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Financial Report

Terrebonne Parish Library

Houma, 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 public libraries, and other public entities. It is subject to 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

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Terrebonne Parish Library

December 31, 1997

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Control,
Terrebonne Parish Library,
Houma, Louisiana.

We have audited the accompanying general purpose financial statements of the Terrebonne Parish Library (the Library), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the 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. 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne 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 our report dated March 23, 1998 on our consideration of Terrebonne 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, LLC

Certified Public Accountants

Houma, La.,
March 23, 1998.

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**COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS**

Tombstone Parish Library

December 31, 1997

	Governmental Fund Type (General)	Account Groups		Total (Informational Only)
		General Fund Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS				
Assets				
Cash	\$ 60,800	\$ -	\$ -	\$ 60,800
Investments	32,184	-	-	32,184
Receivables - Acct	67,314	-	-	67,320
Due from Tombstone Parish				
Consolidated Government	189,883	-	-	189,880
Due from other governmental units	766,265	-	-	766,260
Fund assets	-	8,366,938	-	8,366,938
Other Debits				
Agencies to be provided (replacements of general long-term obligations)	-	-	19,200	19,200
Total assets and other debits	\$ 1,056,834	\$ 8,366,938	\$ 19,200	\$ 9,422,972
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable and accrued expensures	\$ 23,023	\$ -	\$ -	\$ 23,023
Due to Tombstone Parish				
Consolidated Government	13,814	-	-	13,814
Other long-term obligations	-	-	19,200	19,200
Total liabilities	36,837	-	19,200	56,037
Equity and Other Credits				
Investment in general fund assets	-	\$ 8,366,938	-	8,366,938
Fund balances - unreserved	971,029	-	-	971,029
Total equity and other credits	971,029	8,366,938	-	9,337,967
Total liabilities, equity and other credits	\$ 1,074,831	\$ 8,366,938	\$ 19,200	\$ 9,422,972

See notes to financial statements.

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

Terrebonne Parish Library

For the year ended December 31, 1997

Revenues	Budget	Actual	Variance Favorable (Unfavorable)
Taxes	\$ 913,500	\$ 892,693	\$ (20,809)
Intergovernmental:			
State of Louisiana:			
State revenue sharing	78,264	75,336	(2,928)
Decentralized arts funding grant	-	2,381	2,381
Charges for services	10,000	5,886	(4,114)
Fines and forfeitures	13,500	13,407	(93)
Miscellaneous:			
Interest	28,550	28,353	(197)
Other	17,862	19,303	1,441
Total revenues	1,058,626	1,041,379	(17,247)
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	-	13,331	(13,331)
Ad valorem tax deductions	41,184	45,786	(4,602)
Total general government	41,184	59,117	(17,933)
Culture and Recreation:			
Personal services	685,822	581,489	104,333
Supplies and materials	27,556	25,439	2,117
Other services and charges	189,973	177,581	12,394
Repairs and maintenance	68,058	43,123	24,935
Capital expenditures	50,000	47,314	2,686
Total culture and recreation	941,409	874,956	66,453
Debt Service:			
Principal retirement	8,500	6,600	(1,900)
Interest and fiscal charges	1,500	2,127	(627)
Total debt service	8,000	8,728	(728)
Total expenditures	990,597	942,801	47,796
Excess of Revenues Over Expenditures	\$ 68,029	\$ 98,578	\$ 30,549
Fund Balance			
Beginning of year		899,043	
End of year		\$ 997,979	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Library**

December 31, 1997

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Terrebonne Parish Library (the Library) conform to 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 following is a summary of significant accounting policies:

a) Reporting Entity

The Library is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 1997.

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 Groups

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-Term Obligations Account Group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of 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 and the related state revenue sharing (inter-governmental revenue) are considered "measurable" at the time of levy. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues and fines and forfeitures are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 those estimates.

e) Operating Budgetary Data

As required by Louisiana Revised Statute 39:1501, the Board of Control (the Board) adopted a budget for the Library's General Fund. The public hearings and advertisements, which are required by state law, were conducted. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The Library amended its budget three times during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

f) Bad Debts

The financial statements of the Library contain an allowance for bad debts. 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.

g) Investments

Investments are stated at cost, which approximates market.

h) Fixed Assets

Fixed assets used in governmental fund type operations (general 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fixed Assets (Continued)

It is not involved with the measurement of results of operations. Public domain ("infrastructure") general 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 general fixed assets. No depreciation has been provided on general fixed assets.

