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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF
COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Control
Tangipahoa Parish Library
Amite, Louisiana

We have audited the component unit financial statements of the Tangipahoa Parish Library, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated June 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *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 component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Tangipahoa Parish Library, Louisiana, is the responsibility of the Tangipahoa Parish Library, Louisiana's, management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the Tangipahoa Parish Library's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. 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 *Governmental Auditing Standards*.

This report is intended for the information of management, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Bruce Harrell and Company, CPAs
A Professional Accounting Corporation

June 4, 1997

TANGIPAHOLA PARISH LIBRARY
 TANGIPAHOLA PARISH COUNCIL
 Amite, Louisiana

Schedule 1

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>
Total	\$ 5,000	\$ 5,325	\$ (325)
Capital Outlays:			
Leasehold Improvements	4,000	-	4,000
Motor Vehicle	106,350	106,350	-
Library Machinery & Equipment	-	18,750	(18,750)
Automated & On-Line Services	35,000	34,000	1,000
Office Machinery & Equipment	1,000	1,710	(710)
Furniture & Fixtures	6,000	6,650	4,550
Books	112,000	116,310	(4,310)
Periodicals	18,000	2,800	15,200
Audio Material	2,000	730	1,260
Film & Video	1,500	1,975	(475)
Microfilm & Fido	150	120	30
Other	-	790	(790)
Total Capital Outlays	<u>306,000</u>	<u>304,960</u>	<u>1,040</u>
Total Expenditures	<u>\$ 1,194,000</u>	<u>\$ 1,195,625</u>	<u>\$ (1,625)</u>

(Continued)

The accompanying notes are an integral part of this statement.

**TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
Ambre, Louisiana**

Schedule 1

**SCHEDULE OF EXPENDITURES -
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND**

(Continued)

For the Year Ended December 31, 1994

	Budget	Actual	Variance- Favorable (Unfavorable)
Maintenance:			
Grounds	\$ 1,000	\$ 915	\$ 85
Buildings	11,000	13,210	(2,210)
Motor Vehicle	500	841	(341)
HVAC	2,000	1,254	746
Furniture, Machinery & Equipment	2,000	2,309	(309)
Electrical	1,000	1,333	(333)
Pest Control	1,200	1,268	(68)
Contracted Service	-	1,842	(1,842)
Total Maintenance	17,700	21,519	(4,219)
Professional Services:			
Accounting	17,000	16,308	692
Estimators	1,000	815	185
Grant Expenses	8,000	8,251	(251)
Other	500	-	500
Total Professional Services	26,500	25,374	1,126
Insurance:			
Fire & Casualty	11,000	7,978	4,022
Performance/Fidelity Bond	600	523	78
Motor Vehicle	1,000	3,791	(1,991)
Liability	3,200	2,331	869
Board & Employee Liability	3,500	4,625	(1,125)
Total Insurance	21,300	19,157	2,143
Materials & Supplies:			
Library	17,000	15,384	1,616
Office	10,500	9,286	1,214
Building & Grounds	1,500	2,587	(1,087)
Motor Vehicle	1,000	1,850	(850)
Other	4,000	-	4,000
Automated & On-Line	-	8,132	(8,132)
Total Materials & Supplies	34,000	37,239	(2,239)

Continued on the following page.

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH LIBRARY
TANGIPAHOA PARISH COUNCIL
Aurite, Louisiana

Schedule 1

SCHEDULE OF EXPENDITURES -
BUDGET (BLAP BASIS) AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 1996

EXPENDITURES	Budget	Actual	Variance- Favorable (Unfavorable)
Personnel Services:			
Regular Salaries & Wages	\$ 481,800	\$ 454,278	\$ 27,522
Retirement Contributions	34,800	33,831	8,969
Life/Health Insurance	63,800	65,336	(1,536)
Worker's/Unemployment Compensation	4,500	3,500	1,000
Medicare & FICA Tax	18,500	8,461	2,039
Unemployment	2,800	504	1,496
Contract Labor	1,800	1,432	268
Total Personnel Services	577,800	542,338	35,462
Operating Services:			
Membership Dues	1,500	2,400	(900)
Advertising	300	311	(11)
Publishing of Legal Notices	500	250	250
Print, Supplies, & Tapes	500	-	500
Printing	2,000	1,358	642
Electrical, Light & Power	46,400	33,383	13,017
Gas	2,000	1,364	636
Water/Sewerage	2,000	1,323	677
State Portion deducted from Ad valorem Tax	31,200	33,878	(1,878)
Total Operating Services	86,600	73,338	13,262
Communications:			
Postage & Box Rent	7,000	3,352	3,648
Telephone	23,000	23,882	(882)
On-Line Services	2,000	488	1,512
Total Communications	32,000	27,722	4,278
Rentals:			
Building	34,000	33,688	312
Equipment	4,000	799	3,201
Total Rentals	38,000	34,487	3,513

Continued on the following page.

