

**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

**BOARD OF CONTROL,  
FRANKLIN PARISH LIBRARY**  
Winthorn, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed upon by the management of the Franklin Parish Library and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Franklin Parish Library's compliance with certain laws and regulations during the year ended December 31, 1996 included in the accompanying Louisiana Attachment Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 28:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. That review did not disclose any expenditures made during the period under examination for materials and supplies exceeding \$5,000 or any expenditures made for public works exceeding \$50,000.

**FRANKLIN PARISH LIBRARY**  
Winniford, Louisiana

Notes to the Financial Statements  
As of the year ended December 31, 1996

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Franklin Parish Library was established by the Franklin Parish Police Jury, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and files. The library is governed by a board of control which 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 without compensation.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 (GASB) Statement No. 14 established criteria for determining which component unit should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- b. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury 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 police jury.

**FRANKLIN PARISH LIBRARY**  
 Winthorn, Louisiana  
**GOVERNMENTAL FUND TYPE**

Condensed Statement of Revenues, Expenditures,  
 and Changes in Fund Balance - Budget  
 (GAAP Basis) and Actual  
 For the Year Ended December 31, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes - ad valorem	\$281,191	\$270,267	\$9,924
Intergovernmental revenues - state grant - state revenue sharing	40,909	37,942	(2,967)
Fees and charges for library services	3,000	3,008	8
Fines and forfeitures	3,600	8,136	4,536
Use of money and property - interest earnings	6,500	8,182	1,682
Other revenues	5,000	14,000	9,000
Total revenues	<u>\$385,200</u>	<u>\$411,725</u>	<u>\$26,525</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Current:			
Personal services and related benefits	177,934	168,196	9,738
Operating services	39,220	37,798	1,422
Materials and supplies	7,500	7,891	(391)
Travel and other charges	2,000	1,410	590
Capital outlay	83,002	33,868	49,134
Intergovernmental	10,504	10,715	(211)
Total expenditures	<u>\$390,260</u>	<u>\$294,818</u>	<u>\$95,442</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	NONE	\$9,907	\$9,909
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>\$1,000</u>	<u>\$16,948</u>	<u>\$15,948</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$1,000</u>	<u>\$26,855</u>	<u>\$25,857</u>

See accompanying notes and accountant's compilation report.

FRANKLIN PARISH LIBRARY  
Winnthoro, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1996

	GOVERNMENTAL	ACCOUNT GROUPS		TOTAL
	FUND TYPE - GENERAL FUND	GENERAL FUND ASSETS	GENERAL LONG-TERM LIABILITIES	MEMORANDUM
				000.00
<b>ASSETS AND OTHER DEBITS</b>				
Cash and cash equivalents	\$331,848			\$331,848
Receivables	385,393			385,393
Land, building, furniture, equipment, books, etc.		\$1,230,978		1,230,978
Amount to be provided for retirement of general long-term obligations			\$1,717	1,717
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$617,141</u>	<u>\$1,230,978</u>	<u>\$1,717</u>	<u>\$1,839,836</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$10,284			\$10,284
Compensated absences payable			\$1,717	1,717
<b>Total Liabilities</b>	<u>10,284</u>	<u>00000</u>	<u>1,717</u>	<u>12,001</u>
<b>Fund Equity:</b>				
Investment in general fixed assets		\$1,230,978		1,230,978
Fund balance - unreserved - unassigned	606,857			606,857
<b>Total Fund Equity</b>	<u>606,857</u>	<u>1,230,978</u>	<u>00000</u>	<u>1,837,835</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$617,141</u>	<u>\$1,230,978</u>	<u>\$1,717</u>	<u>\$1,839,836</u>

See accompanying notes and accountant's compilation report.



**Accountant's Compilation Report**

MEMBER FIRM OF  
INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
REGISTERED PUBLIC  
ACCOUNTANTS

FRANCIS L. LAMOTHE JR.  
MEMBER FIRM  
FRANKLIN PARISH LIBRARY  
WINNBERG, LOUISIANA

**BOARD OF CONTROL  
FRANKLIN PARISH LIBRARY**  
Winnberg, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Franklin Parish Library, a component unit of the Franklin Parish Police Jury, as of December 31, 1996, and for the year then ended, in accordance with standards established by *Statements and Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any form of assurance on them.



West Monroe, Louisiana  
February 25, 1997

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**FRANKLIN PARISH LIBRARY**  
Winnburg, Louisiana

**General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 1996**

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 4-9-97



## FRANKLIN PARISH LIBRARY

Winniford, Louisiana

### Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the library, appoints members of the library's governing body, and has the ability to impose its will on the library, the library was determined to be a component unit of the Franklin Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

## B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fund assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The library's current operations require only the use of governmental funds (General Fund). Revenues of the General Fund include ad valorem taxes, state revenue

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attention Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

**FRANKLIN PARISH LIBRARY**  
**Independent Accountant's Report on**  
**Applying Agreed Upon Procedures**  
**December 31, 1996**

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-BS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure 3 above appeared on the list provided by management in agreed-upon procedure 2 above.

**Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 15, 1996 which indicated that the budget had been adopted by the Board of Control of the Franklin Parish Library. There were no amendments to the 1996 budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.

FRANKLIN PARISH LIBRARY  
Independent Accountant's Report on  
Applying Agreed Upon Procedures  
December 31, 1986

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more, nor did actual expenditures exceed budgeted amounts by 5% or more.

**Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and:
- (a) trace payments to supporting documentation as to correct amount and payee;
  - (b) determine if payments were properly coded to the correct fund and general ledger account;
  - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) All six payments were coded to the correct fund and general ledger account.
- (c) Inspection of documentation supporting each of the six disbursements indicated approvals from the librarian and a board member or two board members. Further, the types of disbursements made were included in the library's approved budget.

**Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute books were posted or advertised as required by LSA-RS 42:1-13 (the opening meetings law).

No agendas for the meetings are published or posted as required by LSA-RS 42:7. Management was not aware of the requirement that agendas for meetings be posted. I recommended that the agendas for all meetings be posted at the library at least 24 hours prior to each meeting as required by the referenced statute. The posted notice should also include a notation from the librarian stating the date it is posted. The librarian stated that she would post the agendas as required.

**FRANKLIN PARISH LIBRARY**  
Independent Accountant's Report on  
Applying Agreed Upon Procedures  
December 31, 1996

**Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

**Advances and Bonuses**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

**General**

12. I noted that deposits in one bank exceeded FDIC insurance and pledged securities by \$5,117. Louisiana Revised Statute (LRS) 39:1225 requires that the library's bank deposits be fully covered at all times by either federal deposit insurance or pledged securities owned by the bank. I recommended that the library monitor its deposits and require that banks provide security equal to one hundred percent of the amount on deposit at all times less the amount of deposits covered by federal deposit insurance. The librarian stated that she would monitor the deposits.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

FRANKLIN PARISH LIBRARY  
Independent Accountant's Report on  
Applying Agreed Upon Procedures  
December 31, 1996

This report is intended solely for the use of management of the Franklin Parish Library and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



West Monroe, Louisiana  
February 25, 1997

**FRANKLIN PARISH LIBRARY**

Winnfield, Louisiana

## Notes to the Financial Statements (Continued)

fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. 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 Franklin Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:903, 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 Franklin Parish Library's contributions to the System under Plan A for the years ending December 31, 1996, 1995, and 1994, were \$7,389, \$7,273 and \$7,565, respectively, equal to the required contributions for each year.

**6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS -  
COMPENSATED ABSENCES PAYABLE**

Long-term obligations at January 1, 1996	\$830
Additions	5,937
Deletions	<u>(5,050)</u>
Long-term obligations at December 31, 1996	<u>\$1,717</u>

**7. DEFERRED COMPENSATION PLAN**

During 1992, the library board agreed to allow the employees of the library to participate in a deferred compensation plan (as the Franklin Parish Police Jury employees were being offered). The plan, created in accordance with Internal Revenue Code Section 457, is available to all library employees and permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until future years.

All amounts of compensation, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Franklin Parish Police Jury (without being restricted to the provisions of benefits under the plan), subject only to the claims of the police jury's general creditors. Participants' rights under the plan are equal to those of general creditors of the police jury in an amount equal to the fair market value of the deferred account for each participant. For each of the years ended December 31, 1996, one employee of the library contributed \$720 to the plan.

**FRANKLIN PARISH LIBRARY**

Winthoro, Louisiana

Notes to the Financial Statements (Continued)

**8. OPERATING LEASE**

During 1995, the library entered into an operating lease for a copier and coin operator. The lease requires 36 monthly payments of \$103 through November, 1998. Twelve payments totaling \$1,236 were made during 1996 and are reflected in operating services expenditures of the General Fund.

**9. LITIGATION AND CLAIMS**

At December 31, 1996, the Franklin Parish Library is not involved in any litigation, nor is it aware of any unasserted claims.

**FRANKLIN PARISH LIBRARY**

Winnthorn, Louisiana

Notes to the Financial Statements (Continued)

**Revenues**

*Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.*

*Fees, fines, and forfeitures are recorded when the library is entitled to the funds.*

*Interest income on time deposits is recorded when the time deposits have matured and the interest is available.*

*Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.*

*Based on the above criteria, ad valorem taxes, state revenue sharing, and fees, fines, and forfeitures have been treated as receivable to accrual.*

**Expenditures**

*Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.*

**K. BUDGET PRACTICES**

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting by the administrative librarian, is presented to the board of control during the November meeting each year. A budget hearing is held at least fifteen days prior to the beginning of each fiscal year for public participation. The budget is then legally adopted by the board of control and amended during the year, as necessary. The budget is established and controlled by the administrative librarian within the limits of the adopted



FRANKLIN PARISH LIBRARY  
Winnifree, Louisiana  
Notes to the Financial Statements (Continued)

and amended budget. Encumbrances are not used in the accounting system. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of control.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts for the year ended December 31, 1996.

