Other revenues	-	521	521
Total Receipts	<u>1,065,236</u>	<u>1,144,150</u>	<u>78,914</u>
<b>DISBURSEMENTS</b>			
Salaries, related benefits and payroll taxes	739,781	714,653	25,128
Operating services	211,079	185,604	25,475
Materials and supplies	33,279	25,073	8,206
Travel and other charges	7,500	2,391	5,109
Capital outlay	283,192	259,395	23,797
Intergovernmental	45,000	44,627	373
Total Disbursements	<u>1,319,831</u>	<u>1,231,743</u>	<u>88,088</u>
Excess (Deficiency) of Receipts over Disbursements	<u>(254,595)</u>	<u>(87,593)</u>	<u>167,002</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers:			
Out to Automation Capital Project	(338,222)	(334,229)	3,993
Out to West Bank Branch Project	(348,800)	(20,319)	328,481
In from General Fund	-	-	-
Total Other Financing Uses	<u>(687,022)</u>	<u>(354,548)</u>	<u>332,474</u>
Excess (Deficiency) of Receipts over Disbursements and Other Financing Uses	<u>(941,617)</u>	<u>(442,141)</u>	<u>499,476</u>
Cash, Cash Equivalents and Investments Balance at Beginning of Year	<u>1,118,701</u>	<u>1,118,701</u>	<u>-</u>
Cash, Cash Equivalents and Investments Balance at End of Year	<u>\$177,084</u>	<u>\$676,560</u>	<u>\$499,476</u>

The accompanying notes are an integral part of this statement.

<u>Capital Project Funds</u>			<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
-	-	-	\$968,801	\$1,000,542	\$31,741
-	-	-	66,325	65,969	(266)
-	-	-	10,350	10,504	154
-	-	-	9,550	24,733	15,183
-	-	-	10,000	40,268	30,268
-	-	-	300	1,613	1,313
-	-	-	-	521	521
-	-	-	<u>1,065,236</u>	<u>1,144,150</u>	<u>78,914</u>
-	-	-	739,781	714,652	25,128
\$56,671	\$34,652	\$22,019	267,750	220,256	47,494
-	1,638	(1,638)	33,279	26,711	6,568
-	-	-	7,500	2,391	5,109
591,987	318,259	273,728	875,179	577,654	297,525
-	-	-	45,000	44,627	373
<u>648,658</u>	<u>354,549</u>	<u>(294,109)</u>	<u>1,968,489</u>	<u>1,586,292</u>	<u>382,197</u>
<u>(648,658)</u>	<u>(354,549)</u>	<u>(294,109)</u>	<u>(903,253)</u>	<u>(442,142)</u>	<u>461,112</u>
-	-	-	(338,222)	(334,229)	3,993
-	-	-	(348,800)	(20,319)	328,480
<u>687,022</u>	<u>354,549</u>	<u>(332,473)</u>	<u>687,022</u>	<u>354,549</u>	<u>(332,473)</u>
<u>687,022</u>	<u>\$354,549</u>	<u>(332,473)</u>	-	-	-
38,364	-	(38,364)	(903,253)	(442,141)	461,112
-	-	-	<u>1,118,701</u>	<u>1,118,701</u>	-
<u>\$38,364</u>	-	<u>\$(38,364)</u>	<u>\$215,448</u>	<u>\$676,560</u>	<u>\$461,112</u>

NOTES TO THE FINANCIAL STATEMENTS

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

INTRODUCTION

The St. John the Baptist Parish Library was established by the parish governing authority under provisions of Louisiana Revised Statute (LSA-R.S.) 25:211. The Library provides citizens of the parish and the adjoining parishes, through reciprocal agreements, access to library materials, books, magazines, records and films. The library is governed by a board of control that is appointed by the parish council in accordance with provisions of LSA-R.S. 25:214. The members of the board of control serve without pay.

The Library serves the community with a population of approximately 41,500 people. One main library and three branch libraries served approximately 140,000 persons during the year, excluding those persons assisted over the telephone.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying component unit financial statements of the St. John the Baptist Parish Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. John the Baptist Parish Council is the financial reporting entity for St. John the Baptist Parish. The financial reporting entity consists of (a) the primary government (St. John the Baptist Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. John the Baptist Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

ST. JOHN THE BAPTIST PARISH LIBRARY  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the parish council to impose its will on that organization, and/or
  - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the parish council.
2. Organizations for which the parish council does not appoint a voting majority, but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish council appoints the governing board and because of the scope of public service, the library was determined to be a component unit of St. John the Baptist Parish Council, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on those funds maintained by the library and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

3. Fund Accounting

The library uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions and activities.

