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LIVINGSTON PARISH LOUAGRE COMMISSION

REPORT ON AUDIT OF
COMPOUND UNIT FINANCIAL STATEMENTS

DECEMBER 31, 1988

Under provisions of state law, this report is a public document. A copy of this report has been distributed 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: 01/22/1989

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January 21, 1999

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Livingston Parish Library Commission
Livingston, Louisiana

We have audited the accompanying component unit financial statements of the Livingston Parish Library Commission, a component unit of the Livingston Parish Council as of and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the Livingston Parish Library Commission, as of December 31, 1998, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 21, 1999, on our consideration of Livingston Parish Library Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Respectfully submitted,

Hannis T. Bourgeois, L.L.P.

COMPONENT UNIT FINANCIAL STATEMENTS
COMBINED STATEMENTS - OVERVIEW

Livingston Parish Library Commission
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1998

	GOVERNMENTAL <u>FUND TYPE</u>	ACCOUNT <u>GROUP</u>	TOTAL	
	<u>GENERAL</u>	GENERAL FIXED <u>ASSETS</u>	MEMORANDUM (cont.) <u>1998</u>	<u>1997</u>
ASSETS				
Cash and Cash Equivalents	\$ 371,630	\$ -	\$ 371,630	\$ 212,964
Certificates of Deposit	1,800,800	-	1,800,800	1,800,800
Property Tax Receivables	893,573	-	893,573	943,950
Due From Other Governments	34,528	-	34,528	41,878
Other Receivables	3,478	-	3,478	3,028
Deposits	15	-	15	15
Fixed Assets	-	801,622	801,622	719,640
Total Assets	\$3,913,204	\$801,622	\$3,913,912	\$3,913,204
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$ 2,677	\$ -	\$ 2,677	\$ 10,533
Property Tax Deductions Payable	31,103	-	31,103	37,135
Payroll Taxes Payable	3,328	-	3,328	3,681
Total Liabilities	35,106	-	35,106	49,349
Fund Equity:				
Investment in General Fixed Assets	-	801,622	801,622	719,640
Fund Balance:				
Unreserved - Undesignated	2,773,198	-	2,773,198	2,183,254
Total Fund equity	2,773,198	801,622	3,578,800	2,906,935
Total Liabilities and Fund Equity	\$3,913,204	\$801,622	\$3,913,912	\$3,913,204

The accompanying notes constitute an integral part of this statement.

Livingston Parish Library Commission

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GENERAL FUND

For the Years Ended December 31, 1996 and 1997

	<u>1996</u>	<u>1997</u>
Revenues:		
Taxes	\$ 988,371	\$1,188,989
Fines/Lost Books Fees	3,268	7,000
State Revenue Sharing	123,305	49,079
Interest	95,311	88,130
Donations	115,783	64,647
Other	378	1,565
	<u>4,184</u>	<u>5,331</u>
Total Revenues	1,248,288	1,309,432
Expenditures:		
Salaries	330,848	303,831
Payroll Taxes	18,375	18,184
Group Insurance	18,888	35,383
Retirement	5,255	4,944
Books and Subscriptions	5,613	6,393
Equipment	98,462	23,194
Insurance	5,072	4,522
Legal and Accounting	8,680	1,758
Library Books	122,837	95,289
Miscellaneous	332	314
Office Supplies	14,365	14,685
Postage	1,637	846
Repairs and Maintenance	19,846	19,230
Rent	11,160	11,180
Summer Reading Program	6,374	5,316
Tax Collection Cost	14,189	17,135
Telephone	8,354	6,453
Travel	2,982	1,256
Utilities	<u>12,238</u>	<u>13,432</u>
Total Expenditures	624,468	484,688
Excess of Revenues over Expenditures	623,820	819,804
Fund Balance at Beginning of Year	2,153,254	2,308,460
Fund Balance at End of Year	<u>\$2,777,074</u>	<u>\$3,128,264</u>

The accompanying notes constitute an integral part of this statement.

Livingston Parish Library Commission

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASED) AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 1998

	GENERAL FUND		VARIANCE - FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
Revenues:			
Taxes	\$ 889,800	\$ 906,271	\$ 21,271
Fines/Lost Books	3,800	3,286	266
Grants	124,000	123,305	1695
State Revenue Sharing	86,800	95,311	18,311
Interest	112,800	116,789	3,289
Donations	600	178	1422
Other	4,000	4,184	184
Total Revenues	1,218,100	1,268,299	34,199
Expenditures:			
Salaries	221,000	238,349	19,349
Payroll Taxes	18,000	19,235	1235
Group Insurance	28,000	18,896	18,114
Retirement	5,000	6,264	1264
Books and Subscriptions	1,000	6,611	14,611
Equipment	107,500	99,462	18,038
Insurance	7,100	5,072	2,028
Legal and Accounting	8,500	8,889	389
Library Books	128,000	123,837	11,837
Miscellaneous	600	222	698
Office Supplies	15,000	14,244	756
Postage	2,000	2,637	263
Repairs and Maintenance	18,000	19,864	11,864
Rent	11,100	11,100	-
Summer Reading Program	6,500	8,374	128
Tax Collection Cost	33,000	32,183	1183
Telephone	8,000	8,324	324
Travel	3,000	2,962	38
Utilities	15,800	12,938	2,382
Total Expenditures	628,900	624,498	4,392
Excess of Revenues over Expenditures	589,200	623,801	38,501
Fund Balance at Beginning of Year	2,153,294	2,153,294	-
Fund Balance at End of Year	\$2,738,594	\$2,777,194	\$ 38,590

The accompanying notes constitute an integral part of this statement.