F. CASH AND CASH EQUIVALENTS

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, 1996, the library has cash and cash equivalents (bank balances) totaling \$331,848 as follows:

Demand deposits	\$48,777
Petty cash	30
Time deposits	<u>283,041</u>
Total	<u>\$331,848</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 collateral bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 1996 are under secured as follows:

Bank balances	<u>\$343,215</u>
Federal deposit insurance	\$16,598
Pledged securities (collateralized)	<u>714,895</u>
Total	<u>\$1,174,713</u>

**FRANKLIN PARISH LIBRARY**

Winnaboo, Louisiana

**Notes to the Financial Statements (Continued)**

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the library, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 26:1229 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 bank has failed to pay deposited funds upon demand. Further, LRS 26:1234 states that securities held by a third party shall be deemed to be held in the library's name.

**61. VACATION AND SICK LEAVE**

Employees receive from four to twenty-two days of vacation leave each year, depending on education and length of service. Sick leave is earned at the rate of twelve days each year and employees may accumulate sick leave not to exceed thirty-six days. Upon separation of service, employees are compensated for accumulated vacation leave up to a maximum of five days, but are not compensated for sick leave. Full-time employees receive one day per quarter for personal leave.

At December 31, 1996, employees of the library have accumulated and vested \$1,317 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a general long-term obligation in the accompanying financial statements.

The cost of leave privileges, computed in accordance with the above codification, is recognized as a current year obligation within the General Fund when leave is actually taken or when employees are paid for accrued leave under the conditions previously outlined.

**II. TOTAL COLUMN ON THE BALANCE SHEET**

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

**FRANKLIN PARISH LIBRARY**

Winnifree, Louisiana

**Notes to the Financial Statements (Continued)****2. LEVIED TAXES**

The ad valorem tax millage levied by the library was 2.16 for the year ended December 31, 1996. The authorized millage for the year was 2.00 mills. The difference between the authorized and levied millage is the result of reassessments of the taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974. The tax expires in the year 2000.

The following are the principal taxpayers for the parish and their 1996 assessed valuation (amounts expressed in thousands):

	1996 Assessed Valuation	Percent of Total Assessed Valuation
Selbeville Telecommunications	\$1,807	3.15%
Louisiana Power & Light	1,783	3.20%
AMR Pipeline	1,538	2.72%
Columbia Gulf Transmission	1,267	2.24%
Tennessee Gas Pipeline	1,142	2.02%
Northeast Louisiana Power Co-op	1,018	1.82%
Winnifree State Bank	918	1.65%
Century Telephone	852	1.50%
Franklin State Bank	675	1.19%
Progressive State Bank	464	0.82%
Total	<u>\$11,464</u>	<u>20.35%</u>

**3. RECEIVABLES**

The General Fund receivables of \$285,285 at December 31, 1996, are as follows:

Taxes - All valuers	\$259,997
Intergovernmental - state revenue sharing (net)	<u>25,288</u>
Total	<u>\$285,285</u>

**4. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

**FRANKLIN PARISH LIBRARY**

Winnifree, Louisiana

## Notes to the Financial Statements (Continued)

	<u>Balance at</u> <u>January 1</u>	<u>Additions</u>	<u>Debitout</u>	<u>Balance at</u> <u>December 31</u>
Buildings	\$534,177	5353		\$534,530
Furniture and equipment	166,978	4,223		171,161
Library materials	477,970	79,340	88,037	519,347
Total	<u>\$1,179,025</u>	<u>\$83,916</u>	<u>\$88,037</u>	<u>\$1,220,978</u>

**5. PENSION PLAN**

Substantially all employees of the Franklin Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension 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 twenty-eight 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 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary-for each year of service credited after the revision date. 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 benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14618, Baton Rouge, Louisiana 70808-4618, or by calling (504) 828-1363.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Franklin Parish Library is required to contribute at an actuarially determined rate. The current rate is 3.25 per cent of annual covered payroll. Contributions to the system also include suc-

FRANKLIN PARISH LIBRARY  
Winnaboo, Louisiana

General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 1996

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**FRANKLIN PARISH LIBRARY**

Winniford, Louisiana

**Notes to the Financial Statements (Continued)**

sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund.

**C. GENERAL FIXED ASSETS AND  
LONG-TERM OBLIGATIONS**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Approximately 4 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 96 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets.

For long-term obligations, such as compensated absences, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

**B. BASIS OF ACCOUNTING**

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The library uses the following practices in recognizing and reporting revenues and expenditures: