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POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA

A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY

GENERAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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MAJOR & MORRISON
Certified Public Accountants
PO Box 190
New Roads, LA 70760

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.

AUG 04 1999

Release Date

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditors' Report

To the Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

We have audited the accompanying general-purpose financial statements of the Pointe Coupee Parish Library, New Roads, Louisiana, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Pointe Coupee Parish Library's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

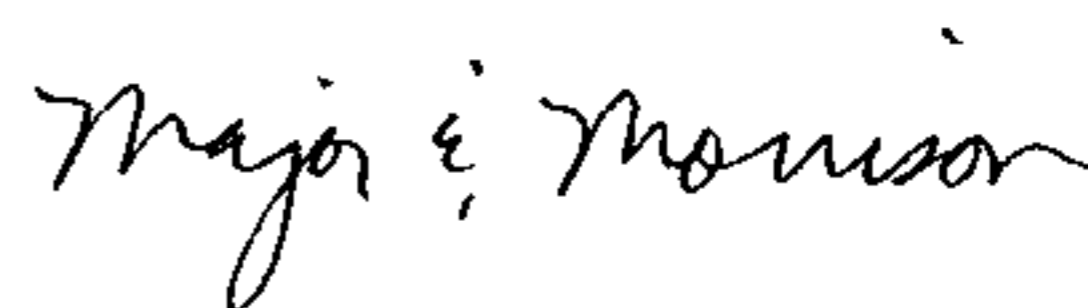
Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue. The Pointe Coupee Parish Library has included such disclosures in Note 11. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Pointe Coupee Parish Library's disclosures with respect to the Year 2000 issue made in Note 11. Further, we do not provide assurance that the Pointe Coupee Parish Library is or will be year 2000 ready, that the Pointe Coupee Parish Library's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Pointe Coupee Parish Library does business will be 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Pointe Coupee Parish Library, State of Louisiana, as of December 31, 1998, and the results of its operations for the year ended December 31, 1998 in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 16, 1999 on our consideration of the Pointe Coupee Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Pointe Coupee Parish Library. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



MAJOR & MORRISON
New Roads, Louisiana
June 16, 1999

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPE		ACCOUNT GROUP	TOTALS (Memorandum Only)	
	GENERAL FUND	CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	1998	1997
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$ 194,538	\$ 148,839	\$ 0	\$ 343,377	\$ 300,331
Investments	228,746	0	0	228,746	241,867
Receivables	679,221	13,948	0	693,169	686,551
Due from Other Funds	148,839	0	0	148,839	0
Land, Buildings, Equipment Books, etc.	0	0	2,856,155	2,856,155	2,501,048
Total Assets and Other Debits	\$ 1,251,344	\$ 162,787	\$ 2,856,155	\$ 4,270,286	\$ 3,729,798
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 23,910	\$ 0	\$ 0	\$ 23,910	\$ 4,774
Due to Other Funds	0	148,839	0	148,839	0
Contracts Payable	0	0	0	0	5,496
Other Liabilities	28,114	0	0	28,114	28,136
Total Liabilities	52,024	148,839	0	200,863	38,406
Equity and Other Credits:					
Investment in general fixed assets	0	0	2,856,155	2,856,155	2,501,048
Fund balances					
Reserved for Capital Additions	0	13,948	0	13,948	13,587
Unreserved - undesignated	1,199,320	0	0	1,199,320	1,176,757
Total Equity and Other Credits	1,199,320	13,948	2,856,155	4,069,423	3,691,392
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,251,344	\$ 162,787	\$ 2,856,155	\$ 4,270,286	\$ 3,729,798

