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Financial Report
Lafourche Parish Library
Thibodaux, Louisiana
December 31, 1998

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Release Date MAY 12 1999

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Lafourche Parish Library

December 31, 1998

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Control,
Lafourche Parish Library,
Thibodaux, Louisiana.

We have audited the accompanying general-purpose financial statements of Lafourche Parish Library (the Library), a component unit of the Lafourche Parish Council, as of December 31, 1998, and for the twenty-four month period ended December 31, 1998, and for the twelve month periods ended December 31, 1998 and 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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. Those 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Parish Library as of December 31, 1998, and the results of its operations for the twenty-four month period then ended and for the twelve month periods ended December 31, 1998 and 1997 in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 1999 on our consideration of the Lafourche Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Thibodaux, La.,
February 8, 1999.

COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

Lafourche Parish Library

December 31, 1998

	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
Assets			
Cash	\$ 826,962	\$ -	\$ 826,962
Receivables - ad valorem taxes	303,452	-	303,452
Due from other governmental units	2,252,276	-	2,252,276
General fixed assets	<u>-</u>	<u>1,772,956</u>	<u>1,772,956</u>
Total assets	<u>\$ 3,382,690</u>	<u>\$ 1,772,956</u>	<u>\$ 5,055,646</u>
Liabilities			
Accounts payable and accrued expenditures	<u>\$ 53,343</u>		<u>\$ 53,343</u>
Equity and Other Credits			
Investment in general fixed assets	-	\$ 1,772,956	1,772,956
Fund balances:			
Designated for future construction	750,000	-	750,000
Unreserved	<u>2,479,443</u>	<u>-</u>	<u>2,479,443</u>
Total equity and other credits	<u>3,229,443</u>	<u>1,772,956</u>	<u>5,002,399</u>
Total liabilities, equity and other credits	<u>\$ 3,382,690</u>	<u>\$ 1,772,956</u>	<u>\$ 5,055,646</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND**

Lakeview Parish Library

For the twenty-four month period ended December 31, 1998

	Twenty-four Months Ended December 31, 1998	Twelve Months Ended December 31, 1998	Twelve Months Ended December 31, 1997
Revenues			
Taxes	\$ 4,620,518	\$ 2,410,334	\$ 2,219,144
Intergovernmental:			
State of Louisiana:			
State revenue sharing	196,628	102,886	93,742
Charges for services	9,899	4,804	4,585
Fines and forfeitures	18,791	5,479	4,002
Grants	178,837	134,087	42,799
Miscellaneous:			
Interest	34,040	23,709	6,336
Other	36,437	24,325	12,112
Total revenues	<u>5,088,265</u>	<u>2,785,674</u>	<u>2,383,591</u>
Expenditures			
Current:			
General government:			
All values tax adjustment	58,362	41,993	5,165
All values tax elections	118,820	72,512	55,288
Total general government	<u>168,882</u>	<u>114,485</u>	<u>60,453</u>
Culture and recreation:			
Personal services	1,254,113	849,203	484,912
Supplies and materials	124,416	78,909	42,911
Other services and charges	318,893	182,739	156,863
Repairs and maintenance	58,959	28,881	9,178
Capital expenditures	657,814	552,818	104,956
Total culture and recreation	<u>2,392,295</u>	<u>1,678,549</u>	<u>798,820</u>
Intergovernmental:			
Departmental Library System Grant	6,736	6,736	-
Total expenditures	<u>2,360,822</u>	<u>1,779,369</u>	<u>760,453</u>
Excess of Revenues over Expenditures	2,328,443	916,305	1,603,138
Fund Balance			
Beginning of period	781,080	2,303,138	801,680
End of period	<u>\$ 3,229,443</u>	<u>\$ 3,229,443</u>	<u>\$ 2,303,138</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
GOVERNMENTAL FUND TYPE - GENERAL FUND**

