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AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1998

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Release Date 7-14-99

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CLINTON, LOUISIANA
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DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Audubon Regional Library
Clinton, Louisiana

We have audited the accompanying general purpose financial statements and the combining and individual fund financial statements of

AUDUBON REGIONAL LIBRARY CLINTON, LOUISIANA

as of and for the year ended December 31, 1998. These general purpose financial statements are the responsibility of Audubon Regional Library, Clinton, Louisiana'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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial 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 Audubon Regional Library, Clinton, Louisiana as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements present fairly, in all material respects, the financial position of each of the individual funds of Audubon Regional Library, Clinton, Louisiana as of December 31, 1998.

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 1999 on our consideration of Audubon Regional Library, Clinton, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole, and on the combining and individual fund financial statements. The supplemental information listed in the table of contents is not a required part of the general purpose financial statements, and we did not audit and do not express an opinion on such information.

Baton Rouge, Louisiana
June 18, 1999

Dyer & Vicknair

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
BALANCE SHEET
DECEMBER 31, 1998

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL</u>
	<u>FUND</u>	<u>REVENUE</u>
		<u>FUND</u>
<u>ASSETS AND OTHER DEBITS</u>		
Assets		
Cash	\$ 49,227	\$ 600
Investments, at amortized cost	101,275	3,261
Receivables	502,844	
Fixed assets		
<u>Total assets and other debits</u>	<u>653,346</u>	<u>3,861</u>
 <u>LIABILITIES, EQUITY AND OTHER CREDITS</u>		
Liabilities		
Accounts payable	\$ 17,497	
Payroll deductions payable	1,680	
Intergovernmental payable	12,050	
<u>Total liabilities</u>	<u>31,227</u>	
Equity and other credits		
Investment in general fixed assets		
Fund balance - reserved for grant expenditure	2,261	
Fund balance - unreserved, undesignated	619,858	\$ 3,861
<u>Total equity and other credits</u>	<u>622,119</u>	<u>3,861</u>
<u>Total liabilities, equity, and other credits</u>	<u>653,346</u>	<u>3,861</u>

The accompanying notes are an integral part of this statement.

<u>ACCOUNT GROUP GENERAL FIXED ASSETS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	\$ 49,827
	104,536
	502,844
<u>\$ 1,060,838</u>	<u>1,060,838</u>
<u>1,060,838</u>	<u>1,718,045</u>
	\$ 17,497
	1,680
	<u>12,050</u>
	<u>31,227</u>
\$ 1,060,838	1,060,838
	2,261
	<u>623,719</u>
	<u>1,686,818</u>
<u>1,060,838</u>	<u>1,718,045</u>

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1998

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$482,294		\$ 482,294
Intergovernmental revenues			
State revenue sharing (net)	42,788		42,788
State grants	76,343		76,343
Local grants	20,000		20,000
Interest earnings	12,702	\$ 104	12,806
Other revenues			
Fees and charges for library services	4,770		4,770
Fines and forfeitures	2,140		2,140
Donations and gifts	4,799	600	5,399
Miscellaneous	1,418		1,418
<u>Total revenues</u>	<u>647,254</u>	<u>704</u>	<u>647,958</u>
<u>EXPENDITURES</u>			
Salaries and related benefits	\$220,385		220,385
Professional services	11,575		11,575
Insurance	9,122		9,122
Materials and supplies	17,493		17,493
Repairs and maintenance	8,920		8,920
Telephone and utilities	17,123		17,123
Rents	34,171		34,171
Intergovernmental	16,194		16,194
Travel	6,410		6,410
Other	3,318		3,318
Capital outlay	131,936		131,936
<u>Total expenditures</u>	<u>476,647</u>		<u>476,647</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	170,607	704	171,311
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	<u>451,512</u>	<u>3,157</u>	<u>454,669</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>622,119</u>	<u>3,861</u>	<u>625,980</u>

The accompanying notes are an integral part of this statement.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 492,831	\$ 482,294	\$ (10,537)
State revenue sharing (net)	39,656	42,788	3,132
State grants	76,252	76,343	91
Local grants	20,000	20,000	0
Interest earnings	11,000	12,702	1,702
Fees and charges for library services	5,000	4,770	(230)
Fines and forfeitures	1,900	2,140	240
Donations and gifts	4,500	4,799	299
Miscellaneous	1,200	1,418	218
<u>Total revenues</u>	<u>652,339</u>	<u>647,254</u>	<u>(5,085)</u>
<u>EXPENDITURES</u>			
Salaries and related benefits	219,500	220,385	(885)
Professional services	9,968	11,575	(1,607)
Insurance - general	8,150	9,122	(972)
Materials and supplies	15,295	17,493	(2,198)
Repairs and maintenance	6,765	8,920	(2,155)
Telephone and utilities	26,800	17,123	9,677
Rents	34,225	34,171	54
Intergovernmental	19,000	16,194	2,806
Travel	4,800	6,410	(1,610)
Other	849	3,318	(2,469)
Capital outlay	138,623	131,936	6,687
<u>Total expenditures</u>	<u>483,975</u>	<u>476,647</u>	<u>7,328</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>168,364</u>	<u>170,607</u>	<u>2,243</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>		<u>451,512</u>	
<u>FUND BALANCE AT END OF YEAR</u>		<u>622,119</u>	