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 1998**

	GENERAL FUND	CAPITAL PROJECT FUND	TOTALS (Memorandum Only)	
			1998	1997
REVENUES				
Ad valorem taxes	\$ 732,029	\$ 0	\$ 732,029	\$ 733,219
Intergovernmental revenues:				
State grant	0	13,948	13,948	16,286
Federal grants	0	100,000	100,000	0
State revenue sharing (net)	36,400	0	36,400	35,636
Interest earnings	15,219	1,947	17,167	16,789
Other revenues:				
Fees & charges for services	6,158	0	6,158	6,913
Fines & lost book collections	2,104	0	2,104	2,639
Gifts, donations, misc revenue	1,408	68,675	70,082	1,134
Total revenues	<u>793,318</u>	<u>184,570</u>	<u>977,888</u>	<u>812,616</u>
EXPENDITURES				
Salaries and related benefits	366,062	0	366,062	334,267
Legal & accounting	4,900	0	4,900	6,370
Insurance	16,175	0	16,175	15,021
Material and supplies	51,779	0	51,779	54,183
Repairs & maintenance	56,514	0	56,514	43,525
Utilities and communications	53,140	0	53,140	33,470
Capital outlay	127,236	232,670	359,906	456,194
Intergovernmental	28,114	0	28,114	28,136
Other operating services	18,373	0	18,373	12,026
Total expenditures	<u>722,293</u>	<u>232,670</u>	<u>954,963</u>	<u>983,192</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance (Continued)
For the Year Ended December 31, 1998**

EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	<u>71,024</u>	<u>(48,100)</u>	<u>22,924</u>	<u>(170,575)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	0	48,461	48,461	125,000
Operating transfers out	<u>(48,461)</u>	<u>0</u>	<u>(48,461)</u>	<u>(125,000)</u>
Total other financing sources (uses)	<u>(48,461)</u>	<u>48,461</u>	<u>0</u>	<u>0</u>
EXCESS(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	22,563	361	22,924	(170,575)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,176,757</u>	<u>13,587</u>	<u>1,190,344</u>	<u>1,360,919</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,199,320</u>	<u>\$ 13,948</u>	<u>\$ 1,213,268</u>	<u>\$ 1,190,344</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUND-GENERAL FUND**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$ 735,441	\$ 732,029	\$ (3,412)
Intergovernmental revenues:			
State grants	0	0	0
Federal grants	0	0	0
State revenue sharing	34,000	36,400	2,400
Interest earnings	0	15,219	15,219
Other revenues:			
Fees & charges for services	4,000	6,158	2,158
Fines & lost book collections	2,000	2,104	104
Gifts,donations,misc revenue	1,000	1,408	408
Total revenues	<u>776,441</u>	<u>793,318</u>	<u>16,877</u>
EXPENDITURES			
Salaries and related benefits	395,641	366,062	29,579
Legal & accounting	2,000	4,900	(2,900)
Insurance	16,000	16,175	(175)
Material and supplies	56,300	51,779	4,521
Repairs & maintenance	80,000	56,514	23,486
Utilities and communications	51,000	53,140	(2,140)
Capital outlay	106,500	127,236	(20,736)
Intergovernmental	29,000	28,114	886
Other operating services	40,000	18,373	21,627
Total expenditures	<u>776,441</u>	<u>722,293</u>	<u>54,148</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUND-GENERAL FUND**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual (Continued)
For the Year Ended December 31, 1998**

EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	0	71,024	71,024
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	(48,461)	(48,461)
Total other financing sources (uses)	<u>0</u>	<u>(48,461)</u>	<u>(48,461)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	0	22,563	22,563
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>1,176,757</u>	<u>1,176,757</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 1,199,320</u>	<u>\$ 1,199,320</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and For the Year Ended December 31, 1998**

INTRODUCTION

The Pointe Coupee Parish Library, New Roads, Louisiana was established by the parish governing authority, under the provisions of Louisiana Revised Statute 25:211. Louisiana Revised Statute 25:214 provides for public governance through a library board of control. The Pointe Coupee Parish Police Jury appoints the board of control, which consists of seven non-compensated board members. The mission of the Pointe Coupee Parish Library is to provide resources and services to fulfill individual informational needs for day-to-day living and pleasure, and for cultural, educational, and leisurely pursuits. The library serves the entire parish of *Pointe Coupee, consisting roughly of 22,540 residents. The library employs anywhere from 25 to 28 workers located at their main branch in New Roads and outlying branches in Morganza, Innis, Livonia, and Rougon, Louisiana.*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Pointe Coupee Parish Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The library does not possess all the corporate powers necessary to make it a legally separate entity and the Pointe Coupee Parish Police Jury holds the library's corporate powers. For this reason, the library is a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. 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 relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds of the library are classified as governmental funds. Governmental funds account for the library's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The various funds are grouped, in the financial statements in this report, into two generic fund types and one broad fund category as follows:

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds

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

Capital Projects - Currently, this fund has been used to provide funds for major computer software and hardware projects. These projects are being funded by dedication of monies by the Pointe Coupee Parish Library. The projects cover the 1997-1998 fiscal years.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues -

Ad valorem taxes and the related State revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Taxes are generally collected in December of the current year and January and February of the following year.