Lafayette Parish Library

For the twelve month periods ended December 31, 1998 and 1997

	Twelve months ended December 31, 1998		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 2,205,101	\$ 2,410,574	\$ 205,473
Intergovernmental:			
State of Louisiana			
State revenue sharing	83,741	100,886	17,145
Changes for services	4,048	4,834	786
Fees and Referrals	4,977	5,879	882
Grants	131,111	134,087	2,976
Miscellaneous:			
Interest	22,684	22,780	96
Other	21,524	24,525	2,991
Total revenues	<u>2,465,246</u>	<u>2,705,674</u>	<u>240,428</u>
Expenditures			
Current:			
General government:			
Ad valorem tax adjustment	44,957	44,957	
Ad valorem tax deductions	57,532	57,532	
Total general government	<u>102,489</u>	<u>102,489</u>	
Culture and recreation:			
Personal services	829,490	849,204	19,714
Supplies and materials	72,822	76,765	3,943
Other services and charges	162,224	162,739	515
Repairs and maintenance	19,180	28,893	9,713
Capital expenditures	543,886	552,818	8,932
Total culture and recreation	<u>1,637,492</u>	<u>1,670,344</u>	<u>(32,852)</u>
Intergovernmental:			
Borrowed Library System Grant	3,153	6,734	3,581
Total expenditures	<u>1,743,082</u>	<u>1,779,568</u>	<u>(36,486)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 346,154</u>	<u>626,106</u>	<u>\$ 180,151</u>
Fund Balance			
Beginning of period		2,383,138	
End of period		<u>\$ 3,009,244</u>	

See notes to financial statements.

Twelve months ended December 31, 1997

<u>Budget</u>	<u>Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 534,448	\$ 645,780	\$ 111,332
62,130	62,130	-
5,234	8,585	3,351
4,389	4,912	523
34,432	42,750	8,318
5,827	6,326	499
18,265	12,112	6,153
<u>602,737</u>	<u>779,625</u>	<u>176,888</u>
	8,141	(8,141)
	<u>17,724</u>	<u>17,724</u>
	<u>25,865</u>	<u>25,865</u>
817,751	898,545	80,794
35,091	49,188	14,097
179,432	155,426	24,006
16,520	9,481	7,039
<u>58,825</u>	<u>83,143</u>	<u>(24,318)</u>
<u>312,339</u>	<u>665,753</u>	<u>353,416</u>
<u>312,339</u>	<u>320,618</u>	<u>(8,279)</u>
444,802	58,807	386,000
<u>46,838</u>	<u>46,838</u>	<u>-</u>
<u>\$ 3,248</u>	<u>\$ 304,817</u>	<u>\$ 301,569</u>

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Library**

December 31, 1998

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche 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 which is appointed by the Lafourche Parish Council, in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the Board of Control serve without pay.

The accounting policies of the Lafourche Parish Library (the Library) conform to generally accepted accounting principles (GAAP) applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Library is a component unit of the Lafourche Parish Council.

The Library has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. 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 available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which most governmental functions of the Library are financed. The acquisition, use and balances of the Library's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Library:

General Fund - The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Account Group

An account group is used to establish accounting control and accountability. The Library's Account Group is as follows:

General Fixed Assets Account Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

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.

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. Ad valorem taxes are considered "measurable" at the time of levy. Inter-governmental revenues are recorded as revenue when the Library is entitled to the funds. Grant revenues are recognized when received in cash by the Library. Charges for services are recorded when earned since they are measurable and available. Fines and forfeitures and miscellaneous revenues are recorded as revenues when received in cash by the Library or an intermediary collecting agency because they are generally not measurable until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting (Continued)

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

d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

e) Operating Budgetary Data

As required by Louisiana Revised Statute 39:1303, the Board of Control (the Board) adopted a budget for the Library's General Fund. The budgetary practices, which are required by state law and include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption, were conducted. Any amendment involving the transfer of monies from one function to another or increase in expenditures must be approved by the Board. The Library amended its General Fund budget once during 1997 and once during 1998. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

For the twelve month period ended December 31, 1998, the Library adopted its budget for the General Fund on a basis materially consistent with generally accepted accounting principles (GAAP).

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund for the twelve months ended December 31, 1997, is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budgetary basis and GAAP basis are that:

- a) Revenues are recorded when received in cash (budgetary basis) as opposed to when measurable and available (GAAP basis).
- b) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP) basis.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Operating Budgetary Data (Continued)

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budgetary basis for the general fund are as follows:

	Excess of Revenues Over Expenditures for the Twelve Months Ended December 31, 1992
GAAP basis (as reported)	\$ 3,600,138
Adjustments:	
Revenue:	
Taxes	(1,572,354)
Intergovernmental	____(21,612)
Total revenue adjustments	____(1,593,966)
Expenditures:	
Current:	
Ad valorem tax adjustment	(3,895)
Ad valorem tax deduction	35,564
Personal services	6,367
Supplies and materials	(1,277)
Other services and charges	657
Capital expenditures	21,853
Repairs and maintenance	____(275)
Total expenditure adjustments	____59,833
Budgetary basis	<u>\$ 58,002</u>

f) Accounts Receivable

The financial statements for the Library contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the General Fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Fixed Assets