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the library are classified as governmental funds. Governmental funds account for the library's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. The governmental funds of the library are described as follows:

a. General Fund

The General Fund is the principal fund of the library and accounts for the operations and maintenance of the library. The various taxes, fees and charges due to the library are accounted for in this fund, as well as, general operating expenditures.

b. Capital Project Funds

Automation Project -- This project was established to account for expenditures related to the acquisition and development of an online catalog and circulation system for the library. Monies are transferred in from the General Fund to finance this project.

West Bank Branch Project -- This project was established to account for expenditures related to the acquisition of land and subsequent construction of a branch library in Edgard on the West Bank of the Mississippi River.

4. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in

ST. JOHN THE BAPTIST PARISH LIBRARY  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recording revenues and expenditures:

Revenues --

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest earnings on time deposits are recorded when the time deposits have matured and the revenue is available.

Substantially all other revenues are recorded when they become available to the library.

Expenditures --

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated vacation leave, which is recognized when leave is taken or employees are paid for accrued leave upon termination.

Other Financing Sources (Uses) --

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the transfers are authorized.

5. Budgets

The proposed General Fund and the two Capital Project Fund budgets for the fiscal year ended December 31, 1995, were prepared on the cash basis of accounting. All budgets were completed and made available for public inspection at the library on October 26, 1994. A public hearing was held on November 14, 1994, for suggestions and comments from taxpayers, and the proposed budgets were formally adopted on that date. The budgets, which included proposed cash expenditures and the means of financing them, were published in the official journal 20

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Notes to the Financial Statements  
 December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

days prior to the public hearing. All appropriations lapse at year end, and any accounts payable outstanding at year end are included in the next year's budget with funds appropriated in that year to finance them. Formal budget integration is not employed as a management control device during the year; however, the administrative librarian monitors the budget during the year.

The administrative librarian is authorized to transfer amounts between line items within any fund. When actual cash revenues fail to meet budgeted cash revenues by five per cent or more and/or actual cash expenditures exceed budgeted expenditures by five per cent or more, a budget amendment to reflect such change is adopted by the library board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. On December 11, 1995, the General Fund and Capital Project Fund - Automation Project Budgets were amended and adopted by the Library Board.

The following is a reconciliation of the excess of receipts over disbursements on Statement C (budget comparison) with the excess of revenues over expenditures on Statement B for the General Fund:

	<u>General Fund</u>
(Deficiency) of receipts over disbursements and other financing uses - Statement C	\$(442,141)
Add:	
+ Receivables at December 31, 1995	1,044,119
+ Liabilities at December 31, 1994	46,059
Less:	
- Receivables at December 31, 1994	(1,043,472)
- Liabilities at December 31, 1995	<u>(45,318)</u>
(Deficiency) of revenues over expenditures - Statement B	<u>\$(440,753)</u>



**ST. JOHN THE BAPTIST PARISH LIBRARY**  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Cash, Cash Equivalents and Investments  
Cash includes amounts in interest bearing demand deposits and a savings account. Cash equivalents include amounts in time deposits. Investments include amounts in U.S. Treasury Bills. Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, U.S. Treasury Bills or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.
7. Receivables  
There was no allowance for doubtful accounts set up because differences in the amount of ad valorem taxes received and accrued as recorded on the financial statements were immaterial.
8. Fixed Assets  
Fixed assets are accounted for in the general fixed assets account group, rather than in the governmental funds. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. The library collection (books) represents 63.1 per cent of the total fixed assets recorded in the general fixed assets account group at average prices obtained from the Bowker Annual, which approximates cost. One half of one percent (.5) of total fixed assets are valued at estimated cost based on the actual cost of like items. The remaining 36.4 per cent of general fixed assets are recorded at historical cost. Louisiana law does not allow the library to own real property; therefore, the library buildings being used by the library are recorded in the general fixed assets account group of St. John the Baptist Parish Council.
9. Compensated Absences and Long-Term Obligations  
Vacation (annual) leave is accumulated by employees at a variable rate, which is predetermined by the library board and depends on the employee's years of service. The leave is accumulated on a per month basis and is credited at the end of each month. Upon separation from employment, the employee is paid for all vacation leave that is accumulated and credited to the employee. Employees may accumulate a maximum of two and one half times their rate of annual leave.

ST. JOHN THE BAPTIST PARISH LIBRARY  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sick leave is granted to full-time, permanent employees at the rate of 12 working days per calendar year. Sick leave is allowed to accumulate up to 60 days. Employees are not compensated for accumulated sick leave if employment is terminated.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group.

10. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

11. Total Columns on Combined Statements

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Notes to the Financial Statements  
 December 31, 1995

NOTE B - LEVIED TAXES

Through the parish council, the library is authorized to levy a 10-mill ad valorem tax for library operations, maintenance, and construction; however, St. John the Baptist Parish Library levied 7.31 mills for the library for the year ended December 31, 1995.