Where grant revenues is dependent upon expenditures by the Library, revenue is recognized when the related expenditures are incurred.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when received.

Expenditures -

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for accumulated vacation leave, which is not accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recorded when incurred.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS

The library adopts an annual appropriated budget for the General Fund. All annual appropriations lapse at fiscal year-end. The budget is prepared based on a GAAP basis and is presented and adopted by the Board of Control. The proposed budget was made available for public inspection in accordance with RS39:1306. The public hearing was held at the library's main office in New Roads, La. on November 12, 1997 at which time the Board of Control formally adopted it. The Board of Control has the authority to make changes or amendments within various budget classifications. Budget amounts included in the accompanying general purpose financial statements include the original budget with no amendments adopted.

F. ENCUMBRANCES

The library does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.)33:2955 and the library's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No. 31 allows the library to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at cost.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. BAD DEBTS

Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

K. FUND EQUITY

Reserves represent those portions of fund equity not appropriated for expenditure or legally segregated for a specific future use.

L. COMPENSATED ABSENCES

The library has the following policy relating to vacation and sick leave:

The Library Director earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year
2 years	15 days per year
3 years	20 days per year

Full-time Professional staff earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year payable after six months
Each succeeding year of service after 10 years	10 days plus one additional day per year up to 20 days

Full-time library employees earn the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 - 10	10 days per year
11 - 15	15 days per year

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. COMPENSATED ABSENCES (continued)

Employees may not accumulate vacation time. Vacation time should be used during the calendar year in which it is granted. If this is impossible or creates an undue hardship on the employee or the library, the Director may grant permission to use the unused vacation in the first quarter of the next year. Any unused vacation is forfeited after this fifteen month period. Any employee resigning or retiring will be paid for any unused vacation, which was granted in that same calendar year. Part-time employees earn a proportionate share of vacation based on time worked per month.

The liability for compensated absences at December 31, 1998 was \$1,012. This represents accrued vacation taken during the first quarter of 1999. Due to policy changes, the Board of Control made exceptions to the number of personnel and amount of vacation allowed to be taken in and after the first quarter of 1999 following year end.

All full-time employees earn 12 days of sick leave and 3 days of emergency leave per year after six months of continuous service. Sick leave may be accumulated up to a maximum of 90 days for retirement purposes only. Emergency leave does not accumulate. Employees are not compensated for accrued sick leave upon retirement or termination of employment.

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. PRESENTATION CLASSIFICATIONS

Certain previously reported amounts have been reclassified to conform with December 31, 1997 presentations.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Library Maintenance Tax	3.93	3.93

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)**

2. LEVIED TAXES (continued)

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>	<u>Ad Valorem Tax Revenue for Library</u>
Cajun Electric	Electric	\$ 80,838,455	37.76%	\$ 317,695
Entergy Gulf States	Electric	23,393,070	10.92%	91,935
Amoco Prod. Co	Oil & Gas	5,840,312	2.72%	22,952
Colonial Pipeline	Pipeline	3,808,800	1.77%	14,969
Transcontinental	Gas Pipeline	3,414,180	1.59%	13,418
Union Pacific Corp	Railroad	3,373,460	1.57%	13,258
Texas Eastern	Trans Pipeline	3,215,020	1.50%	12,635
Total		<u>\$ 123,883,297</u>	<u>57.83%</u>	<u>\$ 486,862</u>

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 1998, the library has cash and cash equivalents (book balances) totaling \$343,377 in interest bearing and non-interest bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Investments are stated at cost, bearing interest equal to money market rates, and consist of certificate of deposits with maturities greater than 90 days totaling \$228,746. At December 31, 1998, the Library's total deposits (collected bank balances), including investments, was \$598,499. These deposits are secured from risk by \$261,162 of federal deposit insurance and \$1,408,303 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, La R.S.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 library that the fiscal agent bank has failed to pay deposited funds upon demand.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. RECEIVABLES

The following is a summary of receivables at December 31, 1998:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Ad valorem taxes	\$ 678,677	\$ -0-	\$678,677
State grant	-0-	13,948	13,948
Accrued Interest Receivable	<u>544</u>	<u>-0-</u>	<u>544</u>
Totals	<u>\$ 679,221</u>	\$ 13,948	<u>\$693,169</u>