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

III Summary of Significant Accounting Policies -

The Livingston Parish Library Commission "the Commission" is a body corporate created by the Livingston Parish Council (formerly the Livingston Parish Police Jury), as provided by Louisiana Revised Statutes. The Commission is governed by a board of eight commissioners who are appointed by the Livingston Parish Council.

The financial statements of the Commission have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB), is the standard-setting body for governmental accounting and financial reporting. On June 30, 1988, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the commission's board of commissioners. Control by or dependence on the board was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

In conformance with Governmental Accounting Standards Board, Statement 14, the Commission is a component unit of the Livingston Parish Council, the governing body of the parish. The accompanying financial statements present information only on the fund and account group maintained by the Commission and do not present information on the Council and the general government services provided by that governmental unit.

B. Fund Accounting

The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues,

Livingston Parish Library Commission

NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(1) Summary of Significant Accounting Policies - (Continued) -

and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds of the Commission are grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 1998, this is the only fund of the Livingston Parish Library Commission.

In addition to the generic fund type, the Commission maintains one account group. The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

General Fixed Asset Account Group - The fixed assets used in the governmental fund type operations of the Commission are accounted for in the General Fixed Assets Account Group, rather than in the governmental fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Donated assets are recorded at their fair market value at date of donation. At December 31, 1998, estimated fair value of donated assets amounted to \$6,382.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(1) SUMMARY of Significant Accounting Policies - (Continued) -

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenues when levied even though a portion of the taxes may be collected in subsequent years.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various operating supplies, books and periodicals, are regarded as expenditures at the time purchased.

D. Budgetary Practices

The Commission utilizes the following budgetary practices:

The Director prepares the annual budget which is based on what is expected to be collected and/or levied during the fiscal year and is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Director to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

All budget amounts presented in the financial statements have been advanced for legally authorized revisions of the annual budget during the year. Appropriations, except encumbrances, lapse at the end of each year.

E. Encumbrances

Encumbrances outstanding at year end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The governmental fund's budget is maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(1) Summary of Significant Accounting Policies - (Continued) -

The actual results of operations are presented in accordance with GAAP and the Commission's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Encumbrances are presented as a reservation for encumbrances on the Balance Sheet of the governmental fund. At December 31, 1998, the Commission had no outstanding encumbrances.

F. Total Columns on Combined Statements

Total Columns on the Combined Balance Sheet is captioned (Memorandum Only) to indicate that it is presented only to facilitate financial analysis. Data in the columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(2) Property Taxes -

On April 29, 1991, a special election was held whereby the voters of Livingston Parish Library Commission approved a 18 year 10.88 mill ad valorem tax assessed on all property subject to taxation in Livingston Parish for the purpose of "acquiring, constructing, improving, maintaining and operating the Livingston Parish Library." The tax began with the year 1995 and ends with the year 2014.

A separate voter approved millage of 3 mills remained in effect through the year 1997 for the purpose of the maintenance and operation of the Livingston Parish Library.

Property taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 1998

12) Property Taxes - (Continued) -

The Commission's taxes are collected by the Livingston Parish Tax Collector and are remitted to the Commission monthly. The Commission pays the Assessor's Office a fee for this service.

For the year 1998, taxes of 9.41 mills were levied on property with assessed valuations totaling \$93,604,440.

Total taxes assessed and taxes receivable at December 31, 1998, are as follows:

	GENERAL OPERATIONS
	<u>9.41 MILLS</u>
1998 Property Tax Assessed	\$ 893,382
Less: Amounts Deemed Uncollectible	<u>(131,380)</u>
Net 1998 Property Taxes Deemed Collectible	862,002
Collection in 1998 Prior Year Taxes in Excess of Amounts Estimated as Collectible	<u>(41,568)</u>
Property Tax Revenue as Reported	906,273
Less: Amounts Collected Prior to December 31, 1998	<u>(182,598)</u>
Net Property Tax Receivable at December 31, 1998	<u>\$ 723,675</u>

With the expiration of the original 3 mills December 31, 1997, the 1998 Property tax levy was reduced by approximately \$133,880.