Fixed assets used in governmental fund type operations (fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets, except books, are valued at historical or estimated historical cost. Books are valued based on an average book cost method. No depreciation has been provided on fixed assets.

h) Vacation and Sick Leave

All twelve month employees earn from 15 to 33 days of vacation leave each year depending on the job classification. Generally, annual leave must be taken within the year it is granted. Upon resignation or retirement, the employees receive payment for available vacation leave, provided they have been employed by the Library for at least a total of 18 months and have given adequate notice of resignation. There is no material accumulated vacation at December 31, 1998.

Full-time employees earn 12 days sick leave each year. Employees can accumulate up to a maximum of 30 days sick leave. Upon resignation or retirement, all accrued sick leave lapses. There is no material accumulated sick leave at December 31, 1998.

i) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Library.

j) Fund Equity

Designated fund balance represents tentative plans for future use of financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Memorandum Only - Total Column

The total column on the general-purpose financial statement is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfinancial eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured instrument.

State law requires deposits (cash) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivisions. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Library or its agent in the Library's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the Library's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agents but not in the Library's name and deposits which are uninsured or uncollateralized.

Note 2 - DEPOSITS (Continued)

The year end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			Book Balance
	Category			
	1	2	3	
Cash	<u>\$100,000</u>	<u>\$-</u>	<u>\$748,783</u>	<u>\$848,783</u>

At December 31, 1998, cash in excess of the FDIC insurance was collateralized by securities held by unaffiliated banks for the account of the depositor. Pledged securities are in the name of the LaFourche Parish Council and not in the name of the Library. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the LaFourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 1996. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rates for the years ended December 31, 1998 and 1997 were \$8.88 and \$9.86 per \$1,000 of assessed valuation on parishwide property for the purpose of maintaining and operating library facilities and programs.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1998 consisted of the following:

State of Louisiana - State revenue sharing	\$ 102,886
Lafourche Parish Tax Collector - (December, 1998 collections remitted to the Library in January, 1999)	<u>2,049,389</u>
Total	<u>\$2,152,275</u>

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Books	Furniture and Equipment	Vehicles	Total
Balance, January 1, 1997	\$ 921,739	\$266,717	\$ -	\$1,188,447
Additions	34,466	61,993	-	96,459
Deletions	<u>-</u>	<u>(3,682)</u>	<u>-</u>	<u>(3,682)</u>
Balance, December 31, 1997	956,199	324,915	-	1,281,214
Additions	289,166	362,418	36,219	687,745
Adjustment	<u>-</u>	<u>(28,632)</u>	<u>29,037</u>	<u>-</u>
Balance, December 31, 1998	<u>\$1,165,362</u>	<u>\$658,288</u>	<u>\$65,256</u>	<u>\$1,772,956</u>

The adjustment reflects the reclassification of an asset.

Note 6 - LEASE COMMITMENT

The Library's commitment under lease agreements for facilities provide for minimum annual rental payments as follows:

For the Year Ended <u>December 31,</u>	<u>Amount</u>
1999	\$14,019
2000	<u> 3,059</u>
Total	<u>\$17,078</u>

Rental expense incurred under these leases for the years ending December 31, 1998 and 1997 were \$15,430 and \$15,900, respectively.

Note 7 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the years ended December 31, 1998 and 1997.

Note 8 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Library carries commercial insurance. No settlements were made during the year that exceeded the Library's insurance coverage.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Emergentis Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Control,
Lafourche Parish Library,
Thibodaux, Louisiana.

We have audited the general-purpose financial statements of the Lafourche Parish Library (the Library), a component unit of the Lafourche Parish Council, as of December 31, 1998 and for the twelve-month periods ended December 31, 1998 and 1997, and have issued our report thereon dated February 8, 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 Library's general-purpose 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 98-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely

affect the Library's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as item 98-1 and 98-2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are material weaknesses.

This report is intended for the information of the Board of Control, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties.

Bougeois Bennett, LLC.

Certified Public Accountants.

Thibodaux, La.,
February 8, 1999.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Lafourche Parish Library

For the twenty-four month period ended December 31, 1998.

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

Lafourche Parish Library did not receive federal awards during the twenty-four month period ended December 31, 1998.

Section II Financial Statement Findings

Internal Control

- 98-1 **Criteria** - Internal controls should be in place that provide reasonable assurance that all transactions are being properly recorded in the accounting records.

