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ST. JOHN THE BAPTIST PARISH LIBRARY
LaPlace, Louisiana
General Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended
December 31, 1997

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KEITH J. ROWNA
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LAFAYETTE, LOUISIANA 70501-1807
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INDEPENDENT ADDITOR'S REPORT

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

I have audited the accompanying general purpose 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, 1997, as listed in the table of contents. These general purpose 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 general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose 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, 1997, 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 April 28, 1998, on my reconsideration of the St. John the Baptist Parish Library's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. This report is presented separately after the notes to the financial statements of this audit report.

Keith J. Rowna

KEITH J. ROWNA
Certified Public Accountant

April 28, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

ST. JOHN THE BAPTIST PARISH LIBRARY
 LaPlace, Louisiana
 Balance Sheet
 All Fund Types and Account Groups
 December 31, 1997

Statement A

	Governmental Fund Type - General Fund	Account Groups	
		General Fixed Assets	General Long-Term Obligations
ASSETS AND OTHER DEBITS			
Cash (Note C)	287,712	-	-
Investments (Note D)	184,931	-	-
Receivables:			
Ad valorem taxes	1,452,631	-	-
State revenue sharing	42,788	-	-
Accrued interest	3,754	-	-
Equipment, books, shelving, etc. (Note E)	-	\$3,576,828	-
Amount to be provided for retirement of general long-term obligations (Note F)	-	-	728,265
TOTAL ASSETS AND OTHER DEBITS	<u>\$3,772,826</u>	<u>\$3,576,828</u>	<u>728,265</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable and payroll tax deductions	2881	-	-
Federal contribution deduction from ad valorem taxes	55,738	-	-
Compressed accrued payable (Note H)	-	-	728,265
total liabilities	<u>58,029</u>	<u>-</u>	<u>728,265</u>
Fund Equity:			
Investment in general fixed assets	-	\$3,576,828	-
Fund balance:			
Reserved for endowment (Note J)	8,000	-	-
Unreserved - undesignated	1,124,805	-	-
Total Fund Equity	<u>1,132,805</u>	<u>1,576,828</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,782,824</u>	<u>\$1,576,828</u>	<u>728,265</u>

The accompanying notes are an integral part of this statement.

Total
Memorandum
Only

587,732
194,935

1,452,628
43,788
3,794

3,576,826

— 29,265

32,103,507

5581

55,739

— 29,265

— 83,585

3,576,826

8,800
1,764,886

3,333,312

32,288,812

ST. JOHN THE BAPTIST PARISH LIBRARY
 Lafayette, Louisiana
Statement of Revenues, Expenditures and Charges
Fund Balance - General Fund
For the Year Ended December 31, 1997

Statement B

REVENUES

Ad valorem taxes	\$1,498,708
Intergovernmental revenues - state revenue sharing	60,682
Fees and charges for library services	14,328
Fines and forfeitures	17,622
Interest earnings	21,978
Other revenues	<u>18,402</u>
Total Revenues	1,631,720

EXPENDITURES

Salaries, related benefits and payroll taxes	730,967
Operating services	208,354
Materials and supplies	20,000
Travel and other charges	8,544
Capital outlay	458,881
Intergovernmental	<u>35,722</u>
Total Expenditures	1,462,468

Excess of Revenues over Expenditures	<u>169,252</u>
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Fund Balance at Beginning of Year	1,644,402
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Fund Balance at End of Year	<u>\$1,813,654</u>
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The accompanying notes are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH LIBRARY
Lafayette, Louisiana
Statement of Receipts, Disbursements
and Changes in Cash Balance -
Budget (Non-GAAP Basis) and Actual -
General Fund
For the Year Ended December 31, 1987