Fixed assets, except books, are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with estimated historical costs amounting to \$728,171 or 8.71% of the total General Fixed Assets Account Group. Donated fixed assets are valued at their estimated fair value on the date donated. Hardback books are valued at their average cost as listed in *The Bookster Annual*, a Library and Book Trade Almanac. Books disposed of are accounted for at 75% of the average cost of a new book.

i) Accumulated Vacation and Sick Leave

Full-time employees are granted between 10 and 20 days of vacation each calendar year for the first five years of employment. An additional day is granted for every five years worked thereafter. Vacation time does not vest. Any unused vacation time remaining at December 31 is forfeited. Sick leave is granted to full-time employees at a rate of 10 days per year with all 10 days granted on January 1. Sick leave can be accumulated up to a maximum of 20 days. Sick leave does not vest and no payments are made to employees upon retirement or termination of employment.

j) Encumbrances

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

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 financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund 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 investment.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. 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 with a trust company for the account of the political subdivision. In accordance with state law all cash and deposits were collateralized.

Cash and 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 agent but not in the Library's name, and deposits which are uninsured or uncollateralized.

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	\$ 87,294	\$ -	\$ -	\$87,294
Investments:				
Certificates of deposit	32,134	-	-	32,134
Totals	\$119,428	\$-	\$-	\$151,027

At December 31, 1997, cash and certificates of deposit were fully collateralized by FDIC insurance.

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 Terrebonne 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 taxes have not been paid are sold. The tax rate for the year ended December 31, 1997 was \$3.03 per \$1,000 of assessed valuation on property parish wide.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1997 consisted of the following:

Terrebonne Parish Tax Collector - December, 1997 collections remitted to the Library in January, 1998: Ad valorem taxes	\$716,202
State of Louisiana - State revenue sharing	<u>50,383</u>
Total	<u>\$766,585</u>

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January 1, 1997	Additions	Deletions	Adjustments	Balance December 31, 1997
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Land	\$ 53,225	\$ -	\$ -	\$ -	\$ 53,225
Buildings	1,692,644	-	237,050	-	1,455,594
Office furniture and equipment	594,871	8,924	-	855	604,650
Books	<u>5,918,378</u>	<u>28,944</u>	<u>102,382</u>	<u>407,369</u>	<u>6,253,489</u>
Totals	<u>\$8,259,118</u>	<u>\$38,868</u>	<u>\$339,432</u>	<u>\$408,224</u>	<u>\$8,366,818</u>

Note 5 - CHANGES IN FIXED ASSETS (Continued)

The adjustment to Books reflects changes in the estimated cost of books on hand at December 31, 1997. The adjustment to Office Furniture and Equipment is based on a physical inventory of items in the General Fixed Assets Account Group.

Note 6 - LEASE COMMITMENTS

The Library has entered into financing lease agreements for the acquisition of office equipment. These lease agreements are capital leases for accounting purposes and have been recorded in the General Fixed Assets Account Group in the amount of \$34,321 at the present value of the future minimum lease payments as of the inception date of the leases.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 1997, were as follows:

Year	Principal	Interest	Total
1998	\$ 7,243	\$1,486	\$ 8,729
1999	7,981	778	8,729
2000	<u>4,009</u>	<u>118</u>	<u>4,127</u>
Totals	<u>\$19,233</u>	<u>\$2,382</u>	<u>\$21,585</u>

In addition, the library rents office equipment on a monthly basis. The monthly rents for this office equipment amounted to \$3,257.

