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BACK in FILE)**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY**
Jennings, LouisianaComponent Unit Financial Statements and
Independent Auditors' Reports
As of and for the 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

JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Component Unit Financial Statements and
Independent Auditors' Reports
As of and for the Year Ended December 31, 1995

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A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

Board of Control
Jefferson Davis Parish Library
Jefferson Davis Parish Police Jury
Jennings, Louisiana

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

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jefferson Davis 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.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
June 14, 1996

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY**
Jennings, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1995

| | Governmental Fund- General Fund | Account Groups | | Total (Memorandum Only) |
|--------------------------------------------------------------------------|---------------------------------------|----------------------------|-------------------------------------|-------------------------------|
| | | General Fixed Assets | General Long-Term Obligations | |
| ASSETS AND OTHER DEBITS | | | | |
| Assets: | | | | |
| Cash | \$ 173,014 | \$ -0- | \$ -0- | \$ 173,014 |
| Receivables: | | | | |
| Other | 33 | -0- | -0- | 33 |
| Land, buildings, equipment, and books | -0- | 1,375,108 | -0- | 1,375,108 |
| Deposits | 949 | -0- | -0- | 949 |
| Other debits: | | | | |
| Amount to be provided for retirement of general long-term obligations | -0- | -0- | 12,589 | 12,589 |
| TOTAL ASSETS AND OTHER DEBITS | \$ 173,996 | \$ 1,375,108 | \$ 12,589 | \$ 1,561,693 |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 5,548 | \$ -0- | \$ -0- | \$ 5,548 |
| Deferred revenue | 15,973 | -0- | -0- | 15,973 |
| Payroll and related liabilities | 10,126 | -0- | -0- | 10,126 |
| Compensated absences payable | -0- | -0- | 12,589 | 12,589 |
| Total Liabilities | 31,647 | -0- | 12,589 | 44,236 |
| Equity and Other Credits: | | | | |
| Investment in general fixed assets | -0- | 1,375,108 | -0- | 1,375,108 |
| Fund balance - unreserved - undesignated | 142,349 | -0- | -0- | 142,349 |
| Total Fund Equity and Other Credits | 142,349 | 1,375,108 | -0- | 1,517,457 |
| TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS | \$ 173,996 | \$ 1,375,108 | \$ 12,589 | \$ 1,561,693 |

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana
GOVERNMENTAL FUND-GENERAL FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 1995

| | |
|-------------------------------------------------------------------|-------------------|
| REVENUES | |
| Ad valorem taxes | \$ 439,466 |
| Intergovernmental revenues-state revenue sharing | 31,206 |
| Fees and charges for library services | 11,453 |
| Fines and forfeitures | 3,897 |
| Interest earnings | 5,424 |
| Other revenues | 405 |
| Total revenues | <u>491,851</u> |
| EXPENDITURES | |
| <i>Current:</i> | |
| Culture and recreation-libraries: | |
| Salaries and related benefits | 250,006 |
| Operating services | 98,543 |
| Materials and supplies | 18,611 |
| Travel and other charges | 2,450 |
| Capital outlay | 92,524 |
| Intergovernmental expenditures: | |
| Bayouland Library System | 6,430 |
| Deductions from ad valorem taxes-pension | 13,546 |
| Total expenditures | <u>482,110</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 9,741 |
| OTHER FINANCING SOURCES | |
| Proceeds from sale of assets | <u>1,500</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | 11,241 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>131,108</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 142,349</u> |

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana
GOVERNMENTAL FUND-GENERAL FUND**

Statement of Revenues, Disbursements, and Changes in Cash Balance-
Budget (Cash Basis) and Actual
For the Year Ended December 31, 1995

| | Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------|------------|------------|----------------------------------------|
| REVENUES | | | |
| Ad valorem taxes | \$ 434,000 | \$ 439,466 | \$ 5,466 |
| Intergovernmental revenues-state revenue sharing (net) | 31,000 | 31,206 | 206 |
| Fees and charges for library services | 8,000 | 11,453 | 3,453 |
| Fines and forfeitures | 2,000 | 3,897 | 1,897 |
| Interest earnings | 4,000 | 5,424 | 1,424 |
| Other revenues | -0- | 405 | 405 |
| Total revenues | 479,000 | 491,851 | 12,851 |
| EXPENDITURES | | | |
| Current: | | | |
| Culture and recreation-libraries: | | | |
| Salaries and related benefits | 249,962 | 250,006 | (44) |
| Operating services | 165,043 | 104,787 | 60,256 |
| Materials and supplies | 15,900 | 18,579 | (2,679) |
| Travel and other charges | 3,150 | 2,435 | 715 |
| Capital outlay | 97,000 | 94,238 | 2,762 |
| Intergovernmental expenditures: | | | |
| Bayouland Library System | 6,430 | 6,430 | -0- |
| Deductions from ad valorem taxes | 13,400 | 13,546 | (146) |
| Total expenditures | 550,885 | 490,021 | 60,864 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (71,885) | 1,830 | 73,715 |
| OTHER FINANCING SOURCES | | | |
| Proceeds from sale of assets | -0- | 1,500 | 1,500 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | (71,885) | 3,330 | 75,215 |
| FUND BALANCE AT BEGINNING OF YEAR | 143,584 | 143,584 | -0- |
| FUND BALANCE AT END OF YEAR | \$ 71,699 | \$ 146,914 | \$ 75,215 |

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

INTRODUCTION

The Jefferson Davis Parish Library was established by the parish governing authority under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films. The library is governed by a board of control that is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve terms of 5 years and are appointed on a rotating basis. The members of the board of control serve without pay. The Jefferson Davis Parish Library operates through 4 facilities in Jefferson Davis Parish. The main facility is in Jennings, and others are located in Elton, Welsh, and Lake Arthur. The library has a total of 18 employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Jefferson Davis 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.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the police jury appoints members of the board and has the ability to significantly influence operations, the library was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the library and do not present information of the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

C. FUND ACCOUNTING

The library used a fund (General Fund) 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 or activities.

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.

The General Fund of the library is classified as a governmental fund. The General Fund is the general operating fund of the library and accounts for all financial activities of the library, including acquisition of general fixed assets and servicing of general long-term obligations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recognized as revenue during the budgetary period the levy was intended to finance. Ad valorem taxes are assessed for the calendar year, 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. Any collections of ad valorem taxes or state revenue sharing prior to the period it was intended to finance are recorded as deferred revenues.

Interest income represents amounts earned on checking accounts deposited with financial institutions. Interest earned on checking accounts is recorded when available.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for vacation leave, which is recognized when paid.

JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
 Jennings, Louisiana

Notes to the Financial Statements
 As of and for the Year Ended December 31, 1995

E. BUDGET PRACTICES

Prior to November 1, the librarian prepares the proposed operating budget and submits it to the library board of control. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Jefferson Davis Parish Library to obtain taxpayer comments. The public hearing for the 1995 fiscal year budget was advertised on November 11, 16 and 20, 1994. The public hearing was held on November 21, 1994, and the budget was adopted on that date.

The library adopts its budget on a cash basis. Unexpended budget balances lapse at year end. The budget is used as a management control device and is formally integrated into the general ledger. On the budget comparison, revenues, expenditures, and changes in fund balance have been adjusted to a cash receipts and disbursements basis of accounting.

The amount detailed in the legally adopted budget as Debt Service has been reclassified for purposes of these financial statements as part of operating services. The purpose of the line item debt service in the budget is for the monthly operating lease payments for several copiers (as described in Note 8). These payments are included in operating services.

The following reconciles the amount shown as excess of receipts over disbursements on the budget comparison, page 5, with the amount shown on page 4:

| | | |
|------------------------------------------------------------------------------|----|---------------|
| Excess (Deficiency) of receipts over disbursements - page 5 | \$ | 3,330 |
| Add: | | |
| Current-year receivables | | 33 |
| Prior-year payables | | 13,459 |
| Less: | | |
| Prior-year receivables | (| 33) |
| Current-year payables | (| <u>5,548)</u> |
| Excess (Deficiency) of receipts and other sources over expenditures - page 4 | \$ | <u>11,241</u> |

The reconciliation of amounts reported on page 5 as cash balance at end of year to amounts reported as cash reported on page 3 is as follows:

| | | |
|--------------------------------------|----|----------------|
| Cash balance at end of year - page 5 | \$ | 146,914 |
| Add: | | |
| Cash in transit | | 15,974 |
| Payroll withholdings | | <u>10,126</u> |
| Cash - page 3 | \$ | <u>173,014</u> |

JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

F. CASH

Cash includes amounts in interest-bearing demand deposits and petty cash. Under state law, the library may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Approximately 90 percent of general fixed assets are valued at actual historical cost, while the remaining 10 percent are valued at estimated historical cost of similar items purchased at that time.

