

Financial Report

Lafourche Parish Library

Thibodaux, Louisiana

December 31, 2001

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Lafourche Parish Library

December 31, 2001

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of the Lafourche Parish Library (the Library), a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Parish Library as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, the Library changed its accounting policy for the recognition of ad valorem tax revenues.

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 2002 on our consideration of the Lafourche Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, La.,
May 7, 2002.

COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

Lafourche Parish Library

December 31, 2001

	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
Assets			
Cash	\$ 85,455	\$ -	\$ 85,455
Investments	4,316,204	-	4,316,204
Receivables - taxes	355,631	-	355,631
Due from other governmental units	2,742,378	-	2,742,378
General fixed assets	-	2,357,931	2,357,931
	<u>\$ 7,499,668</u>	<u>\$ 2,357,931</u>	<u>\$ 9,857,599</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 61,597		\$ 61,597
Deferred revenue	3,098,009		3,098,009
	<u>3,159,606</u>		<u>3,159,606</u>
Equity and Other Credits			
Investment in general fixed assets	-	\$ 2,357,931	2,357,931
Fund balances:			
Designated for future construction	2,592,026	-	2,592,026
Designated for future technology	1,400,000	-	1,400,000
Undesignated	348,036	-	348,036
	<u>4,340,062</u>	<u>2,357,931</u>	<u>6,697,993</u>
	<u>\$ 7,499,668</u>	<u>\$ 2,357,931</u>	<u>\$ 9,857,599</u>

See notes to financial statements.

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

Lafourche Parish Library

For the year ended December 31, 2001

Revenues	
Taxes	\$ 2,737,433
Intergovernmental:	
State of Louisiana:	
State revenue sharing	103,123
Charges for services	4,764
Fines and forfeitures	11,854
Grants	39,316
Miscellaneous:	
Interest	217,660
Unrealized gain on investments	33,601
Realized gain on investments	4,810
Other	9,805
	<hr/>
Total revenues	3,162,366
	<hr/>
Expenditures	
Current:	
General government:	
Ad valorem tax adjustment	109,704
Ad valorem tax deductions	92,721
	<hr/>
Total general government	202,425
	<hr/>
Culture and recreation:	
Personal services	946,169
Supplies and materials	108,003
Other services and charges	219,528
Repairs and maintenance	39,351
Capital expenditures	276,242
	<hr/>
Total culture and recreation	1,589,293
	<hr/>
Total expenditures	1,791,718
	<hr/>
Excess of Revenues over Expenditures	1,370,648
Fund Balance	
Beginning of year, as restated	2,969,414
	<hr/>
End of year	\$ 4,340,062
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See notes to financial statements.

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

Lafourche Parish Library

For the year ended December 31, 2001

	<u>Budget</u>	<u>Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 3,032,211	\$ 3,098,611	\$ 66,400
Intergovernmental:			
State of Louisiana:			
State revenue sharing	69,000	-	(69,000)
Charges for services	4,100	4,764	664
Fines and forfeitures	12,200	11,854	(346)
Grants	51,500	39,316	(12,184)
Miscellaneous:			
Interest	251,000	217,660	(33,340)
Unrealized gain on investments	15,000	33,601	18,601
Realized gain on investments	-	4,810	4,810
Other	10,000	9,805	(195)
Total revenues	<u>3,445,011</u>	<u>3,420,421</u>	<u>(24,590)</u>
Expenditures			
Current:			
General government:			
Ad valorem tax adjustment	109,704	109,704	
Ad valorem tax deductions	91,507	91,507	
Total general government	<u>201,211</u>	<u>201,211</u>	
Culture and recreation:			
Personal services	987,000	946,169	40,831
Supplies and materials	89,000	108,003	(19,003)
Other services and charges	226,220	219,528	6,692
Repairs and maintenance	47,100	39,351	7,749
Capital expenditures	245,800	276,242	(30,442)
Total culture and recreation	<u>1,595,120</u>	<u>1,589,293</u>	<u>5,827</u>
Total expenditures	<u>1,796,331</u>	<u>1,790,504</u>	<u>5,827</u>
Excess of Revenues over Expenditures	<u>\$ 1,648,680</u>	<u>\$ 1,629,917</u>	<u>\$ (18,763)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Library**

December 31, 2001

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Parish Library was established by the Parish governing authority, under the provisions of Louisiana Revised Statute 25:211. The Library provides citizens of the parish access to library materials, books, magazines, records and films. The Library is governed by a Board of Control which is appointed by the Lafourche Parish Council, in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the Board of Control serve without pay.