The following is a summary of changes in the long-term obligations of the Library for the year ended December 31, 1997:

Payable, January 1, 1997	\$25,804
Principal payment	<u>6,631</u>
Payable, December 31, 1997	<u>\$19,233</u>

Note 7 - DEFINED BENEFIT PENSION PLAN

Plan Description - The Library contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS), which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 209 of the 1982 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1991 through 11:2015, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding Policy - Plan members are required to contribute 2.00% of their annual covered salary less \$100 per month and the Library is required to contribute at an actuarially determined rate. The current rate is 2.50% of annual payroll. In addition, the System also receives a percentage of tax revenues from various taxing bodies. The contribution requirements of plan members and the Library are established and may be amended by state statute. The Library's contributions to the System for the years ending December 31, 1997, 1996 and 1995 were \$9,315, \$3,577 and \$3,482, respectively, equal to the required contributions for each year.

Note 8 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 1997.

Note 9 - RISK MANAGEMENT

The Library participates in the Parish's risk management internal service fund for general liability, workers' compensation, group insurance and property. The Library pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The Library's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The premium for group insurance is based on a fixed rate per employee. The premium for property is based on the District's percentage of property value to the total of all the Parish's property value covered. The Parish handles all claims filed against the Library. The Library could have additional exposure for claims in excess of the Parish's insurance contracts as described on the following page:

Note 9 - RISK MANAGEMENT (Continued)

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$6,500,000
Workers' Compensation Group	Statutory \$1,125,000
Property	\$82,000,000

Coverage for claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,481,697 for general liability, workers' compensation and property and \$3,600,662 for group insurance at December 31, 1998, then secondly by the Library and other participating funds and agencies. At December 31, 1997, the Library had no claims in excess of the above coverage limits.

Note 10 - SUBSEQUENT EVENT

In April 1998, voters elected to eliminate the Library's \$3.00-mill property tax and replace it with a quarter cents parish sales tax, effective July 1. Management estimates that the sales tax will raise approximately \$3 million a year compared to the \$3 million a year raised by the property tax.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois 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,
Terrebonne Parish Library,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Parish Library (the Library), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997, and have issued our report thereon dated March 23, 1998. 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, non-compliance 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 non-compliance that are required to be reported under *Government Auditing Standards*.

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. 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 internal control over financial reporting and its operations that we consider to be 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. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountants.

Houma, La.,
March 25, 1998.

SCHEDULE OF FINDINGS

Terrebonne Parish Library

Year ended December 31, 1997

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 X no
- Reportable condition(s) identified that are not
 considered to be material weaknesses? ___ yes X none reported
- Noncompliance material to financial statements noted? ___ yes X no

b) Federal Awards

Terrebonne Parish Library did not receive federal awards during the year ended December 31, 1997.

Section II Financial Statement Findings

No financial statement findings were reported during the 1997 audit.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Terrebonne Parish Library

For the Year ended December 31, 1997

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

Internal Control

No material weaknesses were reported for the year ended December 31, 1996.

No reportable conditions were reported for the year ended December 31, 1996.

Compliance

No compliance findings material to the general purpose financial statements were reported during the year ended December 31, 1996.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Library did not receive federal awards during the year ended December 31, 1996.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1996.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Library

For the Year ended December 31, 1997

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

Internal Control

No material weaknesses were reported for the year ended December 31, 1997.
No reportable conditions were reported for the year ended December 31, 1997.

Compliance

No compliance findings material to the general purpose financial statements were reported during the year ended December 31, 1997.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Library did not receive federal awards during the year ended December 31, 1997.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1997.

COMMUNICATIONS LETTER



Burgoyne Bennett

COMMUNICATIONS WITH BOARD OF CONTROL

To the Board of Control,
Terrebonne Parish Library,
Houma, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Library (the Library) for the year ended December 31, 1997, and have issued our report thereon dated March 23, 1998. Professional standards require that we provide you with the following information related to our audit.

1) OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Library. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Library's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

2) SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Library are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing

2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

policies was not changed during 1997. We noted no transactions entered into by the Library during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

3) ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements relate to the historical value of certain fixed assets, collectibility of accounts receivable, valuation of accrued expenditures and claims and judgments incurred. We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole. Management has provided us with representations concerning estimates.

4) SIGNIFICANT AUDIT ADJUSTMENTS

We did not initiate any significant audit adjustments during our recent audit. Year end adjustments and closing entries were prepared and provided to management.

This information is intended solely for the use of the Board of Control and management of Terrebonne Parish Library and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Bougeois Bennett, LLC.

Certified Public Accountants