Statement C

	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
All volume taxes	\$1,024,000	\$1,071,856	\$47,761
Indorsement of revenues -			
state revenue sharing	68,378	68,816	438
Fees and charges for library services	11,725	14,328	2,603
Fines and forfeitures	18,848	15,622	(3,226)
Interest earnings	8,000	30,484	22,484
Other revenues	24,811	28,482	3,671
Total Receipts	1,155,862	1,229,986	74,124
DISBURSEMENTS			
Salaries, related benefits and			
payroll taxes	782,888	739,348	43,540
Operating services	228,883	228,188	695
Materials and supplies	28,788	28,000	788
Travel and other charges	6,028	8,348	2,320
Capital outlay	874,871	872,488	2,383
Intergovernmental	81,888	88,888	7,000
Total Disbursements	1,953,326	1,967,258	13,932
Excess (deficiency) of Receipts over Disbursements	-797,464	-737,272	60,192
Cash and Investments Balance at Beginning of Year	248,218	248,218	-
Cash and Investments Balance at End of Year	248,218	248,218	60,192

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

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ST. JOHN THE BAPTIST PARISH LIBRARY
Lafayette, Louisiana
Notes to the Financial Statements
December 31, 1987

INTRODUCTION

The St. John the Baptist Parish library was established by the parish governing authority under provisions of Louisiana Revised Statute (LSA-R.S.) 33:211. 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. 33:212.

The library serves the community with a population of approximately 42,000 people. One main library and three branch libraries served approximately 135,000 persons during the year, including those persons assisted over the telephone.

Board members serve without compensation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying general purpose 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, the 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

ST. JOHN THE BAPTIST PARISH LIBRARY
BAPTIST, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

ST. JOHN THE BAPTIST PARISH LIBRARY
 LaPlace, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Fund Accounting

The library uses 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 and 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 is classified as a governmental fund. The General Fund accounts for the library's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets and is 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.

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
 Lafcette, Louisiana
 Notes to the Financial Statements
 December 31, 1997

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 15. 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.

3. Budget

The proposed General Fund for the fiscal year ended December 31, 1997, was prepared on the cash basis of accounting. This budget was completed and made available for public inspection at the library on November 27, 1996 & public hearing was held on December 16, 1996, for suggestions and comments from taxpayers, and the proposed budget was formally adopted on that date. The budget, which included proposed cash expenditures and the means of financing them, was published in the official journal 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.

ST. JOHN THE BAPTIST PARISH LIBRARY
 LaPlace, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 8, 1997, the General Fund's original budget was 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	\$(266,572)
ADD:	
- Receivables at December 31, 1997	1,500,163
- Liabilities at December 31, 1996	47,583
Less:	
- Receivables at December 31, 1996	(1,112,289)
- Liabilities at December 31, 1997	<u>128,325</u>
Excess of revenues over expenditures - Statement B	<u>\$112,362</u>

ST. JOHN THE BAPTIST PARISH LIBRARY
LAFFRANCE, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. **Cash**
Cash includes amounts in interest bearing demand deposits and a savings account. 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. **Investments**
Investments include amounts in U.S. Treasury bills.
8. **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.
9. **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 64.0 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 (.50) of total fixed assets are valued at estimated cost based on the actual cost of like items. The remaining 35.5 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.
10. **Compensated Absence 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

ST. JOHN THE BAPTIST PARISH LIBRARY
 LAFFAC, Louisiana
 Notes to the Financial Statements
 December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

that is accumulated and credited to the employee. Employees may accumulate a maximum of two and one half times their rate of annual leave.

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 48 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 260, 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.

11. Fund Equity

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

12. Accruals

The library does not use accrual accounting.

13. 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
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1987

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 and received 7.11 mills for the library for the year ended December 31, 1987.

NOTE C - CASH

At December 31, 1987, the carrying amounts (book balances) all cash of the library totaled \$87,712, and are listed as follows:

Cash on hand	\$100
Interest bearing demand deposits	78,714
Savings accounts	<u>8,918</u>
Total	<u>\$87,712</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits for 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, 1987, the library had \$121,774 in deposits (collected bank balances). These deposits were secured from risk by \$104,888 of federal deposit insurance and \$16,886 of pledged securities held by the custodial bank in the name of the fiscal agent bank (CASH Category 1).

