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LEGISLATIVE INFORMATION

Rapides Parish Library

Component Unit Financial Report

Alexandria, Louisiana
December 31, 1997

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

Release Date 6/29/98

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KNIGHT MADDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

May 21, 1998

Coon I. Knight, Jr., CPA
K. Maria Madden, CPA

Associates:
John E. Theriot II, CPA
Kathleen S. Helgard, CPA

Independent Auditors' Report

The Board of Control
Rapides Parish Library
Alexandria, Louisiana

We have audited the accompanying general purpose financial statements of the Rapides Parish Library, a component unit of the Rapides Parish Police Jury in the State of Louisiana, as of December 31, 1997, and for the year then ended, as listed in the table of contents. The component unit general purpose financial statements are the responsibility of the Rapides Parish Library's management. Our responsibility is to express an opinion on these component unit general purpose 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit 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 component unit 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Rapides Parish Library as of December 31, 1997, and the results of its 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 May 21, 1998, on our consideration of the Rapides Parish Library's internal control and a report dated May 21, 1998, on its compliance with laws and regulations.

Knight-Madden
KNIGHT  MADDEN

RAPIDS PARKER LIBRARY
A Component Unit of the Rapids Parks Police Jury
 Condensed Balance Sheet
 All Fund Types and Account Groups
 December 31, 1997

Assets	Environmental Fund (2000)			Fiduciary Fund Types (Non-Expendable Trust)	Account Group Fund Assets	Totals (Miscellaneous Only)
	General	Special Revenues	Capital Projects			
Cash and Cash Equivalents	\$ 45,651	\$8,541	\$7,805	\$ -	\$ -	\$57,007
Receivables	1,886,048	-	-	-	-	1,886,048
All other assets	-	-	-	-	-	-
Restricted Assets	-	-	-	54,680	-	54,680
Cash and cash equivalents	-	-	-	-	5,001,565	5,001,565
Fund Assets	-	-	-	-	-	-
Total Assets	\$7,935,709	\$8,541	\$7,805	\$54,680	\$5,001,565	\$6,999,300
Liabilities and Fund Equity						
Liabilities						
Accounts payable	\$1,648	-	-	-	-	\$1,648
Accrued liabilities	\$2,263	-	-	-	-	\$2,263
Deferred revenue	-	7,805	-	-	-	7,805
Total Liabilities	133,911	-	7,805	-	-	141,716
Fund Equity						
Investment in general fund assets	-	-	-	-	5,001,565	5,001,565
Fund balances	-	8,541	-	-	-	8,541
Unreserved-designated	1,772,798	-	-	54,680	-	1,781,319
Reserved for encumbrances	-	-	-	54,680	-	54,680
Total Fund Equity	1,772,798	8,541	-	54,680	5,001,565	6,837,584
Total Liabilities and Fund Equity	\$1,926,709	\$8,541	\$7,805	\$54,680	\$5,001,565	\$6,999,300

This accompanying notes are an integral part of the financial statements.

RAPIDES PARISH LIBRARY
 A Component Unit of the Rapides Parish Police Jury
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 All Governmental Fund Types
 For the Year Ended December 31, 1997

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Revenues				
Local Sources				
Taxes - all salesmen	\$1,997,282	\$ -	\$ -	\$1,997,282
Redemptions	8,999	-	-	8,999
Fees and charges	3,462	-	-	3,462
Fines and forfeitures	19,607	-	-	19,607
Gifts	43,287	1,908	-	45,195
Other revenues	43,857	-	-	43,857
Grants	-	-	54,708	54,708
State Sources				
Unrestricted	112,290	-	-	112,290
Restricted	39,910	-	-	39,910
Total Revenues	<u>2,299,635</u>	<u>1,908</u>	<u>54,708</u>	<u>2,356,251</u>
Expenditures				
Current				
Library administration (excluding salaries)	485,425	-	-	485,425
Salaries and related expenses	1,320,969	-	-	1,320,969
Capital Expenditures				
Buildings and equipment	79,489	-	-	79,489
Library materials	513,999	6,706	-	520,705
Automation project	-	-	34,708	34,788
Total Expenditures	<u>2,187,842</u>	<u>6,706</u>	<u>34,708</u>	<u>2,229,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,793	(4,798)	-0-	96,995
Other Financing Sources				
Transfer In	-	2,566	-	2,566
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	101,793	(2,232)	-0-	99,561
Fund Balance, Beginning of Year	<u>1,671,815</u>	<u>10,771</u>	<u>-0-</u>	<u>1,682,586</u>
Fund Balance, End of Year	<u>\$1,773,798</u>	<u>\$8,541</u>	<u>-0-</u>	<u>\$1,782,339</u>

The accompanying notes are an integral
 part of the financial statements.