NOTE C - CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 1995, the carrying amounts (book balances) all cash and cash equivalents of the library totaled \$283,465, and are listed as follows:

Cash on hand	\$200
Interest bearing demand deposits	169,998
Savings accounts	14,267
Time deposits	<u>99,000</u>
Total	<u>\$283,465</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. 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. At December 31, 1995, the library had \$354,405 in deposits (collected bank balances). These deposits were secured from risk by \$199,000 of federal deposit insurance and \$155,405 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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.

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Notes to the Financial Statements  
 December 31, 1995

NOTE C - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments held at December 31, 1995, were comprised of U.S. Treasury Bills with a carrying amount of \$393,095 and a market value of \$397,781. These investments are in the name of the library, but are held in safekeeping by the investment division of the fiscal agent bank. Because the investments are in the name of the library, the investments are considered insured and registered (GASB Category 1) in applying the credit risk of GASB Codification Section I50.164.

NOTE D - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, <u>1995</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>1995</u>
Equipment and furniture	\$685,237	\$341,454	\$602	\$1,026,089
Library books	1,936,041	146,712	37,661	2,045,092
Other asset classes	<u>151,493</u>	<u>18,198</u>	<u>1,331</u>	<u>168,360</u>
Subtotal	\$2,772,771	\$506,364	\$39,594	\$3,239,541
Land	<u>-</u>	<u>20,319</u>	<u>-</u>	<u>20,319</u>
Total	<u>\$2,772,771</u>	<u>\$526,683</u>	<u>\$39,594</u>	<u>\$3,259,860</u>

Library books are added to fixed assets at the Bowker Annual average book prices for adult and juvenile books.

NOTE E - DEFERRED COMPENSATION PLAN

Several employees of the St. John the Baptist Parish Library participate in a deferred compensation plan. The plan was adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this plan are available in the financial statements of St. John the Baptist Parish Council.

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

NOTE F - PENSION PLAN

Plan Description

Substantially all employees of St. John the Baptist Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined pension benefit plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only, prior to January 1, 1980, the benefit is equal to one percent of the final-average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504)928-1361.

Funding Policy

Under Plan A, members of the System are required to contribute 9.5% of their annual covered salary and the library is required to make employer contributions at an actuarially

ST. JOHN THE BAPTIST PARISH LIBRARY  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 1995

NOTE F - PENSION PLAN (CONTINUED)

determined rate. The employer's contribution rate for the year ended December 31, 1995 is 8.0% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The library's (employer) contributions to the System under Plan A for the years ended December 31, 1995, 1994 and 1993, were \$34,119, \$34,987 and \$33,520, respectively, and these amounts equaled the required contributions for each year.

NOTE G - COMPENSATED ABSENCES AND LONG-TERM OBLIGATIONS

At December 31, 1995, employees of the library have accumulated and vested \$31,248 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

The following is a summary of long-term obligation transactions of compensated absences during the year:

	<u>Compensated Absences</u>
Long-term obligations payable at January 1, 1995	\$33,817
Additions	25,514
Deductions	<u>(28,083)</u>
Long-term obligations payable at December 31, 1995	<u>\$31,248</u>

There were no other long-term obligations during the year.

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Notes to the Financial Statements  
 December 31, 1995

NOTE H - LEASES AND COMMITMENTS

The library has two separate operating lease agreements for buildings. The first is for the Garyville Branch Library for a lease term of three years beginning July 1, 1995 and ending June 30, 1998, with \$908 per month lease payments. The terms include an agreement for the library to make repairs to the building. The second is for additional office space in LaPlace (Annex) for the library staff for a lease term of three years beginning June 30, 1993, and ending June 30, 1996, with \$600 per month lease payments.

Also, the library has a twelve-month operating lease on equipment used in the cataloging of books for the "On line Catalogue and Circulation System." This lease began July 1, 1995 and ends on June 30, 1996 with \$390 per month lease payments. In addition, in June, 1995, the library entered into an agreement with the telephone company for the wiring and servicing of an on line real time digital network system for the catalogue and circulation system. This agreement runs for forty-three months ending on December 31, 1998, with monthly payments of \$1,273 each.

The total minimum annual commitments under both operating leases are as follows:

Year ending December 31:	
1996	\$32,112
1997	26,172
1998	<u>20,724</u>
Total minimum lease payments	<u>\$79,008</u>

NOTE I - ENDOWMENT

On August 19, 1976, the library received an endowment of \$5,000 in memory of Dr. John Smyth. In accordance with the endowment agreement, this money is invested in an interest bearing account. The interest earnings from this investment are used to purchase books for the library.

NOTE J - LITIGATION

According to the library's attorney, the library was not involved in any litigation at December 31, 1995. Therefore, no provision for liability has been set up in the accompanying component unit financial statements.

