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

General Purpose Financial Statements and  
Independent Auditor's Reports  
As of and for the Year Ended  
December 31, 2003

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

Release Date 8-25-04

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

General Purpose Financial Statements  
And  
Independent Auditor's Reports  
As of and for the Year Ended December 31, 2003

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# Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

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## INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Jefferson Davis Parish Library, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 2003, and for the year then ended. These general purpose financial statements are the responsibility of the Jefferson Davis Parish Library's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 in the first paragraph present fairly, in all material respects, the financial position of the Jefferson Davis Parish Library, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 14, 2004, on my consideration of Jefferson Davis Parish Library's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with government auditing standards and should be read in conjunction with this report in considering the results of my audit.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
June 14, 2004

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

Balance Sheet, December 31, 2003

	Governmental Fund- General Fund	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash and cash equivalents	\$ 5,377	\$ -	\$ -	\$ 5,377
Investments	907,531			907,531
Receivables:				
Ad valorem taxes	524,183	-	-	524,183
State aid grant	13,042			13,042
Less allowance for doubtful accounts	-			-
Land, buildings, and equipment	-	553,863	-	553,863
Other debits:				
Amount to be provided for retirement of general long-term obligations	-	-	9,922	9,922
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 1,450,133</b>	<b>\$ 553,863</b>	<b>\$ 9,922</b>	<b>\$ 2,013,918</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable	\$ 9,901	\$ -	\$ -	\$ 9,901
Payroll and related liabilities	-	-	-	-
Compensated absences payable	-	-	9,922	9,922
Total Liabilities	9,901	-	9,922	19,823
Equity and Other Credits:				
Investment in general fixed assets	-	553,863	-	553,863
Fund balance - unreserved - undesignated	1,440,232	-	-	1,440,232
Total Fund Equity and Other Credits	1,440,232	553,863	-	1,994,095
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$ 1,450,133</b>	<b>\$ 553,863</b>	<b>\$ 9,922</b>	<b>\$ 2,013,918</b>

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, 2003

**REVENUES**

Ad valorem taxes	\$	631,821
Intergovernmental revenues		44,516
Fees and charges for library services		12,845
Fines and forfeitures		3,254
Interest earnings		12,436
Other revenues		205
Total revenues		705,077

**EXPENDITURES**

Current:		
Culture and recreation - libraries:		
Salaries and related benefits		290,852
Operating services		145,284
Materials and supplies		146,577
Travel and other charges		8,416
Deductions from ad valorem taxes		20,249
Capital outlay		47,928
Total expenditures		659,306

**EXCESS OF REVENUES OVER EXPENDITURES** 45,771

**OTHER FINANCING SOURCES**

Proceeds from sale of assets		1,268
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**EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES** 47,039

**FUND BALANCE AT BEGINNING OF YEAR** 1,393,193

**FUND BALANCE AT END OF YEAR** \$ 1,440,232

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 -  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended December 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	\$ 608,880	\$ 576,364	\$ (32,516)
Intergovernmental revenues	31,000	31,474	474
Fees and charges for library services	9,000	12,845	3,845
Fines and forfeitures	3,000	3,254	254
Interest earnings	8,000	12,436	4,436
Other revenues	-	205	205
Total revenues	659,880	636,578	(23,302)
<b>EXPENDITURES</b>			
Current:			
Culture and recreation - libraries:			
Salaries and related benefits	297,438	290,852	6,586
Operating services	145,557	145,284	273
Materials and supplies	141,783	146,577	(4,794)
Travel and other charges	8,030	8,416	(386)
Deductions from ad valorem taxes	18,866	18,866	-
Capital outlay	48,206	47,928	278
Total expenditures	659,880	657,923	1,957
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(21,345)	(21,345)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sales of assets	-	1,268	1,268
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	(20,077)	(20,077)
<b>FUND BALANCE AT BEGINNING OF YEAR - (Non-GAAP Budgetary Basis)</b>	-	923,084	923,084
<b>FUND BALANCE AT END OF YEAR - (Non-GAAP Budgetary Basis)</b>	\$ -	\$ 903,007	\$ 903,007

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, 2003

**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 without pay. The Jefferson Davis Parish Library operates through four facilities in Jefferson Davis Parish. The main facility is in Jennings, and others are located in Elton, Welsh, and Lake Arthur. The library has approximately fifteen 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, 2003

**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 revenue sharing (which is based on population and homesteads in the parish) are recognized in the year the taxes are assessed, and to the extent they are available within 60 days of the year end. 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.

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.