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 1998</u>
Bookmobile	\$ 71,095	\$ -	\$ -	\$ 71,095
Vehicles	15,761	-	-	15,761
Equipment	234,972	280,983	480	515,475
Library- books & periodicals	697,647	104,895	4,319	798,223
Recordings & cassette	84,531	9,888	-	94,420
Filmstrips & videos	55,655	4,627	-	60,281
Building & grounds improvements	1,238,347	-	-	1,238,347
Construction in progress	40,487	-	40,487	
Land	<u>62,553</u>	<u>-</u>	<u>-</u>	<u>62,553</u>
Total	<u>\$2,501,048</u>	<u>\$ 400,393</u>	<u>\$45,286</u>	<u>\$2,856,155</u>

Building costs and the cost of one parcel of land are reported by the Pointe Coupee Parish Police Jury who holds title to such property.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)**

6. INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Project	\$148,839

7. PENSION PLAN

Plan Description. Substantially all employees of the Pointe Coupee Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.

All permanent employees working at least 28 hours per week whom are paid wholly or in part from Parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who are members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 5.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$20,077, \$19,404, and \$15,890, respectively, equal to the required contributions for each year.

8. LITIGATION

There is no litigation pending against the library. There were no claims or litigation costs incurred for the year ended December 31, 1998.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)**

9. RISK MANAGEMENT

The Pointe Coupee Parish Library is exposed to various risks of loss including injuries to workers, criminal or property damage, theft and other possible related claims. The library purchases commercial insurance to minimize this risk of loss from these types of occurrences.

10. COMPENSATION PAID TO BOARD MEMBERS

No compensation was paid to board members during the year ended December 31, 1998. The following is a list of board members and term expiration dates:

<u>Board Member</u>	<u>Term Expires</u>
Tilghman Moore	December 2002
Pat LaCour	December 2003
Ruth Major	December 1999
Grace Hebert	December 1999
Wylene Hurst	December 2000
Geraldine Martin	December 2001
Vincent Russo	December 2001

11. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Pointe Coupee Parish Library has inventoried computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the Pointe Coupee Parish Library's operations. The library has conducted tests with the help of outside parties on the computer systems and all indications as of June 16, 1999 is that they are year 2000 compliant.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Pointe Coupee Parish Library is or will be Year 2000 ready, that the Pointe Coupee Parish Library's remediation efforts will be successful in whole or in part, or that parties with whom the Pointe Coupee Parish Library does business will be year 2000 ready.

12. OTHER DONATIONS

During the year ended December 31, 1998, the Pointe Coupee Parish Library received a grant award from the Gates Library Foundation in the amount of \$68,675. The purpose of the award is to expand public access to computers and the internet. The grant funds were to be used for the purchase of computers, software, supplies, and related training manuals and materials. The library purchased the necessary materials and completed the project by the end of December 31, 1998. The revenues and related expenses are reflected within the capital projects fund for the year ended December 31, 1998.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)**

13. FINANCIAL FEDERAL ASSISTANCE PROGRAM

The Pointe Coupee Parish Library participated in one federal financial assistance program:

<u>Federal Grant/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Amount</u>
US Department of Education Passed through State Library of La.			
LSCA Title II- Technology Enhancement	84.154A	97-8	\$100,000

The Technology Enhancement Grant is a cost reimbursement grant to be used for the purchase of hardware, software, and peripheral equipment. The library is to be reimbursed, up to a maximum of \$100,000 in federal funds, one dollar for every two dollars spent on the project. The total expenditures on the Technology Enhancement project was \$204,348. The project was completed in April 1998.