BARBERS POINT PUBLIC LIBRARY

A Component Unit of the Subject: Fourth Public Library
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-CAP) (Budgetary Basis) and Actual
 General Fund

For the Year Ended December 31, 1997

	Budget	Actual	Adjustment in Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenues					
Taxes - all revenues	\$1,005,476	\$1,097,262	\$70,000	\$1,118,694	\$19,208
Bookings	22,000	9,608	-	9,608	(16,392)
Fees and charges	10,000	7,463	-	7,463	(2,537)
Fines and forfeitures	18,000	19,637	-	19,637	1,637
Gifts	50,000	41,287	-	41,287	(8,713)
Other revenues	50,000	43,987	-	43,987	(6,013)
Revenue sharing	171,277	113,290	57,126	172,416	1,089
State Aid	12,000	30,970	-	33,918	21,918
Total Revenues	2,178,753	2,399,897	(21,472)	2,348,133	70,400
Expenditures					
Library administration	504,919	656,453	22,883	479,258	29,631
Services and related expenses	1,258,764	1,200,008	(8,783)	1,214,127	12,857
Buildings and equipment	43,000	78,498	(13,196)	66,343	(21,347)
Library materials	300,000	318,999	18,164	321,563	(21,603)
Total Expenditures	2,115,723	2,353,958	13,068	2,180,891	(4,228)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 63	191,769	(674,533)	\$ 67,182	\$67,182
Fund Balance, Beginning of Year		1,671,413			
Fund Balance, End of Year		\$1,732,798			

The accompanying notes are an integral part of the financial statements.

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Special Revenue Fund
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Local Sources			
Gifts	\$4,716	\$1,968	\$(2,800)
Expenditures			
Capital Expenditures			
Library materials	<u>4,716</u>	<u>6,786</u>	<u>(1,990)</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(4,798)</u>	<u>(4,798)</u>
Other Financing Sources			
Transfer in	<u>3,832</u>	<u>2,988</u>	<u>(1,280)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$3,832</u>	<u>(2,332)</u>	<u>\$6,060</u>
Fund Balance, Beginning of Year		<u>10,773</u>	
Fund Balance, End of Year		<u>\$8,441</u>	

The accompanying notes are an integral part of the financial statements.

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Fiduciary Fund Type
Non-Expendable Trust Fund
For the Year Ended December 31, 2007

Revenues	
Local sources	
Income	\$ 2,500
Other Financing Use	
Transfers out	<u>(2,500)</u>
Excess of Revenues Over Expenditures and Other Financing Use	0-
Fund Balance, beginning of year	<u>24,600</u>
Fund Balance, end of year	<u>\$ 24,600</u>

The accompanying notes are an integral
part of the financial statements.

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Statement of Cash Flows - Fiduciary Fund Type
Non-Dependable Trust Fund
For the Year Ended December 31, 1993

Cash Flow from Operating Activities:	
Interest on investments	\$ 2,500
Cash Flow from Municipal Financing Activities:	
Operating transfers out to other funds	<u>(2,500)</u>
Net Increase in Cash and Cash Equivalents	0
Cash and Cash Equivalents, beginning of year	<u>24,680</u>
Cash and Cash Equivalents, end of year	<u>\$ 24,680</u>

The accompanying notes are an integral
part of the financial statements.

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Notes to Financial Statements
December 31, 1997

Note 1 - Summary of Significant Accounting Policies

The Rapides Parish Library (the "Library") was established by the Rapides Parish Police Jury (the "Jury"), the parish governing authority, under the provisions of Louisiana Revised Statute 23:211. 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 which is appointed by the Jury in accordance with the provisions of Louisiana Revised Statute 23:214. The members of the Board of Control serve without pay.

The general purpose financial statements of the 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. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

For financial reporting purposes, the Library is a component unit of the Jury, the governing body of the parish. The accompanying general purpose financial statements present information only on the funds maintained by the Library and do not present information on the Jury and the general government services provided by it.

B. Fund Accounting

The Library uses fund and account groups to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by aggregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 financial resources.

In these financial statements, funds are classified into two categories: governmental and fiduciary. The governmental funds are divided into separate "fund types".

Governmental funds are used to account for all or most of a government's principal activities, including the collection and disbursement of restricted monies (special revenue and capital project grants). The special revenue fund of the Library is used to account for gifts and grants from outside sources who specify how the funds may be spent. The capital project fund is used to account for a grant from the Rapides Foundation, designated by the donor for a capital improvement project involving automation of the main library and all branches. The general fund is used to account for all activities of the Library not accounted for in some other fund.