**JEFFERSON DAVIS PARISH LIBRARY**  
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 Jennings, Louisiana

Notes to the Financial Statements  
 As of and for the Year Ended December 31, 2003

**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.

**E. BUDGET BASIS OF ACCOUNTING AND 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 2003 fiscal year budget was advertised on November 26, 27, & 28, 2002. The public hearing was held on December 10, 2002, and the budget was adopted on that date.

The library adopts its budget on a modified cash basis whereby revenues are reported on cash basis and expenditures are reported on accrual 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 following reconciles the amount shown as excess of receipts over disbursements on the non-GAAP budget basis (page 5), with the amount shown on the GAAP basis (page 4):

Excess (Deficiency) of revenues and other sources over Expenditures and other uses (Non-GAAP Budgetary Basis) – page 5	\$ (20,077)
Add: Current-year receivables	537,225
Less: Prior-year receivables	(470,109)
Excess (Deficiency) of revenues and other sources over expenditures and other uses (GAAP Basis) – page 4	\$ <u>47,039</u>

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Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

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

Fund balance at end of year (Non-GAAP Budgetary Basis) – page 5	\$ 903,007
Revenue accruals	537,225
	<hr/>
Fund balance (GAAP Basis) – page 3	\$ <u>1,440,232</u>

**F. ENCUMBRANCES**

The Library does not utilize encumbrance accounting.

**G. DEPOSITS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. The Jeff Davis Parish Library is authorized to open depositories in only those banks with branch offices in the state.

State statutes authorize the Library to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Library has stated their investments at cost. Investments with a maturity at time of purchase of greater than one year are presented at fair value. Fair value is determined by obtaining “quoted” year end market prices. The Library had no investments and thus no amounts at fair value are listed in the balance sheet.

**H. 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.

**JEFFERSON DAVIS PARISH LIBRARY**  
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Jennings, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

**I. 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. All fulltime employees receive 10 days of vacation. All employees who work 5 cumulative years will be given an additional day of vacation each anniversary of employment until the employee reaches a maximum of 20 days of vacation. Part time employees working half time or more on a regular schedule receive the same proportionate vacation allowance as is given full time staff employees. Employees working less than half time or on a temporary basis receive no vacation time. Employees are allowed one day 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.

**J. 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.

**K. TOTAL COLUMN ON BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it 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.

**2. LEVIED TAXES**

The library's authorized tax millage for 2003 is 5.85 mills. The library levied 5.85 mills for 2003. Any difference is the result of the reassessment of taxable property required by Article 7, Section 18 of the Louisiana Constitution of 1974.

**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, 2003

The following are the principal taxpayers for the parish:

Taxpayer	Type of Business	2003 Assessed Valuation (In Thousands)	% of Total Assessed Valuation
Entergy Gulf States, Inc.	Utilities	\$ 4,467	4.47%
Colonial Pipeline Company	Pipeline	3,331	3.33%
CenturyTel of Evangeline	Telephone	3,529	3.52%
Tennessee Gas Pipeline Company	Pipeline	3,514	3.51%
Florida Gas Transmission	Pipeline	3,022	3.02%
Denbury Resources, Inc.	Pipeline	2,015	2.02%
Jeff Davis Bank & Trust	Bank	2,280	2.28%
Enterprise Loutex Porplyene	Pipeline	1,936	1.94%
Hibernia National Bank	Bank	2,110	2.11%
Enterprise Loutex NGL Pipeline	Pipeline	1,806	1.80%
		<u>\$ 28,010</u>	<u>28.00%</u>

**3. DEPOSITS AND INVESTMENTS**

**Deposits**

At December 31, 2003, the Jefferson Davis Parish Library has cash and cash equivalents (book balances) totaling \$ 5,377 as follows:

Demand deposits	\$ 5,377
Interest-bearing demand deposits	<u>0</u>
Total Book Balances	<u>\$ 5,377</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Library has \$32,109 in deposits (collected bank balances). These deposits are secured from risk by \$32,109 of federal deposit insurance.

**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, 2003

**Investments**

The Library participates in the Louisiana Asset Management Pool, Inc. (LAMP), which is an external local government investment pool. In accordance with GASB Statement 3, *Deposits with*

*Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the investment in LAMP at year end is not categorized in the three risk categories provided by this statement because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by initiative of the State treasurer in 1993. The corporation is governed by a board of directors comprising the State treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA'S. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The fair value of the position in the pool is the same as the value of the pool shares.

Investments are categorized into the following three categories of credit risk in accordance with GASB 3 to give an indication of the level of risk assumed by the Library.