The accompanying notes are an integral part of this statement.

TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

9. LITIGATION AND CLAIMS

At December 31, 1996, the Library is not in litigation or aware of any claims, except as noted in footnote 10.

10. JUDGEMENT RECEIVABLE

In prior years, the Tangipahola Parish Council maintained the records of the Library, which is a component unit of the Council. The Library is eligible to receive state revenue sharing funds; however, the Council had withheld payment of state revenue sharing funds from them based on Louisiana Attorney General Opinion No. 85-582. The state revenue sharing funds provided by Act 908 of 1985 and Act 1664 of 1986 were withheld from the Library and used by the Council to pay unrelated expenditures of the parish.

On January 13, 1988, the Friends of the Franciscan Church Library, incorporated, on behalf of the Tangipahola Parish Library, filed a lawsuit against the Tangipahola Parish Council. The lawsuit sought payment from the Council of all state revenue sharing monies provided by Act 908 of 1985 and Act 1664 of 1986 withheld from the Tangipahola Parish Library. On April 14, 1988, a declaratory judgment was rendered in favor of the Plaintiff. The judgment ordered that the Library was entitled to payments from the Council as follows:

<u>Due for 1985</u>	<u>Due for 1986</u>	<u>Total</u>
\$ 176,998	\$ 176,282	\$ 353,280

On March 8, 1993, the Tangipahola Parish Council agreed to make quarterly payments of \$9,090 (\$6,294 of \$25,800) for the next five years, beginning April, 1993, if such funds are available. If more funds are available during any of these years, the Parish Council reserves the right to pay at a higher figure at their discretion. At the end of 10 years, the pay back plan shall be paid in full and judgment against the Tangipahola Parish Council will be fulfilled and canceled at that time.

As of December 31, 1996 the Tangipahola Parish Council has repaid \$104,808. The remaining balance is \$248,472.

TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Funding Policy: Under Plan A, Members are required by statute to contribute 9.5 percent of their annual covered salary and the Tangipahola Parish Library is required to contribute at an actuarially determined rate. The current rate is 3.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). 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 Tangipahola Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:165, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The Tangipahola Parish Library's contributions to the System under Plan A for the year ending December 31, 1996, 1995, and 1994 were \$15,831, \$27,848, and \$25,931 which is equal to the required contribution for the year.

7. COMPENSATED ABSENCES

At December 31, 1996, employees of the Library have accumulated and vested \$13,789 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$13,789 is recorded as an obligation of the General Fund and none is recorded within the general long-term obligations account group.

8. LEASES

The library has operating leases of the following nature:

A building for operation of the library headquarters and Amite branch under an operating lease which expires on September 1, 1997.

A building for operation of the Clark Library branch under a month by month lease which has a 2 month notice requirement before it expires.

A building for operation of the Independence Library branch under a month by month lease which has a 2 month notice requirement before it expires.

A building for operation of the Leverage Library branch under a month by month lease which has a 2 month notice requirement before it expires.

A building for operation of the Hammond Library branch under an operating lease which expires February, 1997.

The following is a schedule by years of lease minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1996:

<u>Fiscal Year</u>	<u>Buildings and Office</u>
1997	\$ 21,358
1998	.
1999	.
2000	.
2001	.
Total	<u>\$ 21,358</u>

**TANGIPAHOA PARISH LIBRARY
TANGIPAHOA PARISH COUNCIL
Amite, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

8. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1994	Additions	Deletions	Balance December 31, 1995
Land	\$ 18,750	\$ -	\$ -	\$ 18,750
Buildings	361,681	-	-	361,681
Vehicles	13,701	108,150	-	121,851
Equipment & Furniture	281,911	95,820	33,304	344,427
Books & periodicals	1,675,740	147,720	151,847	1,671,613
Office Improvements	35,166	-	-	35,166
Total	<u>\$ 2,485,298</u>	<u>\$ 351,690</u>	<u>\$ 185,151</u>	<u>\$ 2,651,837</u>

9. PENSION PLAN

Plan Description. Substantially all employees of the Tangipahoa Parish Library are members of the Parishial Employees Retirement System of Louisiana (System), a multiple-employer (non-sharing), public employee retirement system (PERS), 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 A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from library funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 65 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 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1988, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. 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 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 Parishial Employees' Retirement System, Post Office Box 14018, Baton Rouge, Louisiana 70808-4018, or by calling (584) 828-0261.