Condition - Three checks were outstanding and were not included on the outstanding check list in the December bank reconciliation. As a result, the ending balance in the general ledger overstated cash at December 31, 1998.

Questioned Cost - None

Control - These three checks are the only items not recorded as of December 31, 1998.

Effect - Cash was overstated and expenditures understated at the end of the twelve-month period ended December 31, 1998 by \$9,855.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Lafourche Parish Library

For the twenty-four month period ended December 31, 1998

Section II Financial Statement Findings (Continued)

Internal Control (Continued)

98-1 (Continued)

Cause - The financial associate resorted the recording of the checks.

Recommendation - The Library should ascertain that all checks are recorded in the general ledger. The bank reconciliation should be prepared in a manner that will force the accounting for the numerical sequence of all checks written during the month.

Views of Responsible Officials of the Auditee when there is Disagreement with the Finding, to the Extent Practical - None

98-2 **Criteria** - Internal controls should be in place that provide reasonable assurance that all deposits are being made timely and are recorded in the correct accounting period. Louisiana Revised Statute 39:1211-1219 states that deposits must be made (into) on a daily basis.

Condition - During the audit, it was noted that cash receipts were not deposited timely.

Questioned Cost - None

Context - Not applicable.

Effect - Cash on hand at December 31, 1998 was understated by \$4,505.

Cause - The Library did not deposit cash received for fines and charges at the branches for the period from May 1998 to August 1998 until February 1999.

Recommendation - The Library should deposit all cash receipts on a timely basis.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Lafourche Parish Library

For the twenty-four month period ended December 31, 1998

Section II Financial Statement Findings (Continued)

Internal Control (Continued)

98-2 (Continued)

Views of Responsible Officials of the Auditor when there is Disagreement with the Finding, to the Extent Practical - None

Compliance

98-3 **Criteria** - Louisiana Revised Statute 38:2211-2225 requires sealed bids for material purchases exceeding \$15,000 and phone or facsimile quotes for purchases of materials between \$7,500 and \$15,000. Documentation of bids and quotes received must be kept as part of the purchase file.

Condition - The Library did not keep evidence of bids or quotes for the purchase of shelving and desks that exceeded the amount required to obtain bids and quotes.

Questioned Cost - \$17,734 - Shelving;
\$9,360 - Desks

Context - These two instances are the only purchases exceeding the legal limit to obtain bids or quotes that should be kept as part of the purchase file for the twenty-four month period ended December 31, 1998.

Effect - The Library may have overpaid for these items.

Cause - Library personnel do not have standard procedures to insure compliance with the bid law.

Recommendation - Library personnel must become knowledgeable on the proper application of the public bid law.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Lafourche Parish Library

For the twenty-four month period ended December 31, 1998

Section II Financial Statement Findings (Continued)

Compliance (Continued)

98-3 (Continued)

Views of Responsible Officials of the Auditee when there is Disagreement with the Finding, to the Extent Practical - None.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Lafourche Parish Library

For the twenty-four month period ended December 31, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported for the twenty-four month period ended December 31, 1996.

No reportable conditions were reported for the twenty-four month period ended December 31, 1996.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the twenty-four month period ended December 31, 1996.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Library did not receive federal awards during the twenty-four month period ended December 31, 1996.

Section III Management Letter

A management letter was not issued in connection with the audit for the twenty-four month period ended December 31, 1996.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Library

For the twenty-four month period ended December 31, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

- 98-1 **Recommendation** - The Library should ascertain that all checks are recorded in the general ledger. The bank reconciliation should be prepared in a manner that will force the accounting for the numerical sequence of all checks written during the month.

Management's Corrective Action - The Financial Associate said she will develop a standard set of procedures to reconcile the ending cash balance to the bank statement which will include accounting for the numerical sequence of checks.

- 98-2 **Recommendation** - The Library should make deposits on a timely basis.

Management's Corrective Action - The Library will deposit all funds collected on a daily basis under the supervision of the collecting branch manager.

Compliance

- 98-3 **Recommendation** - Library personnel must become knowledgeable on the proper application of the public bid law.

Management's Corrective Action - The Library personnel will review the public bid law and be more careful when purchasing material and supplies and make sure bids or quotes are obtained and kept as part of the purchase file when required to be in compliance with public bid law.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Library did not receive federal awards during the twenty-four month period ended December 31, 1998.

Section III Management Letter

A management letter was not issued in connection with the audit for the twenty-four month period ended December 31, 1998.