The accompanying notes are an integral part of this statement.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998

INTRODUCTION

The Audubon Regional Library was established in 1963, as authorized by Louisiana Revised Statute 25:217, through the cooperative efforts of the police juries of St. Helena, East Feliciana, and West Feliciana Parishes. The Library provides citizens of these parishes access to library materials, books, magazines, records and films. The Library is governed by a board of commissioners consisting of nine members, two appointed from each parish by their police jury, and three who are the police jury presidents for each parish who serve as ex-officio members. Terms for appointed members are for five years, and members serve without pay. Libraries located in Clinton, Greensburg, Jackson, and St. Francisville are supported by property tax assessments in each of the three parishes.

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

Governmental Accounting Standards Board No. 14 established criteria for determining which component units should be considered part of the police jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Audubon Regional Library is considered a joint venture of the participating police juries, and therefore, issues general purpose financial statements separate from the police juries. The accompanying general purpose financial statements present information only on the funds maintained by the library.

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 related 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 obligations. Governmental funds of the library include:

General Fund

The general fund is the general operating fund of the library. It accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds

The special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

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 the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parishes) 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. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Grants are recorded when the library is entitled to the funds.

Interest income is recorded when earned.

Substantially all other revenues are recorded when received.

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 recognized when paid.

E. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental fund types.

F. Encumbrances

Encumbrance accounting is not used by the Library.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

G. Cash and Cash Equivalents and Investments

Cash includes cash on hand and interest-bearing demand deposits. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. Under state law, the library may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the library may invest in United States bonds, treasury notes, or certificates. They are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at amortized cost, which approximates market.

H. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, except for the book collection which is valued through the use of an average book cost method.

I. Compensated Absences

Library employees earn vacation leave at rates of 10 to 22 days each year, depending on length of service. Employees are required to use vacation leave in the year earned. Unused vacation leave is granted to employees before separation from the library.

Sick leave is earned at the rate of one day per month. Accrued unused sick leave earned shall be carried forward to the succeeding calendar year, to the limit of 45 work days. Unused accrued sick leave will not be granted to employees on separation from library service.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

At December 31, 1998, there was no accumulated leave benefits, computed in accordance with GASB Codification Section C60.

J. Total Columns on Statements

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note #2: LEGAL COMPLIANCE - BUDGET

The librarian directs the preparation of a proposed budget annually and submits it to the board. The proposed budget shows the estimated fund balance at the beginning of the year, estimated revenues itemized by source, recommended expenditures and the estimated fund balance at the end of year.

A summary of the proposed budget, along with the public hearing details and availability of the proposed budget for public inspection, are advertised in the official journals of East Feliciana, St. Helena and West Feliciana Parishes at least ten days prior to the date of the public hearing. After the public hearing is held, the budget is formally adopted at a regular board meeting. A summary of the adopted budget is published in the official journal.

Formal budget integration is employed as a management control device during the year.

Budgetary amendments require the approval of the board.

All budgetary appropriations lapse at the end of each year.

Budgetary amounts included in the accompanying financial statements reflect the original adopted budget.

Note #3: CASH AND CASH EQUIVALENTS

At December 31, 1998, the library has cash and cash equivalents (book balances) totaling \$49,827. This total is comprised of \$110 cash on hand and \$49,717 in interest-bearing demand deposits.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
 (Continued)

These deposits are stated at amortized cost which approximates market. Under state law, these deposits 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 of 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.

At December 31, 1998, the library has \$61,115 in deposits (collected bank balance). These deposits are covered from risk by federal depository insurance.

Note #4: INVESTMENTS

At December 31, 1998, the library has time certificates of deposit with original maturities of over 90 days. These investments are secured from risk by federal depository insurance. At December 31, 1998, the investment's amortized cost and market value are \$104,536.

Note #5: RECEIVABLES

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

Ad valorem taxes	\$ 455,024
State revenue sharing (net)	38,638
Other	<u>9,182</u>
<u>Total</u>	<u>502,844</u>

Note #6: FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>Description</u>	<u>Balance, December 31, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, December 31, 1998</u>
Furniture and equipment	\$ 165,419	\$ 76,912		\$ 242,331
Library books	<u>795,363</u>	<u>29,338</u>	<u>\$ 6,194</u>	<u>818,507</u>
<u>Totals</u>	<u>960,782</u>	<u>106,250</u>	<u>6,194</u>	<u>1,060,838</u>

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

During 1998, the library purchased \$131,936 of capital outlay expenditures. A total of \$25,686 was annual periodicals, computer software, and items costing less than \$500 and not considered as additions to the general fixed assets account group.

Note #7: PENSION PLAN

All employees of the library are members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system, controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan B. Contributions of participating agencies are pooled within the system to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable services are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed the lesser of 100 per cent of final-average salary or \$70 multiplied by total years of creditable service. 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 by state statutes.