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

a) Reporting Entity

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

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

b) Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

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

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

Account Group

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

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

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are recognized as revenue in the period for which levied; thus, the 2001 property taxes which are being levied to finance the 2002 budget will be recognized as revenue in 2002. The 2001 tax levy is recorded as deferred revenue in the Library's 2001 financial statements. Grant revenues are recognized when received in cash by the Library. Charges for services are recorded when earned since they are measurable and available. Fines and forfeitures and miscellaneous revenues are recorded as revenues when received in cash by the Library or an intermediary collecting agency because they are generally not measurable or available until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting (Continued)

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

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Lafourche Parish Council, the Board of Control (the Board) adopted a budget for the Library's General Fund. The budgetary practices, which are required and include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption were conducted. Any amendment involving the transfer of monies from one function to another or increase in expenditures must be approved by the Board. The Library amended its General Fund budget once during 2001. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund is presented on the budgetary basis to provide a comparison of actual results with the budget. The major difference between the GAAP basis and budgetary basis is that:

Revenues from ad valorem taxes and expenditures for ad valorem tax deductions are recognized in the period for which levied during the year ending December 31, 2001 (GAAP basis). Revenues from ad valorem taxes and expenditures for ad valorem tax deductions are recognized at the time of levy during the year ended December 31, 2001 (budgetary basis).

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budgetary basis for the general fund are on the next page.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data (Continued)

	<u>Excess of Revenues Over Expenditures</u>
GAAP basis (as reported)	<u>\$1,370,648</u>
Adjustments:	
Revenues:	
Ad valorem taxes	361,178
State revenue sharing	<u>(103,123)</u>
Revenue adjustments	258,055
Expenditures:	
Ad valorem tax deductions	<u>1,214</u>
Net adjustments	<u>259,269</u>
Budgetary basis	<u>\$1,629,917</u>

f) Accounts Receivable

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

g) Investments

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC - registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments (Continued)

Investments during the year consisted of Federal National Mortgage Association (FNMA) Notes, U.S. Treasury Notes, Federated Government Obligations Money Market Fund and LAMP.

h) Fixed Assets

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

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

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

i) Vacation and Sick Leave

All twelve-month employees earn from 15 to 23 days of vacation leave each year depending on the job classification. Generally, annual leave must be taken within the year it is granted. Upon resignation or retirement, the employees receive payment for available vacation leave, provided they have been employed by the Library for at least a total of 18 months and have given adequate notice of resignation. There is no accumulated vacation at December 31, 2001.

Full-time employees earn 12 days sick leave each year. Employees can accumulate up to a maximum of 30 days sick leave. Upon resignation or retirement, all accrued sick leave lapses. There is no accumulated sick leave at December 31, 2001.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity

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

l) Memorandum Only - Total Column

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

Note 2 - CHANGE IN ACCOUNTING POLICY

The Library changed its accounting policy for the recognition of revenues from ad valorem taxes and the related state revenue sharing and expenditures from ad valorem tax deductions for the year ended December 31, 2001. Ad valorem taxes for the 2001 tax roll became due on November 15, 2001 and became delinquent on December 31. These taxes were levied to finance the budget for the 2002 year and will be recognized as revenue in 2002. The taxes levied are reported as deferred revenue as of December 31, 2001.

Accordingly, the change in accounting policy had the effect of reducing the excess of revenues over expenditures for the year ended December 31, 2001 by \$259,269. This accounting policy change was made because the 2001 ad valorem taxes are levied to fund the 2002 budget.

The adjustments necessary to restate the beginning of year fund balance for the effect of the change in accounting policy are as follows:

Note 2 - CHANGE IN ACCOUNTING POLICY (Continued)

Fund balance - beginning of year, as previously reported	<u>\$ 5,716,647</u>
Adjustments:	
Revenues:	
Ad valorem taxes	(2,736,831)
State revenue sharing	<u>(103,123)</u>
Revenue adjustments	(2,839,954)
Expenditures:	
Ad valorem tax deductions	<u>92,721</u>
Net adjustments	<u>(2,747,233)</u>
Fund balance - beginning of year, as restated	<u>\$ 2,969,414</u>

Note 3 - DEPOSITS AND INVESTMENTS

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.