Even though the pledged securities are considered uncollateralized (Category 1) under the provisions of GASB Statement 3, Louisiana Revised Statute 59:5223 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, 1997

NOTE D - INVESTMENTS

Investments held at December 31, 1997, were comprised of U.S. Treasury Bills with a carrying amount of \$194,931 and a market value of \$198,971. 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 1b in applying the credit risk of GASB Codification Section 190.164.

NOTE E - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, <u>1997</u>	Additions	Deductions	Balance December 31, <u>1997</u>
Equipment and furniture	\$1,615,017	251,402	(22,488)	\$1,843,931
Library books	2,145,719	186,500	44,009	2,287,210
Other asset classes	<u>182,504</u>	<u>8,000</u>	<u>7,954</u>	<u>182,550</u>
Subtotal	3,943,240	445,902	74,451	4,314,691
Land	<u>10,515</u>	-	-	<u>10,515</u>
Total	<u>\$4,003,755</u>	<u>\$445,902</u>	<u>\$74,451</u>	<u>\$4,375,206</u>

Library books are added to fixed assets at the Bowker Annual Average Book Prices for adult and juvenile books.

NOTE F - 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, 1997

NOTE C - 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 16 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 B, employees who retire at or after age 55 with at least 10 years of creditable service, at or after age 60 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, 1990, 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, 1990. Final-average salary is the employee's average salary over the 36 consecutive or spaced 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 70804-6619, or by calling 1504/928-1361.

Funding Policy

Under Plan A, members of the System are required to contribute 3.5% of their annual covered salary and the library is required to make employer contributions at an actuarially

ST. JOHN THE BAPTIST PARISH LIBRARY
Lafayette, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE G - PENSION PLAN (CONTINUED)

determined rate. The employer's contribution rate for the year ended December 31, 1997 is 3.75% 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, 1997, 1996 and 1995, were \$28,007, \$21,742 and \$24,157, respectively, and these amounts equaled the required contributions for each year.

NOTE H - COMPENSATED ABSENCES AND LONG-TERM OBLIGATIONS

At December 31, 1997, employees of the library have accumulated and vested \$28,215 of employee leave benefits, which was computed in accordance with GRSB Codification Section 042. 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, 1997	130,148
Additions	33,392
Deductions	<u>(134,221)</u>
Long-term obligations payable at December 31, 1997	<u>\$29,319</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, 1987

NOTE I - 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, 1986 and ending June 30, 1990, with \$900 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 (known) for the library staff for a lease term of three years beginning June 30, 1986, and ending June 30, 1990, with \$650 per month lease payments.

In addition, in June, 1986, 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 thirty-three months ending on December 31, 1988, with monthly payments of \$440 each.

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

Year ending December 31,:

1988	\$10,500
1989	<u>1,900</u>
Total minimum lease payments	\$12,400

NOTE J - ENDOWMENT

On August 19, 1978, the library received an endowment of \$5,000 in memory of Dr. John Smith. 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 K - LITIGATION

According to the library's attorney, the library was not involved in any litigation at December 31, 1987, which needed to be reported in financial statements or notes thereto. Therefore, no provision for liability has been set up in the accompanying general purpose financial statements.

SUPPLEMENTAL INFORMATION SCHEDULE

ST. JOHN THE BAPTIST PARISH LIBRARY
LaPlaze, Louisiana
Supplemental Information Schedule
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1977

Reference No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

ST. JOHN THE BAPTIST PARISH LIBRARY
Lafayette, Louisiana
Supplemental Information Schedule
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 1987

Reference No.: 3

Fiscal Year Finding Initially Occurred: Not existed from inception.

Finding Described: The size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Contact Person:
Leroy D. Williams,
Chairman of the Board
Lafayette, Louisiana

Anticipated Completion Date: Not applicable.

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
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
Lafayette, Louisiana

I have audited the general purpose 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, 1997, and have issued my Report thereon dated April 10, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. John the Baptist Parish Library's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose

financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the board's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. I noted that, as a material weakness, the size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control. Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

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. Royce
Certified Public Accountant

April 30, 1998