**TANGIPAHUA PARISH LIBRARY
TANGIPAHUA PARISH COUNCIL
Amite, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

3. CASH AND CASH EQUIVALENTS

At December 31, 1996, the library has cash and cash equivalents totaling \$389,317, as follows:

Interest-bearing demand deposit	\$ 51,268
Time deposit	337,257
	<u>\$ 389,317</u>

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 building or controlled bank that is mutually acceptable to both parties. At December 31, 1996, the library has \$414,116 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of Federal deposit insurance and \$314,116 of pledged securities held by the controlled bank in the name of the fiscal agent bank (Category 7).

Even though the pledged securities are considered uncollateralized (Category 7) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the controlled bank to advertise and sell the pledged securities within 30 days of being notified by the library that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The following is a summary of receivables at December 31, 1996:

Class of Receivable	General Fund
Ad Valorem taxes	\$ 792,299
Intergovernmental: State Revenue Sharing	117,166
Total	<u>\$ 909,465</u>

TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

L. COMPENSATED AGENCIES

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

Permanent employees of the Tangipahola Parish Library earn from 9 to 30 days of vacation leave each year, depending on their length of service and job classification. Annual leave may be accumulated up to 1-1/2 times the total annual leave, but only 50% of total annual leave may be carried over from one year to another, with a few exceptions. Upon separation, employees are paid at their current rate of pay for accrued leave up to a maximum of 3 weeks. Employees earn 13 days of sick leave each year. Sick leave may be accumulated up to 300 hours, but upon separation, any accumulated sick leave is forfeited.

J. FUND BALANCE

Reservations of fund balances of governmental funds are created to either (1) satisfy legal contracts that require a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Special fund reservation of the fund balance account is summarized below.

Reserve for capital addition - This reserve was created to restrict the use of resources obtained from the sale of the old Poncechartrou Library Building. These funds are restricted for capital additions to the new Poncechartrou Library, in the amount of \$100,000 as of December 31, 1996.

K. TOTAL COLLISION STATEMENTS

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

2. LEVIED TAXES

The following is a summary of authorized and levied of various taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date of Millage</u>
General Fund	1.08	3.08	10/01/98
General Fund	2.81	2.81	10/01/94

TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing sources/uses) are accounted for as other financing sources/uses. The library has no operating transfers, since it has only one fund.

F. BUDGET PRACTICES

The proposed budget for 1996 was made available for public inspection. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal at least 15 days prior to the public hearing, which was held at the Tangipahola Parish Library's office on October 26, 1996, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the board of control.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year at beginning fund balance.

F. ENCUMBRANCES

Encumbrances accounting is not used. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. 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, 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. These 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.

H. 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 capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

**TANGIPAHOA PARISH LIBRARY
TANGIPAHOA PARISH COUNCIL
Amite, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

has accountability for fiscal matters, the library was determined to be a component unit of the Tangipahoa Parish Council, 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 parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The library uses one fund and one account group 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 governmental 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 fund because they do not directly affect the reportable available financial resources.

The fund of the library is classified as a governmental fund (General Fund). The General Fund accounts 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.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is 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 fund. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

All 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. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income represents amounts earned on checking accounts and certificates of deposit invested in the financial institutions. Interest earned on checking accounts is recorded when received. Interest earned on certificates of deposit is recorded when the certificates mature and the interest is available.

Substantially all other resources are recorded when received.

**TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL,
Amite, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 1996**

INTRODUCTION

The Tangipahola Parish Library was established by the governing authority under the provisions of Louisiana Statute (LSA-RS) 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 of seven members, which are appointed by the Parish Council in accordance with the provisions of LSA-RS 25:214. The president of the Parish Council serves as an ex-officio member of the Board. The members of the Board of Control serve without pay. Primary financing is provided by ad valorem taxes and interest earned on time deposits.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Tangipahola 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

As the governing authority of the parish, for reporting purposes, the Tangipahola Parish Council is the financial reporting entity for Tangipahola Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahola Parish Council 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 council to impose its will on that organization's affairs
 - b. The potential for the organization to provide special financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are financially dependent on the council.
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.

Because the parish council appoints the governing board, has the ability to significantly influence operations, and

TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
 Amite, Louisiana

Statement C

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Governmental Fund Type - General Fund
For the Year Ended December 31, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes	\$ 799,000	\$ 879,252	\$ 80,252
State revenue sharing	565,000	565,363	363
Revenue sharing payback	36,200	40,258	4,058
Grant revenues	5,000	7,778	2,778
Fines and fees	15,000	26,443	11,443
Interest earnings	25,000	59,603	34,603
Donations	2,000	1,600	(390)
Miscellaneous	-	3,420	3,420
Rent	2,000	4,152	2,152
Total revenues	1,653,200	1,720,781	67,581
EXPENDITURES			
Personnel services	571,800	542,434	29,366
Operating services	80,800	73,780	7,020
Communications	91,800	89,983	1,817
Printing	28,800	34,170	5,370
Maintenance	87,700	71,924	15,776
Professional services	20,500	25,886	5,386
Insurance	21,100	18,157	2,943
Materials and supplies	94,900	97,259	(2,359)
Travel	5,000	5,025	(25)
Capital outlay	385,000	384,980	20
Total expenditures	1,885,200	1,855,627	29,573
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(232,000)	64,154	167,154
FUND BALANCE AT BEGINNING OF YEAR	1,883,547	1,883,547	-
FUND BALANCE AT END OF YEAR	\$ 1,651,547	\$ 1,720,701	\$ 69,154

The accompanying notes are an integral part of this statement.

TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
 Amite, Louisiana

Statement B

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Fund Type - General Fund
 For the Year Ended December 31, 1996

REVENUES	
Ad valorem taxes	\$ 836,182
State revenue sharing	161,363
Revenue sharing pro/cons	43,216
Grant revenue	7,179
Fees and fines	26,441
Interest earnings	39,601
Donations	1,603
Miscellaneous	3,476
Rent	<u>4,152</u>
Total revenues	<u>1,137,713</u>
EXPENDITURES	
Personnel services	542,414
Operating services	15,536
Contractual fees	26,963
Rentals	14,779
Maintenance	21,504
Professional services	15,866
Insurance	18,157
Materials and supplies	32,299
Travel	5,505
Capital outlay	<u>304,080</u>
Total expenditures	<u>1,105,677</u>
EXCESS OF REVENUES OVER EXPENDITURES	32,036
FUND BALANCE AT BEGINNING OF YEAR	<u>1,183,547</u>
FUND BALANCE AT END OF YEAR	\$ <u>1,215,583</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOLA PARISH LIBRARY
TANGIPAHOLA PARISH COUNCIL
Ambre, Louisiana

Statement A

Balance Sheet
ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1990

	Governmental		Total (Minor in Dollars)
	Fund Type		
	General Fund	Account Group General Fund Assets	
ASSETS			
Cash and cash equivalents	\$ 378,248	\$ -	\$ 378,248
Restricted cash	18,000	-	18,000
Receivable	808,425	-	808,425
Payroll expense	25,819	-	25,819
Land	-	18,750	18,750
Buildings	-	361,601	361,601
Vehicles	-	119,451	119,451
Furniture and equipment	-	228,927	228,927
Debt and payables	-	1,638,618	1,638,618
Office improvements	-	24,160	24,160
Total assets	\$ 1,222,561	\$ 2,385,137	\$ 3,718,698
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 39,250	\$ -	\$ 39,250
Accrued salaries/wages	30,765	-	30,765
Payroll taxes payable	-	-	-
Resolutions from ad valorem tax	88,086	-	88,086
Total liabilities	158,086	-	158,086
Fund equity:			
Investment in general fund assets	-	2,385,137	2,385,137
Fund balance - unassigned - undesignated	1,018,632	-	1,018,632
Fund balance - reserved for capital additions	18,000	-	18,000
Total fund equity	1,228,764	2,385,137	3,613,901
Total liabilities and fund equity	\$ 1,323,766	\$ 2,385,137	\$ 3,718,903

The accompanying notes are an integral part of this statement.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Control
Tangipahoa Parish Library
Amite, Louisiana 70412

We have audited the accompanying component unit financial statements of the Tangipahoa Parish Library, Louisiana, as of December 31, 1995, and for the year then ended, as listed in the table of contents. These component unit financial statements are the responsibility of the Tangipahoa Parish Library, Louisiana's, management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Accounting 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Tangipahoa Parish Library, Louisiana, as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the component unit financial statements taken as a whole. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the component unit financial statements of the Tangipahoa Parish Library, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material aspects in relation to the component unit financial statements taken as a whole.


Bruce Harrell and Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
June 4, 1997

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Amite, Louisiana**

Component Unit Financial Statements
As of and for the Year Ended December 31, 1996

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FINANCIAL REPORT

December 31, 1996

Under provisions of state law, this report is a public document. A copy of this 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.

Revised Date July 19 1997

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Control
Tangipahoa Parish Library
Amite, Louisiana

We have audited the component unit financial statements of the Tangipahoa Parish Library, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated June 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The management of the Tangipahoa Parish Library, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors and irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the component unit financial statements of the Tangipahoa Parish Library, Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express such an opinion.

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We noted certain matters involving internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Library's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

Due to the limited number of personnel, the Tangipahoa Parish Library, Louisiana, is not able to have a proper segregation of duties.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected with a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management, and the Louisiana Legislative Auditor. This report is not intended to limit the distribution of this report, which is a matter of public record.


Bruce Harrell and Company, CPAs
Professional Accounting Corporation

June 4, 1997