Bank Deposits:

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

Deposits are categorized into three categories of credit risk.

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

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

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

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

The year end balances of deposits are as follows:

	<u>Bank Balances</u>			<u>Reported Amount</u>
	<u>Risk Category</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	
Cash	<u>\$97,888</u>	<u>\$-</u>	<u>\$-</u>	<u>\$85,455</u>

At December 31, 2001, cash did not exceed the FDIC insurance coverage.

Investments:

State statutes authorize the Library to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper rated AAA 1,2 or 3; repurchase agreements; and the Louisiana Asset Management Pool.

The Library's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the Library or its agent in the Library's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Library's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the Library's name.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

At year end, the balances of investments are as follows:

	Risk Category			Reported Amount
	1	2	3	
Investment subject to categorization:				
U.S. Treasury Notes	\$ 322,531	\$ -	\$ -	\$ 322,531
Federal National Mortgage Association Note	992,750	-	-	992,750
Federated Government Obligation Money Market Fund	<u>107,869</u>	<u>-</u>	<u>-</u>	<u>107,869</u>
Totals	<u>\$1,423,150</u>	<u>\$-</u>	<u>\$-</u>	1,423,150
Investments not subject to categorization:				
Louisiana Asset Management Pool (LAMP)				<u>2,893,054</u>
Totals investments				<u>\$4,316,204</u>

Investments in the Louisiana Asset Management Pool are not categorized as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. Accordingly, the fair value of the Library's position in LAMP is the same as the value of LAMP shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Note 4 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2001 was \$9.43 per \$1,000 of assessed valuation on parishwide property for the purpose of maintaining and operating library facilities and programs. As indicated in Note 1c, taxes levied November 1, 2001 are for budgeted expenditures in 2002 and will be recognized as revenue in 2002.

Note 5 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2001 consisted of the following:

Lafourche Parish Tax Collector - December, 2001 collections remitted to the Library in January, 2002	<u>\$2,742,378</u>
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Note 6 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January <u>1, 2001</u>	Addi- tions	Dele- tions	Adjust- ments	Balance December <u>31, 2001</u>
Building and improvements	\$ 75,000	\$ 6,748	\$ -	\$ -	\$ 81,748
Books	1,347,782	200,350	26,140	-	1,521,992
Furniture and equipment	736,527	23,926	-	(55,528)	704,925
Vehicles	<u>49,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,266</u>
Totals	<u>\$2,208,575</u>	<u>\$231,024</u>	<u>\$26,140</u>	<u>\$(55,528)</u>	<u>\$2,357,931</u>

Note 6 - CHANGES IN FIXED ASSETS (Continued)

Adjustments consist of items with a cost of less than \$500 that were previously capitalized. These adjustments were made as a result of the adoption of a capitalization policy by the Board.

Note 7 - LEASE COMMITMENT

The Library leases buildings for four of its branches under month-to-month operating leases. Rental expense incurred under these leases for the year ended December 31, 2001 was \$35,651.

Note 8 - RISK MANAGEMENT

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

Note 9 - BOARD OF CONTROL

The Lafourche Parish Council has voted to remove members of the Library Board of Control. Accordingly, a new set of Board members have been installed. The Lafourche Parish President sued the Lafourche Parish Council over this matter, and the 17th Judicial District Court has ruled that the Lafourche Parish Council did not have the authority to remove the original members of the Board. In order to comply with the Court's ruling, the Lafourche Parish Council will contact members of the Library Board of Control that were removed to determine if they are interested in serving the unexpired terms. The Lafourche Parish Library is not a party to this litigation, nor does management feel that this will have any financial impact on the operations of the Library.

Note 10 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 2001.

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

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

Our report on our audit of the general-purpose financial statements of the Lafourche Parish Library (the Library) for the year ended December 31, 2001, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 2001 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. 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 for the year ended December 31, 2001, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the balance sheets of the Lafourche Parish Library as of December 31, 2000 and 1999, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 2000 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 2000 and 1999 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, La.,
May 7, 2002.