13) Changes in General Fixed Assets -

A summary of changes in general fixed assets is as follows:

	LAND AND BUILDINGS	FURNITURE AND EQUIPMENT	<u>TOTAL</u>
Balance - January 1, 1998	\$512,582	\$200,859	\$713,441
Additions	-	99,483	99,483
Deletions	<u>-</u>	<u>(110,483)</u>	<u>(110,483)</u>
Balance - December 31, 1998	<u>\$512,582</u>	<u>\$189,860</u>	<u>\$702,442</u>

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

December 31, 1998

04) Cash and Cash Equivalents and Certificates of Deposit -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with maturities of three months or less from the date of acquisition. The Commission also invests funds in certificates of deposit which have maturity dates greater than 90 days when purchased and are therefore classified as certificates of deposit. Under state law the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Commission may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As confirmed by the fiscal agents, the Commission had cash and certificates of deposit totaling \$1,988,915 with a carrying amount of \$1,971,610 at December 31, 1998. Cash and certificates of deposit are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following is a summary of cash and certificates of deposit at December 31, 1998, with the related federal deposit insurance and pledged securities, if any. The cash and certificates of deposit at December 31, 1998, were secured as follows:

	CONFIRMED BANK BALANCE INCREASE 31, 1998	FEDERAL INSURANCE	BALANCE INCLUDED
Cash	\$ 100,915	\$ 100,000	\$ 200,915
Certificates of Deposit	1,888,000	100,000	1,788,000
Total	<u>\$1,988,915</u>	<u>\$ 200,000</u>	1,788,915
Un collateralized - Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent			<u>1,517,500</u>
Deficiency of FDCI Insurance and Pledged Securities over Cash and Cash Equivalents			<u>\$ NONE</u>

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(5) Litigation :

There is no litigation pending against the Commission.

(6) Compensated Absences and Other Postemployment Benefits -

At December 31, 1998, the Commission has no plan or provision for compensated absences or other post employment benefits. Vacation time cannot be accumulated and must be taken by the end of the year earned.

(7) Pension Plan -

Substantially all employees of the Livingston Parish Library Commission are members of the Parochial Employees Retirement System of Louisiana (ERS), a multiple employer public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Commission are members of Plan B.

All permanent employees working at least 25 hours per week who are paid wholly or in part from Library funds, are eligible to participate in the system. Under Plan B, employees who retire at or after age 40 with at least 10 years of creditable service, or at or after age 55 with 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 in excess of \$108 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 40, with the basic benefit reduced 3 per cent for each year retirement precedes age 41. In any case, monthly retirement benefits paid under Plan B cannot exceed the lesser of 100 per cent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or jotted 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.

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(3) Pension Plan - (Continued) -

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires employees covered by Plan A to contribute two percent of their salaries in excess of \$100 per month to the System.

The following provides certain disclosures for the Library Commission and the retirement system that are required by GASB Codification:

PLAN ADECEMBER 31, 1998

Contribution Rates:	
Employee	2.5%
Employer	2.5%

PLAN B

Trend Information:

Contributions required by State statute.

<u>FINANCIAL</u> <u>YEAR</u>	<u>REQUIRED</u> <u>CONTRIBUTION</u>	<u>PERCENTAGE</u> <u>COMPLETED</u>
1998	\$ 3,250	100%

Trend information showing the progress of the System in accumulating sufficient assets to pay benefits when due is presented in its annual financial reports. Copies of these reports may be obtained from the Parishwide Employees Retirement System of Louisiana.

Livingston Parish Library Commission

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(8) Rental Expense -

The Commission leases facilities for three branches. These leases are month to month operating leases and there are no formal written lease agreements. The total rental expense included in these financial statements for the year ended December 31, 1998 is \$11,188.

(9) Schedule of Compensation Paid Board Members -

Jo Ann Nevel, President	\$.
Max Mansford, Vice President	.	.
Nancy Deloitte, Ex-Officio Member	.	.
Katherine DeGereaux	.	.
Calvin Payard, Sr.	.	.
Shirley McDonald	.	.
Juanette Courtney	.	.
Ronald Benson	.	.
	\$.

The term of each board member is five years.

(10) The Year 2000 Issue -

The Commission is aware of the issues associated with the programming code in existing computer systems as the year 2000 approaches. The "Year 2000" problem is pervasive and complex as virtually every computer operation will be affected in some way by the rollover of the two digit year value to 00. The issue is whether computer systems will properly recognize date sensitive information when the year changes to 2000. Systems that do not properly recognize such information could generate erroneous data or cause a system to fail.

As the Library's computer equipment, which is being used in the "mission critical" applications, is relatively new equipment it is already "Year 2000" compliant. Due to the size of the Commission, minimum software applications are required and each of these applications will be updated and tested during 1999.

It is estimated that the Commission will be required to expend less than \$10,000 during 1999 to become compliant for the "Year 2000". Because of the unprecedented nature of the "Year 2000" issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Commission is or will be "Year 2000" ready, that the Commission's remediation efforts will be successful in whole or in part, or that parties with whom the Commission does business will be "Year 2000" ready.

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



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Certified Public Accountants

January 21, 1999

Board of Commissioners
Livingston Parish Library Commission
Livingston, Louisiana

We have audited the component unit financial statements of the Livingston Parish Library Commission, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 1998, and have issued our report thereon dated January 21, 1999. We conducted our 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 part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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. We noted no matters involving the interest control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the use of management and the office of the Legislative Auditor, State of Louisiana, 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 Livingston Parish Library Commission is a matter of public record.

Respectfully submitted,

Thomas C. Longoria, M.P.