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS



**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Capital Project Funds  
 For the Year Ended December 31, 1995

	<u>Automation Project</u>	<u>West Bank Branch</u>	<u>Total (Memorandum Only)</u>
<b><u>EXPENDITURES</u></b>			
Operating services	\$34,652	-	\$34,652
Materials and supplies	1,638	-	1,638
Capital outlay	<u>297,939</u>	<u>\$20,320</u>	<u>318,259</u>
Total Expenditures	<u>334,229</u>	<u>20,320</u>	<u>354,549</u>
(Deficiency) of Revenues over Expenditures	<u>(334,229)</u>	<u>(20,320)</u>	<u>(354,549)</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfer in from General Fund	<u>334,229</u>	<u>20,320</u>	<u>354,549</u>
Total Other Sources	<u>\$334,229</u>	<u>\$20,320</u>	<u>\$354,549</u>
Excess of Revenues and Other Sources over Expenditures and Other	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Statement of Receipts, Disbursements  
 and Changes in Cash Balance - Budget  
 (Non-GAAP Basis) and Actual  
 Capital Project Fund - Automation Project  
 For the Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>DISBURSEMENTS</u>			
Operating services	\$37,871	\$34,652	\$3,219
Materials and supplies	-	1,638	(1,638)
Capital outlay	<u>261,987</u>	<u>297,939</u>	<u>(35,952)</u>
Total Disbursements	<u>299,858</u>	<u>334,229</u>	<u>(34,371)</u>
(Deficiency) of Receipts over Disbursements	<u>(299,858)</u>	<u>(334,229)</u>	<u>(34,371)</u>
<u>OTHER FINANCING SOURCES</u>			
Operating transfers in: From the General Fund	<u>338,222</u>	<u>334,229</u>	<u>(3,993)</u>
Total Other Financing Sources	<u>338,222</u>	<u>\$334,229</u>	<u>(3,993)</u>
Excess (Deficiency) of Receipts over Disbursements and Other Financing Sources	38,364	-	(38,364)
Cash, Cash Equivalents and Investments Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash, Cash Equivalents and Investments Balance at End of Year	<u>\$38,364</u>	<u>-</u>	<u>\$(38,364)</u>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH LIBRARY**  
 LaPlace, Louisiana  
 Statement of Receipts, Disbursements  
 and Changes in Cash Balance - Budget  
 (Non-GAAP Basis) and Actual  
 Capital Project Fund - West Bank Branch Project  
 For the Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>DISBURSEMENTS</u>			
Operating services	\$18,800	-	\$18,800
Capital outlay	<u>330,000</u>	<u>\$20,320</u>	<u>309,680</u>
Total Disbursements	<u>348,800</u>	<u>20,320</u>	<u>328,480</u>
(Deficiency) of Receipts over Disbursements	<u>(348,800)</u>	<u>(20,320)</u>	<u>328,480</u>
<u>OTHER FINANCING SOURCES</u>			
Operating transfers in: From the General Fund	<u>348,800</u>	<u>20,320</u>	<u>(328,480)</u>
Total Other Financing Sources	<u>\$348,800</u>	<u>\$20,320</u>	<u>\$(328,480)</u>
Excess (Deficiency) of Receipts over Disbursements and Other Financing Sources	-	-	-
Cash, Cash Equivalents and Investments Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash, Cash Equivalents and Investments Balance at End of Year	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

KEITH J. ROVIRA  
CERTIFIED PUBLIC ACCOUNTANT  
3331 METAIRIE ROAD  
METAIRIE, LOUISIANA 70001-5297  
(504) 831-4040

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

St. John the Baptist Parish Library  
A Component Unit of the  
St. John the Baptist Parish Council  
LaPlace, Louisiana

I have audited the component unit financial statements of the St. John the Baptist Parish Library, a component unit of the St. John the Baptist Parish Council, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 11, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The St. John the Baptist 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of component unit 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 internal control structure to future periods is subject to the risk that procedures may become inadequate because

of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In planning and performing my audit of the component unit financial statements of the St. John the Baptist Parish Library, for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted a matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. A reportable condition involves a matter coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the component unit financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 component unit 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.

My 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 defined above. However, I noted that, as a material weakness, the size of the St. John the Baptist Parish Library's operation and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control, although to employ such controls may not be cost beneficial. This condition was considered in determining the nature, timing and extent of the procedures to be performed in my audit of the financial statements of the St. John the Baptist Parish Library for the year ended December 31, 1995.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for

any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.

A handwritten signature in cursive script that reads "Keith J. Rovira". The signature is written in dark ink and is positioned above the typed name and title.

Keith J. Rovira  
Certified Public Accountant

June 11, 1996

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira  
Certified Public Accountant

June 11, 1996