SCHEDULE OF REVENUES AND EXPENDITURES**Lafourche Parish Library**

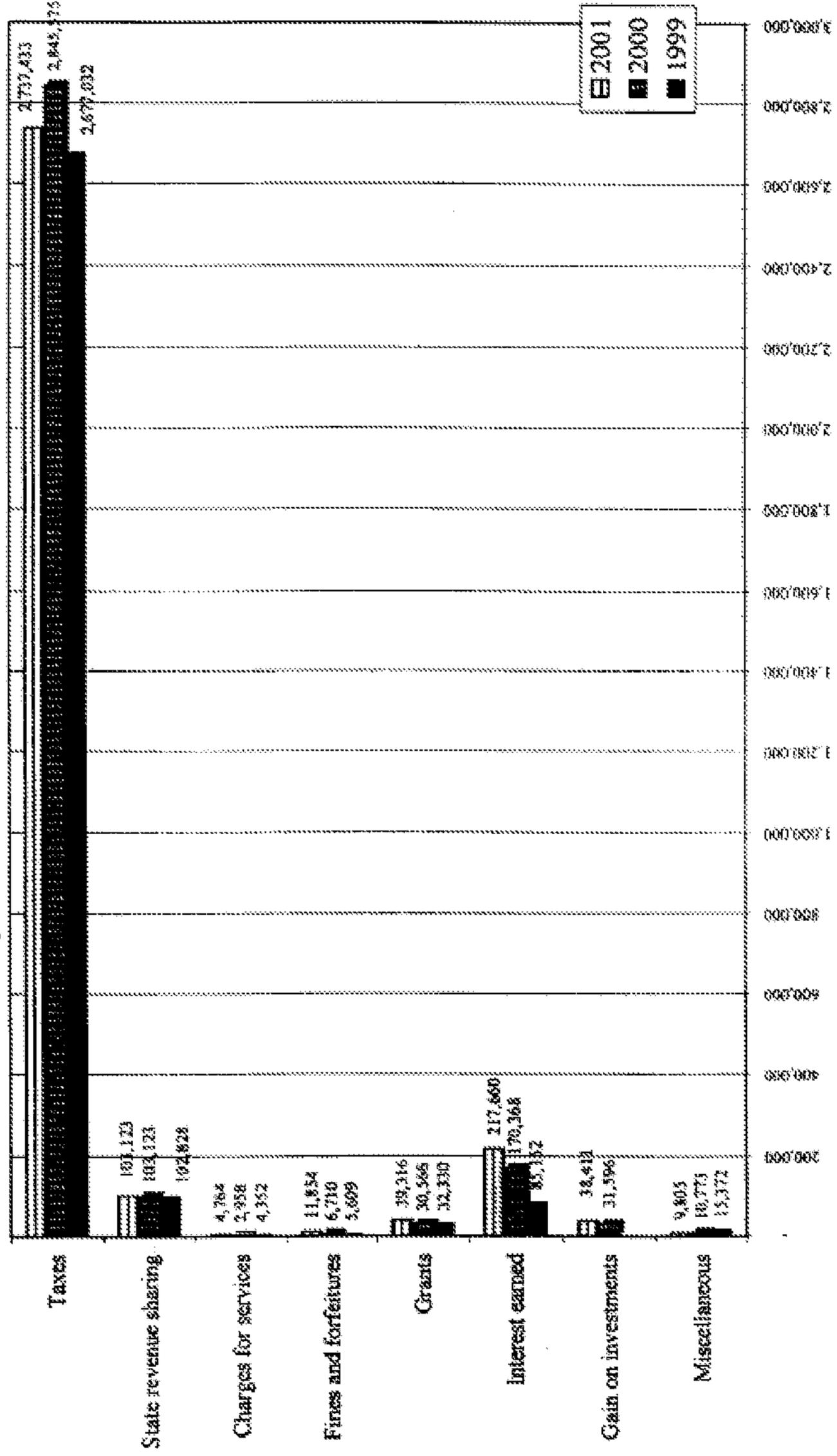
For the years ended December 31, 2001, 2000 and 1999