RAPIDES PAREH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Notes to Financial Statements
December 31, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government or component unit. The fiduciary fund of the Library is a non-expendable trust fund which is used to account for gifts and grants by outside sources in which the principal is restricted in perpetuity. The earnings from these restricted gifts are transferred to the special revenue fund to be expended for specified purposes.

C. Basis of Accounting

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. Fees and charges, fines and forfeitures, and other revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenues and interest income are accrued when their receipt occurs even though after the end of the accounting period so as to be both measurable and available. Capital project grant money received but not spent or obligated is not considered to be available as a net current asset, and is recorded as deferred revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The fiduciary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned, and expenses are recognized when they are incurred.

D. Budgetary Practices

The Library adopts a budget for its General Fund on a cash basis of accounting, which is not in accordance with GAAP, and budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis. The Library also adopts a GAAP basis budget for its Special Revenue Fund. The budgetary practices include public hearings on the budget. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Fund. The Director is responsible for advising the Finance Committee, who in turn presents the information to the Board of Control, when total revenues and/or expenditures are projected to have a variance in excess of what is allowed by Louisiana Revised Statutes. All appropriations lapse at year end.

The actual results of operations are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the budget. For purposes of preparing the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, the actual results of operations have been adjusted to a basis consistent with the Library's budgeted revenues and expenditures.

E. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and they are recorded as expenditures in the governmental funds when purchased.

RAPIDS PARISH LIBRARY
A Component Unit of the Rapids Parish Police Jury
Notes to Financial Statements
December 31, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

No depreciation has been provided on general fixed assets. Fixed assets, other than books, are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets of \$484,979 are valued at fair market value at the date of donation. Books are valued on an estimated per unit cost basis.

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.

F. Compensated Absence

Employees of the Library earn annual leave at the following rates, which is based on classification and years of service:

Maintenance Workers and Library Clerks:

1-3 years of service	10 work days (80 hours)
4-10 years of service	15 work days (120 hours)
11 years of service and up	20 work days (160 hours)

Library Technical Assistants, Administrative Assistants and Librarians without M.L.S.

1-3 years of service	15 work days (120 hours)
4 years of service and up	20 work days (160 hours)

Librarians with M.L.S.

1 year of service and up	20 work days (160 hours)
--------------------------	--------------------------

No more than the eligible amount of annual leave that an employee earns each fiscal year may be carried forward at the end of the fiscal year December 31. The allowable amount according to job classification is listed above. This requirement may be waived by the Director, under extraordinary circumstances. Upon termination of employment or death, an employee or his estate must be paid all accumulated vacation leave.

Regular salaried employees earn 15 days (120 hours) of sick leave each year based on 40 hours a week or an amount proportionate to the amount of hours worked a week. The maximum amount of sick leave that can be carried by any employee is 120 hours each fiscal year. On December 31, the end of the fiscal year, accrued sick leave is carried forward to the next year. Employees may accrue an unlimited amount of sick leave. Employees are not compensated for accumulated sick leave if employment is terminated; however, unused sick leave is used in the retirement computation as earned service.

The amount of accumulated vested employees annual leave benefits of \$29,921 at December 31, 1997 is reflected in the accompanying financial statements in the accrued liabilities caption in the General Fund.

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Notes to Financial Statements
December 31, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

G. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Nonrecurring Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do 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. Inertial illustrations have not been made in the aggregation of this data.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits and money market accounts. Cash equivalents includes certificates of deposits with a maturity date of 91 days or less.

Note 2 - Cash and Cash Equivalents

Under state law, the Library may deposit funds in demand accounts, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 1997, the Library had cash and cash equivalents totaling \$11,687 as follows:

Certificates of deposit	\$ 34,680
Cash on hand	500
Checking account	24,804
Savings account	<u>1,703</u>
	\$ 11,687

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 trustor bank that is initially acceptable to both parties. Deposit balances (bank balances) as December 31, 1997, were secured as follows:

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Notes to Financial Statements
December 31, 1997

Note 2 - Cash and Cash Equivalents, Continued

Bank balances	<u>\$ 176,562</u>
Federal deposit insurance	101,800
Pledged securities (Category 3)	<u>71,562</u>
Total insurance and pledged securities	<u>\$ 176,562</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advance 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.

Note 3 - Ad Valorem Taxes Revenue and Receivables

Ad valorem taxes and the related State revenue sharing (which is based on population and households in the parish) are recorded in the year the taxes are assessed. The ad valorem tax rate assessed for the Library is 6 mills. Ad valorem taxes are assessed on a calendar year basis, become due on November 5 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. Uncollected ad valorem taxes levied for 1997 are recorded as receivables, net of estimated uncollectibles and protested amounts of \$61,515.

Note 4 - Changes in General Fixed Assets

The following is a summary of changes in General Fixed Assets for the year ended December 31, 1997:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 381,410	\$ -	\$ -	\$ 381,410
Buildings	1,514,572	26,585	-	1,541,157
Equipment	684,093	180,830	48,979	714,886
Vehicles	81,250	14,276	-	95,526
Books	1,372,429	103,682	138,945	1,348,576
Total	<u>3,033,696</u>	<u>304,733</u>	<u>138,945</u>	<u>3,201,584</u>

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Notes to Financial Statements
December 31, 1997

Note 5 - Pension Plan

Substantially all employees of the Library are members of the Parochial Employees Retirement System (the system), a cost sharing, 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). All participating employees of the Library are members of Plan A.

The System provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Parochial Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Parochial Employees Retirement System, P. O. Box 14613, Baton Rouge, LA. 70808-4613 or by calling (504) 624-1361.

Covered employees are required by state statute to contribute 8.5 percent of their salary to the plan. The Library is required by the same statute to contribute 7.75 percent. Contribution rates have remained the same for the current and prior two years. In addition, contributions to the System include one-fourth of one percent of the taxes shown to be collected by the sheriff of each respective parish, except Orleans and East Baton Rouge Parish. The Library's contributions to the system for the years ended December 31, 1997, 1996 and 1995 were \$73,408, \$64,134 and \$62,581, respectively, equal to the required contributions for each year.

Note 6 - Accumulated Compensatory Time

Library employees who work on holidays and in an occasional overtime status are permitted to accumulate compensatory time to be taken off or to be paid at a later date. The Library maintains a policy that all compensatory time should be exhausted prior to the expiration of a fiscal year unless otherwise authorized by the Director or Human Resources Manager. Upon termination of employment or death, an employee or his estate shall be paid all accumulated compensatory leave.

Note 7 - Risk Management

The Library is exposed to various risks of loss related to theft, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Library to purchase commercial insurance for the risks of loss to which it would be exposed. The Library's fleet collection and equipment are under-insured. The financial impact, if any, resulting from inadequate insurance cannot be reasonably estimated. However, the destruction of books and equipment at all locations at the same time is unlikely.

The Library does not pay State unemployment tax for its employees. It has an arrangement with the State of Louisiana and is considered self-insured. Any allowable claims submitted to the unemployment office are paid to the recipient by the State and the Library reimburses the State for claims paid on its behalf. Previous claims have been minimal.

RAPIDES PARISH LIBRARY
A Component Unit of the Rapides Parish Police Jury
Notes to Financial Statements
December 31, 1997

Note 8 - Lease Commitments

The Library is committed to two operating leases for copiers which expire by the year 2000. Approximate future minimum lease payments of all non-cancelable leases for the next three years follow:

1998	\$,111
1999	\$,111
2000	\$,400

The Library is also committed to separate contracts to lease three buildings for the following amounts:

- \$400 a month through February 20, 2003
- \$200 a month through December 31, 2004
- \$500 a month through December 31, 2004

In the event that the Library revenues are deemed insufficient to maintain operations at these locations, the Library may terminate these leases after a sixty day written notice.

KNIGHT MADDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Craig I. Knight, Jr., CPA
K. Martin Madden, CPA

May 21, 1998

Associates:
John E. Tharot II, CPA
Kathleen S. Belgard, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Control
Rapides Parish Library
Alexandria, Louisiana

We have audited the general purpose financial statements of the Rapides Parish Library, a component unit of the Rapides Parish Police Jury in the State of Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 21, 1998.

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.

The management of the Rapides Parish Library is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Rapides Parish Library for the year ended December 31, 1997, we obtained an understanding of its internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The Board of Control
Rapides Parish Library
Alexandria, Louisiana

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control systems elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Board of Control. However, this report is a matter of public record and its distribution is not limited.

Knight-Martin
KNIGHT & MARTIN

KNIGHT & MARDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

May 21, 1998

Case I. Knight, Jr., CPA
K. Martin Marden, CPA

Associates:
John E. Theriot II, CPA
Kathleen S. Belgard, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS OF A COMPONENT UNIT
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

The Board of Control
Rapides Parish Library
Monroe, Louisiana

We have audited the general purpose financial statements of the Rapides Parish Library, a component unit of the Rapides Parish Police Jury in the State of Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 21, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Rapides Parish Library is the responsibility of the Rapides Parish Library's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Rapides Parish Library's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Board of Control. However, this report is a matter of public record and its distribution is not limited.

Knight - Marden
KNIGHT & MARDEN