H. COMPENSATED ABSENCES

All full-time staff members accrue vacation leave on January 1 of each year for work performed during the previous 12 months. One-half of the vacation leave earned each year may be carried forward. Employees with a master's degree in library science receive 20 days of vacation leave per year; employees with an undergraduate degree and 18 hours of library science receive 15 days; and other employees receive 10 days until the tenth year of employment, when an additional week of vacation leave is granted to the employee. Employees are allowed one day of sick leave per month and may accumulate up to 60 days of sick leave. Upon termination of employment, employees may be paid for accumulated unused vacation leave.

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.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

J. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

2. LEVIED TAXES

The library's tax millage for 1994 was utilized to fund expenditures for the year 1995. The library's authorized tax millage is five mills. The library levied 5.78 mills for 1994. The difference is the result of the reassessment of taxable property required by Article 7, Section 18 of the Louisiana Constitution of 1974. Tax collections for 1994 tax millages were \$437,216.

3. CASH

At December 31, 1995, the library has cash (book balances) totaling \$173,014, as follows:

| | | |
|--------------------------------------|----|----------------|
| Non-interest-bearing demand deposits | \$ | 23,503 |
| Interest-bearing demand deposits | | 133,353 |
| Petty cash | | 185 |
| Cash on hand not deposited | | <u>15,973</u> |
| Total | \$ | <u>173,014</u> |

At December 31, 1995, the library has \$167,590 in deposits (collected bank balances). These balances are secured from risk by \$135,286 of federal deposit insurance and \$32,304 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 sheriff that the fiscal agent has failed to pay deposited funds upon demand.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

| | Balance January 1, 1995 | Additions | Deductions | Other | Balance December 31, 1995 |
|----------------------------|-------------------------------|------------------|------------------|---------------|---------------------------------|
| Land | \$ 24,600 | \$ -0- | \$ -0- | \$ -0- | \$ 24,600 |
| Buildings | 256,138 | -0- | -0- | -0- | 256,138 |
| Equipment and furniture | 361,784 | 30,900 | 81,451 | -0- | 311,233 |
| Library books | <u>740,193</u> | <u>51,959</u> | <u>9,304</u> | <u>289</u> | <u>783,137</u> |
| Total | <u>\$ 1,382,715</u> | <u>\$ 82,859</u> | <u>\$ 90,755</u> | <u>\$ 289</u> | <u>\$ 1,375,108</u> |

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

5. PENSION PLAN

Substantially all library system employees are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library system 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 creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their 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 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.

Contributions to the System 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. State statute requires employees covered by Plan A to contribute a percentage of their salary to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by the actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The following provides certain disclosures for the library and the retirement system that are required by GASB Codification Section P20.129:

Jefferson Davis Parish Library

| | |
|------------------------------------|------------|
| Total current-year payroll | \$ 198,358 |
| Total current-year covered payroll | \$ 183,014 |

| | Required by Statute | | Actual | | Actuarially Required | |
|----------------|---------------------|-----------|----------|-----------|----------------------|-----------|
| | Per Cent | Amount | Per Cent | Amount | Per Cent | Amount |
| Contributions: | | | | | | |
| Employees | 9.50% | \$ 17,386 | 9.50% | \$ 17,386 | 9.50% | \$ 17,386 |
| Employer | 8.00% | 14,641 | 8.00% | 14,641 | 7.32% | 13,397 |
| Total | 17.50% | \$ 32,027 | 17.50% | \$ 32,027 | 16.82% | \$ 30,783 |

Per cent of employer's actuarially required contribution to all participating employers 0.06%

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

Retirement System

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

The pension benefit obligation is presented as of December 31, 1994, because the December 31, 1995 information is not available.

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 actuarial present value of credited projected benefits, is intended to help 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.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 1995, annual financial report. The library system does not guarantee the benefits granted by the System.

**6. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The Jefferson Davis Parish Library does not provide any health care or life insurance benefits for any of its retired employees.