In addition to payroll deductions, Library funds are remitted to the retirement system and are recorded as expenditures. The library contributed \$3,361 during the year as its share of employees contribution. The Library does not guarantee the benefits granted by the retirement system.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
 (Continued)

Note #8: LEASES

The library is committed under various leases for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended December 31, 1998, amounted to \$25,000.

Future minimum lease payments for these leases are as follows:

<u>Year</u> <u>Ending</u>	<u>Amount</u>
1999	\$3,000
2000	3,000
2001	3,000
2002	3,000
2003	3,000

The library has no capital leases.

Note #9: LITIGATION AND CLAIMS

The library is not involved in litigation at December 31, 1998.

Note #10: LEVIED TAXES

The following is a summary of levied ad valorem taxes for 1998:

Parishwide maintenance tax	
East Feliciana	2.50
St. Helena	2.50
West Feliciana	1.00

Note #11: BOARD MEMBERS PER DIEM

The board members are not paid per diem nor compensation.

SPECIAL REVENUE FUNDS

Sarah T. Jones Memorial Fund

The Sarah T. Jones Memorial Fund accounts for funds donated to the library by friends of Sarah T. Jones. These funds are to be used exclusively for the purchase of furniture and equipment for the library.

Judge William T. Bennett Memorial Fund

The Judge William T. Bennett Memorial Funds accounts for funds donated to the library by friends of Judge William T. Bennett. These funds are to be used for furnishings, decorations or equipment for the library.

Elizabeth R. Jones Memorial Fund

The Elizabeth R. Jones Memorial Fund accounts for funds donated to the library by friends of Elizabeth R. Jones. The specified purposes for these funds have not been established.

Robert R. Jones Memorial Fund

The Robert R. Jones Memorial Fund accounts for funds donated to the library by friends of Robert R. Jones. The specified purpose for these funds have not been established.

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
SPECIAL REVENUE FUNDS
BALANCE SHEET
DECEMBER 31, 1998

	SARAH T. JONES MEMORIAL FUND	JUDGE WILLIAM T. BENNETT MEMORIAL FUND	ELIZABETH R. JONES MEMORIAL FUND
<u>ASSETS AND OTHER DEBITS</u>			
Assets			
Cash			
Investments, at amortized cost	\$ 1,076	\$ 743	\$ 1,442
<u>Total revenues</u>	<u>1,076</u>	<u>743</u>	<u>1,442</u>
 <u>LIABILITIES, EQUITY AND OTHER EQUITY</u>			
<u>EQUITY AND OTHER CREDITS</u>			
Fund balance - Unreserved, undesignated	\$ 1,076	\$ 743	\$ 1,442

The accompanying notes are an integral part of this statement.

<u>ROBERT R. JONES MEMORIAL FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ 600	\$ 600
<u> </u>	<u>3,261</u>
<u>600</u>	<u>3,861</u>
<u>\$ 600</u>	<u>\$ 3,861</u>

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
DECEMBER 31, 1998

	SARAH T. JONES MEMORIAL FUND	JUDGE WILLIAM T. BENNETT MEMORIAL FUND	ELIZABETH JONES MEMORIAL FUND
<u>REVENUES</u>			
Interest earnings	\$ 37	\$ 25	\$ 42
Donations and gifts			
<u>Total revenues</u>	37	25	42
<u>FUND BALANCES AT BEGINNING</u> <u>OF YEAR</u>	<u>1,039</u>	<u>718</u>	<u>1,400</u>
<u>FUND BALANCES AT END</u> <u>OF YEAR</u>	<u>1,076</u>	<u>743</u>	<u>1,442</u>

The accompanying notes are an integral part of this statement.

<u>ROBERT JONES MEMORIAL FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ 600	\$ 104 <u>600</u>
600	704
<u>0</u>	<u>3,157</u>
<u>600</u>	<u>3,861</u>

SUPPLEMENTAL INFORMATION

AUDUBON REGIONAL LIBRARY
CLINTON, LOUISIANA
YEAR 2000 ISSUE
DECEMBER 31, 1998
(Unaudited)

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

At present the Library owns no equipment that will be affected by the year 2000 issue. It is anticipated that the Library's catalog system will be computerized in 1999. The computer hardware and software needed to be purchased will be year 2000 compliant. Testing and validation of the systems will need to be completed after the hardware and software are installed.

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 Library is or will be year 2000 ready, that the remediation efforts will be successful in whole or in part, or that parties with whom the Library does business will be year 2000 ready.

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

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Board of Commissioners
Audubon Regional Library
Clinton, Louisiana

We have audited the general purpose financial statements of Audubon Regional Library, Clinton, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated June 18, 1999. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Audubon Regional Library, Clinton, Louisiana'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 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 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 Audubon Regional Library, Clinton, Louisiana'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.

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 specific 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 structure and its operation that we consider to be material weaknesses.

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

This report is intended for the use of management and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. By provision of state law, this report is a public document and it has been distributed to appropriate public officials.

There were no comments concerning compliance or internal control noted in the audit for the year ended December 31, 1997.

Baton Rouge, Louisiana
June 18, 1999

Dyer & Vicknair