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenues			
Taxes	\$ 2,737,433	\$ 2,845,575	\$ 2,677,032
State revenue sharing	103,123	103,123	102,828
Charges for services	4,764	2,958	4,352
Fines and forfeitures	11,854	6,710	5,609
Grants	39,316	30,566	32,330
Interest earned	217,660	170,368	85,152
Gain on investments	38,411	31,596	-
Miscellaneous	9,805	10,773	15,372
	<u>\$ 3,162,366</u>	<u>\$ 3,201,669</u>	<u>\$ 2,922,675</u>
Expenditures			
General government	\$ 202,425	\$ 146,459	\$ 138,768
Personal services	946,169	941,540	935,110
Supplies and materials	108,003	64,005	72,760
Other services and charges	219,528	257,294	248,030
Repairs and maintenance	39,351	56,694	22,982
Capital expenditures	276,242	255,900	497,598
	<u>\$ 1,791,718</u>	<u>\$ 1,721,892</u>	<u>\$ 1,915,248</u>

REVENUES

Lafourche Parish Library

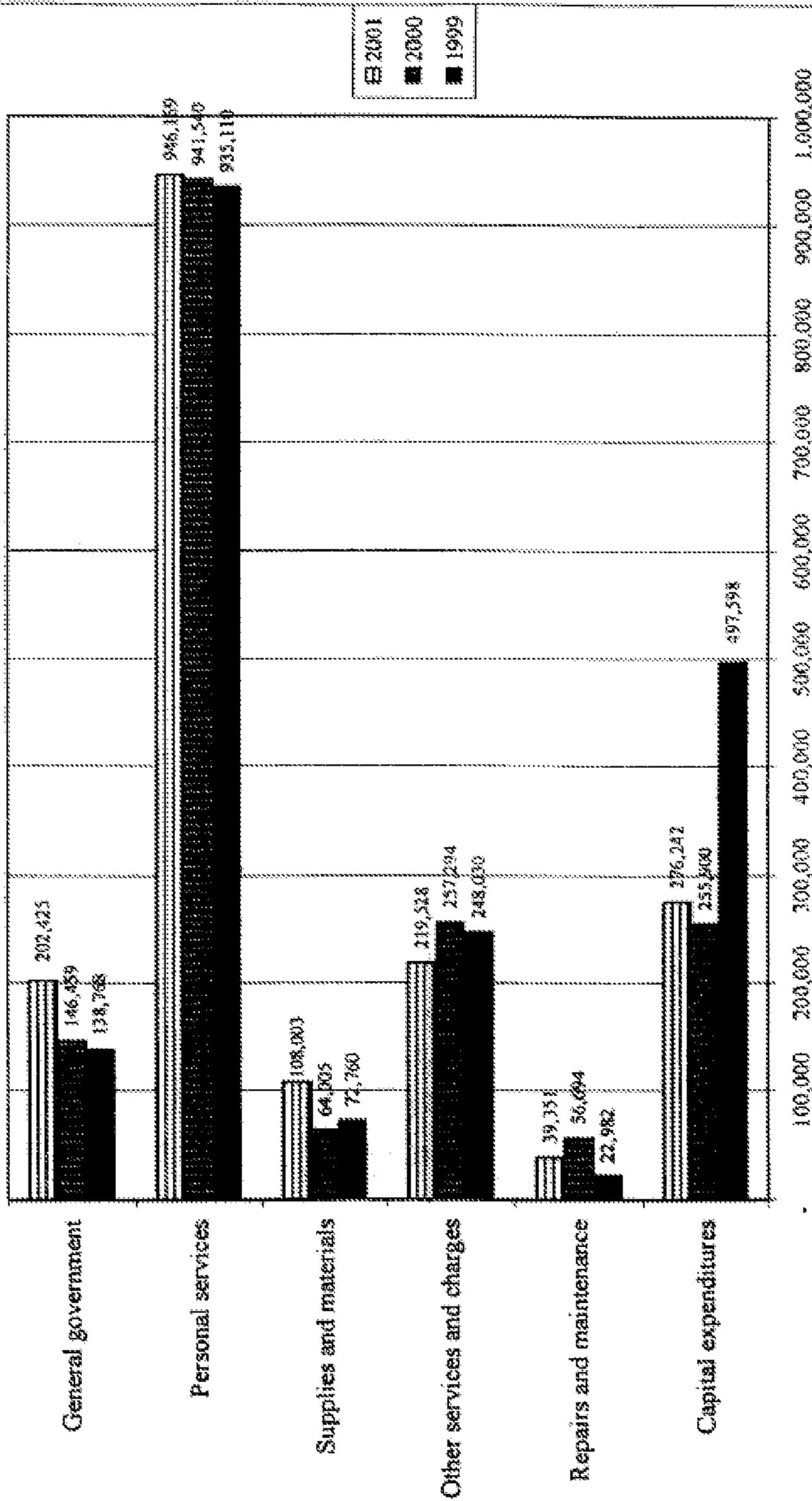
For the years ended December 31, 2001, 2000 and 1999



EXPENDITURES

Lafourche Parish Library

For the years ended December 31, 2001, 2000 and 1999



SPECIAL REPORTS 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,
Lafourche Parish Library,
Thibodaux, Louisiana.