7. COMPENSATED ABSENCES

At December 31, 1995, employees of the library have accumulated and vested \$12,589 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. All of this amount is recorded within the general long-term obligations account group.

8. LEASES

The library has operating and maintenance leases for several copiers and fax machines. The minimum annual commitments under the operating and maintenance leases are as follows:

**JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

| | | | |
|--------------|--|---------------------|--|
| Fiscal year: | | \$ | |
| 1996 | | 7,631 | |
| 1997 | | <u>610</u> | |
| Total | | <u>\$ 8,241</u> | |

Minimum rental payments in the amount of \$9,178 for all operating and maintenance leases during the year ended December 31, 1995, are recorded as an expense in operating services in the accompanying financial statements.

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

| | <u>Compensated Absences</u> |
|-----------------------------------------------------------|---------------------------------|
| Long-term obligations payable at January 1, 1995 | \$ 12,947 |
| Additions | 10,859 |
| Deductions | <u>(11,217)</u> |
| Long-term obligations payable at December 31, 1995 | <u>\$ 12,589</u> |

10. LITIGATION AND CLAIMS

At December 31, 1995, the library is not involved in any litigation and is not aware of any pending claims.

11. JOINT VENTURE - BAYOULAND LIBRARY SYSTEM

The Bayouland Library System was established as a cooperative system in 1974 under the provisions of Louisiana Revised Statute 33:1324 by the police juries of Acadia, Evangeline, Iberia, Lafayette, Lafourche, St. Martin, St. Mary, Terrebonne, and Vermilion Parishes and the boards of aldermen of the cities of Opelousas and Eunice. The university libraries of Louisiana State University at Eunice, Nicholls State University, and the University of Southwestern Louisiana are also members of the library system. In 1984, Allen Parish Library joined, followed by Jefferson Davis Parish Library in 1985. The major goal of the Bayouland Library System is to provide materials and services that will assist the member libraries in fulfilling their goal of offering the best possible service to library patrons in their respective communities. This includes interlibrary loan, reference, and courier services, continuing education workshops, and cooperative purchases.

JEFFERSON DAVIS PARISH LIBRARY
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

The library system is governed by an executive council composed of the Bayouland system director and two representatives from each member library. The Bayouland Library System is headquartered in the Lafayette Parish Library, and its operation is financed by grants from the Louisiana State Library and by funds prorated on the basis of population from the member libraries. The Jefferson Davis Parish Library paid \$6,430 to the Bayouland Library System in 1995.

A summary of the latest audited financial information for the Bayouland Library System as of and for the year ended December 31, 1995, follows:

For all fund types and account groups:

| | |
|-------------------|-----------------|
| Total assets | \$ 86,480 |
| Total liabilities | <u>(6,382)</u> |

| | |
|--------------|------------------|
| Total equity | <u>\$ 80,098</u> |
|--------------|------------------|

For the General Fund:

| | |
|--------------------|------------------|
| Total revenues | \$ 88,310 |
| Total expenditures | <u>(97,577)</u> |

| | |
|------------------------------|-------------------|
| Net decrease in fund balance | <u>(\$ 9,267)</u> |
|------------------------------|-------------------|

The member libraries do not retain an equity interest in either assets or liabilities.

OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Control
Jefferson Davis Parish Library
Jefferson Davis Parish Police Jury
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish Library for the year ended December 31, 1995, and have issued our report thereon dated June 14, 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 Jefferson Davis 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 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 the Jefferson Davis 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 controls 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 Jefferson Davis Parish 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 error 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 defined above. However, we believe the reportable conditions described above is a material weakness.

This report is intended for the information of the Library's management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Krielow, Gillespie & Co.

Certified Public Accountants

Jennings, Louisiana
June 14, 1996

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Control
Jefferson Davis Parish Library
Jefferson Davis Parish Police Jury
Jennings, Louisiana

We have audited the component unit financial statements of the Jefferson Davis Parish Library, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *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.

Compliance with laws, regulations, contracts, and grants applicable to the Jefferson Davis Parish Library, is the responsibility of the Jefferson Davis Parish Library, management. As part of obtaining reasonable assurance about whether the component unit 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 financial statements was not to provide an opinion on overall compliance with such provisions. 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*.

This report is intended for the information of the board of control, management, and the Legislative auditor. However, this report is a matter of public record and its distribution is not limited.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
June 14, 1996