SUPPLEMENTAL INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 1998**

EXPENDITURES – BUDGET (GAAP BASIS) AND ACTUAL

This schedule of expenditures is presented for additional analysis showing detail breakdown of expenditure categories.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**Schedule of Expenditures - Budget(GAAP Basis)
and Actual - General Fund
For the Year Ended December 31, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Salaries and related benefits -			
Salaries and wages	\$ 327,274	\$ 309,060	\$ 18,214
Employee benefits:			
Retirement contributions	27,000	20,077	6,923
Group insurance	35,000	31,175	3,825
Payroll taxes	6,367	5,749	618
<u>Total salaries & related benefits</u>	<u>\$ 395,641</u>	<u>\$ 366,062</u>	<u>\$ 29,579</u>
Materials and supplies -			
Printing & binding	\$ 2,500	\$ 0	2,500
Rentals - other	15,000	9,374	5,626
Materials & supplies	31,800	28,086	3,714
Library materials - serials, etc	7,000	14,319	(7,319)
<u>Total materials & supplies</u>	<u>\$ 56,300</u>	<u>\$ 51,779</u>	<u>\$ 4,521</u>
Operating services -			
Legal and accounting	\$ 2,000	\$ 4,900	(2,900)
Insurance	16,000	16,175	(175)
Repairs and maintenance	80,000	56,514	23,486
Utilities and telephone	51,000	53,140	(2,140)
Travel, dues, other prof services	40,000	18,373	21,627
Intergovernmental	29,000	28,114	886
<u>Total operating services</u>	<u>\$ 218,000</u>	<u>\$ 177,215</u>	<u>\$ 40,785</u>
Capital outlay -			
Acquisition of building, fixtures, & equip	\$ 0	\$ 7,826	(7,826)
Books, etc.	94,500	104,895	(10,395)
Audio & visuals	12,000	14,515	(2,515)
<u>Total capital outlay</u>	<u>\$ 106,500</u>	<u>\$ 127,236</u>	<u>\$ (20,736)</u>

MAJOR & MORRISON
CERTIFIED PUBLIC ACCOUNTANTS

VAN P. MAJOR, CPA, PC
JOHN L. MORRISON III, CPA, PC
JOHN H. CAZAYOUX, CPA, PC

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

Pointe Coupee Parish Library
New Roads, Louisiana

We have audited the general purpose financial statements of the Pointe Coupee Parish Library, New Roads, Louisiana, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 16, 1999, which was qualified because insufficient audit evidence exists to support the Pointe Coupee Parish Library's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, 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

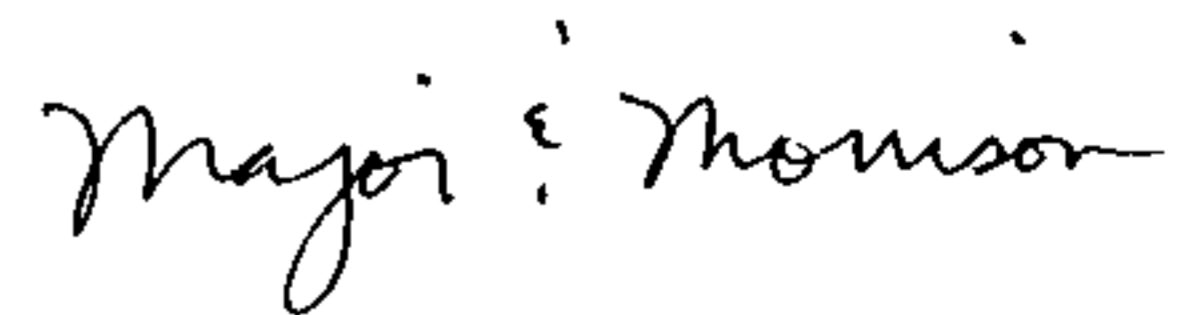
As part of obtaining reasonable assurance about whether the Pointe Coupee Parish Library's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pointe Coupee Parish 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 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Control, the Pointe Coupee Parish Police Jury (oversight entity), Pointe Coupee Parish Library's management, federal awarding agencies and pass-through entities, and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

MAJOR & MORRISON
New Roads, Louisiana
June 16, 1999



POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
As of and for the Year Ended December 31, 1998

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Qualified
Internal control over financial reporting:	
Material weakness (es) identified?	___ Yes <u>x</u> No
Reportable condition (s) identified not considered to be material weaknesses?	___ Yes <u>x</u> None reported
Noncompliance material to financial statements noted?	___ Yes <u>x</u> No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For The Year Ended December 31, 1998

<u>REF NO.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

There were no prior year audit findings.

Section II - Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III - Management Letter:

No management letter was issued.

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana

Corrective Action Plan for
Current Year Audit Findings
For The Year Ended December 31, 1998

<u>REF NO.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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Section I – Internal Control and Compliance Material to the Financial Statements:

There were no current year audit findings.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

No management letter was issued.