We have audited the general-purpose financial statements of the Lafourche Parish Library (the Library), a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 7, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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 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, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, La.,
May 7, 2002.

SCHEDULE OF FINDINGS

Lafourche Parish Library

For the year ended December 31, 2001

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

Lafourche Parish Library did not receive federal awards during the year ended December 31, 2001.

Section II Financial Statement Findings

No financial statement findings were reported during the audit for the year ended December 31, 2001.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Lafourche Parish Library

For the year ended December 31, 2001

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

00-1 **Recommendation** - The Library should deposit all cash receipts on a timely basis.

Management's Response - The Library's ad valorem tax and state revenue sharing checks are received from the Lafourche Parish Council, who receives the checks from the Lafourche Parish Sheriff's Office. The Library deposits these checks as soon as they are received. To document the date of receipt, the Library will retain the postmarked envelope received from the Lafourche Parish Council. Resolved.

00-2 **Recommendation** - The Library should adopt guidelines for all branches to ensure that all funds collected by the Library are appropriately deposited into the Library's bank account.

Management's Response - After conferring with our Board Chairman, Deputy Director of Operations, and Branch Administrator, the Library has adopted the following guidelines for all of our Branches:

1. Implement sporadic cash audits by the administration.
2. Require daily printouts of income with discrepancies documented.
3. Require two people to tally money and records at the end of each day.
4. Instruct all staff on the use of the computer program used for recording monetary transactions.
5. Require weekly bank deposits by the Martha Sowell Utley Memorial (main) Branch and monthly deposits by others.
6. Keep all money in a locked drawer until it is deposited.
7. Take immediate action if any of these guidelines are not followed.

Resolved.

00-3 **Recommendation** - The Library should only deposit public funds in a bank account in its name and control.

SCHEDULE OF PRIOR YEAR FINDINGS

Lafourche Parish Library

For the year ended December 31, 2001

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

00-3 (Continued)

Management's Response - It is the opinion of responsible officials of the auditee that all deposits have been made into a bank account in the Library's name and control in accordance with Louisiana Revised Statute 39:1212. In our opinion Revised Statute 39:1212 pertains to daily deposits or other deposits of cash receipts, not to the transfer of funds out of the Library's bank account as part of a financial transaction. The cash transfers in question are for the purpose of paying a liability to the company providing payroll services to the Library.

The company makes payroll direct deposits from its bank account to the employees of the Library. When the company makes the electronic transfers to the employees, immediately the Library incurs a liability to the company for the total of the direct deposits. The transfer of funds as described above is similar to a transfer into an attorney's escrow account to pay for real estate purchased, or into a bank's trust account to pay for the purchase of an investment.

However, in order to avoid the appearance of improper funds transfers, the Library's management has requested that the payroll processing company make all future direct deposits from the Library's bank account.

Resolved.

00-4 **Recommendation** - The Library should publish all minutes of meetings of the Board of Control and committees in a timely manner in the official journal.

Management's Response - Minutes of all meetings of the Board of Control and committees will be published in the official journal. Invoices received from the official journal will be examined on a monthly basis to determine if the appropriate minutes of meetings are being published. Resolved.

SCHEDULE OF PRIOR YEAR FINDINGS

Lafourche Parish Library

For the year ended December 31, 2001

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

00-5 **Recommendation** - The Board of Control should convene in executive session in compliance with the criteria in Louisiana Revised Statute 42:6.

Management's Response - Copies of Louisiana Revised Statute 42:6 will be distributed to all members of the Board of Control in an effort to prevent future invalid executive sessions. Resolved.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Library did not receive federal awards during the year ended December 31, 2000.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2000.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Library

For the year ended December 31, 2001

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2001.

No reportable conditions were reported during the audit for the year ended December 31, 2001.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 2001.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Library did not receive federal awards during the year ended December 31, 2001.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2001.