Category 1- includes investments that are insured or registered, or securities held by the government its agent in the Library's name.

Category 2- includes investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Library's name.

Category 3- includes investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Library's name.

**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, 2003

At year end the Library's investment balances were as follows:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments not subject to categorization:		
Louisiana Assets Management Pool	\$ 907,531	\$ 907,531
Total Investments	<u>\$ 907,531</u>	<u>\$ 907,531</u>

**4. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Land	\$ 24,600	\$ -0-	\$ -0-	\$ -0-	\$ 24,600
Buildings	256,138	-0-	-0-	-0-	256,138
Equipment and furniture	262,276	47,928	56,054	318	254,468
Vehicles	18,657	-0-	-0-	-0-	18,657
Total	<u>\$ 561,671</u>	<u>\$ 47,928</u>	<u>\$ 56,054</u>	<u>\$ 318</u>	<u>\$ 553,863</u>

Effective 2001, the Library discontinued carrying library books and materials as capital assets.

**5. PENSION PLAN**

*Plan Description.* Substantially all employees of the Jefferson Davis 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 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

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

Notes to the Financial Statements

As of and for the Year Ended December 31, 2003

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 percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before 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 or amended by state statute.

The system issued an annual publicly available financial 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, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the library is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (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 contributions 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 contributions to the System under Plan A for the years ending December 31, 2003, 2002 and 2001, were \$14,629, \$12,645 and \$11,924 respectively, equal to the required contributions for each year.

## **6. COMPENSATED ABSENCES**

At December 31, 2003, employees of the library have accumulated and vested \$9,922 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 since substantially all amounts are not expected to be paid with available expendable resources.

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Jennings, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

**7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

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

	<u>Compensated Absences</u>
Long-term obligations payable at January 1, 2003	\$ 8,396
Additions	8,647
Deductions	<u>(7,121)</u>
Long-term obligations payable at December 31, 2003	\$ <u>9,922</u>

**8. LITIGATION AND CLAIMS**

At December 1, 2003, the library is not involved in any litigation and is not aware of any pending claims.

**9. RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Library carries commercial insurance to cover all of these risks except theft. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



**OTHER REPORTS REQUIRED BY  
GOVERNMENTAL AUDITING STANDARDS**

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

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

I have audited the general purpose 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, 2003, and have issued my report thereon dated June 14, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Jefferson Davis Parish Library's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of 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 Jefferson Davis 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Library's Board of Control, management, others within the organization and the Louisiana Legislative Audit Advisory Council and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana

June 14, 2004

**JEFFERSON DAVIS PARISH LIBRARY  
JEFFERSON DAVIS PARISH POLICE JURY  
Jennings, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2003**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Jefferson Davis Parish Library.
2. No reportable conditions were disclosed during the audit of the financial statements and reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Jefferson Davis Parish Library, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. Since the Jefferson Davis Parish Library did not require a Single Audit, a report on reportable conditions concerning internal control over major federal award programs was not applicable.
5. Since the Jefferson Davis Parish Library did not require a Single Audit, an auditor's report on compliance for the major federal award programs was not applicable.
6. Since the Jefferson Davis Parish Library did not require a Single Audit, a report of audit findings relative to the major federal award programs was not applicable.
7. A management letter was not issued.
8. The programs tested as major programs included:

<u>CFDA No.</u>	<u>Program Name</u>
Not applicable	Not applicable

9. The threshold used for distinguishing between Type A and B federal award programs was not applicable.
10. A statement as to whether the auditee qualified as a low-risk auditee under OMB Circular Q-133 was not applicable.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

**Current Year Findings:**

No findings to report.

**JEFFERSON DAVIS PARISH LIBRARY  
JEFFERSON DAVIS PARISH POLICE JURY  
Jennings, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2003**

**Prior Year Findings:**

No findings requiring further corrective action to report.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable

**JEFFERSON DAVIS PARISH LIBRARY  
JEFFERSON DAVIS PARISH POLICE JURY  
Jennings, Louisiana  
SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended December 31, 2003**

**SECTION I –INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS**

No findings reported.

**SECTION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings reported.

**SECTION III –MANAGEMENT LETTER**

No findings reported.

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

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS**  
For the Year Ended December 31, 2003

**SECTION I –INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS**

No current year findings reported.

**SECION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No current year findings reported.

**SECTION III –MANAGEMENT LETTER**

No current year findings reported.

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THIS CORRECTIVE ACTION PLAN HAS BEEN PREPARED BY MANAGEMENT