

OFFICIAL
FILE COPY

DO NOT BIND OUT

State Archives
do not bind this
copy and place
(SAC - 111)

ST. TAMMANY PARISH LIBRARY
BOYDTON, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

December 31, 1997

RECEIVED
LEGISLATIVE COUNCIL
98 JUL 16 AM 8:01

98000567

2073

98000567

2073

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 22 1998

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
COMPONENT UNIT FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	
SCHEDULE OF EXPENSES	18
SCHEDULE OF GOVERNING BOARD	20
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	21

Smith, Hurst & Associates, L.L.C.

IN LIMITED LIABILITY COMPANY FORM
Certified Public Accountant
P.O. Box 1882
Covington, Louisiana 70434-1882

Donald E. Smith, CPA
Member - Board of Accountants

1304 974-0673 - Covington
1304 974-4555 - FAX

INDEPENDENT AUDITOR'S REPORT

To the Board of Control
St. Tammany Parish Library
Covington, Louisiana

We have audited the accompanying component unit financial statements of the St. Tammany Parish Library, a component unit of the St. Tammany Parish Police Jury, as of and for the year ended December 31, 1997. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 St. Tammany Parish Library as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

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

In accordance with Government Auditing Standards we have also issued a report dated April 29, 1998 on our consideration of St. Tammany Parish Library's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grants.

Smith, Hurst & Associates, L.L.C.

April 29, 1998

ST. TAMMANT PARRIS LIBRARY
COVINGTON, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1997

	Governmental		Totals		
	Fund Type	Account Groups		Memorandum Only	
		General Fund	General Fund Assets	General Long-Term Debt	1997
ASSETS					
Cash:					
Operating	\$ 326,189	\$	\$	\$ 326,189	\$ 413,718
Health claims	59,219			59,219	42,760
Investments	2,166,888			2,166,888	1,696,873
Receivables - ad valorem taxes	2,551,006			2,551,006	2,685,381
Due from State of Louisiana	178,079			178,079	130,283
Accrued interest receivable	39,569			39,569	14,586
Other assets	2,381			2,381	2,381
Amount to be provided for refinement of general long-term obligations			32,888	32,888	30,912
Fixed assets		7,378,351		7,378,351	6,858,947
Total assets	\$ 5,303,491	\$ 7,378,351	\$ 32,888	\$ 12,714,650	\$ 11,297,141

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS - Continued

December 31, 1997

	Governmental Fund Type	Account Groups		Totals	
		General Fund Assets	General Long-Term Debt	Balances/Values Only	
	Fund			1997	1996
LIABILITIES					
Accounts payable	\$ 90,151	\$	\$	\$ 90,151	\$ 26,378
Due to other governments	51,840			51,840	-
Accrued salaries	51,239			51,239	26,522
Payroll taxes	1,149			1,149	1,148
State retirement	47,389			47,389	38,470
Health claims payable	13,127			13,127	13,128
Compensated absences payable			32,898	32,898	30,912
Total liabilities	256,835	-	32,898	289,733	146,558
FUND EQUITY					
Investment in general fund assets		2,378,351		2,378,351	6,859,942
Fund balance - reserved					
For health claims	46,092			46,092	28,787
Fund balance - unreserved	5,895,586			5,895,586	4,757,849
Fund balance	5,895,586	-	-	5,895,586	4,786,636
Total fund equity	5,895,586	2,378,351	32,898	8,306,835	11,666,583
Total liabilities and fund equity	\$ 8,152,421	\$ 2,378,351	\$ 32,898	\$ 10,563,669	\$ 11,787,141

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH LIBRARY
COTTINGTON, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (DAMP BASIS) AND
ACTUAL - GENERAL FUND

For the year ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (/Unfavorable)</u>	(Memorandum only) 1996 <u>Actual</u>
REVENUES				
Taxes - ad valorem	\$ 2,893,827	\$ 2,632,366	\$ (261,461)	\$ 2,777,863
Intergovernmental - State of Louisiana - State revenue sharing	200,000	178,310	(21,690)	198,258
Fines and fees	100,000	128,525	28,525	108,590
Grants	-	45,496	45,496	-
Miscellaneous:				
Interest earned	58,000	148,777	190,777	100,546
Donations	5,000	14,224	9,224	3,805
Other	-	21,303	21,303	-
Total revenues	<u>3,805,827</u>	<u>3,169,801</u>	<u>(636,026)</u>	<u>3,189,269</u>
EXPENDITURES				
Personal services	1,429,735	1,429,827	(90)	1,144,851
Supplies and materials	82,683	85,893	(3,210)	14,859
Operating services	993,028	810,312	182,716	468,116
Intergovernmental	3,000	3,728	(728)	-
Capital expenditures	<u>527,581</u>	<u>752,042</u>	<u>(224,461)</u>	<u>708,256</u>
Total expenditures	<u>3,835,027</u>	<u>2,881,802</u>	<u>953,225</u>	<u>2,335,782</u>
Excess of Revenues over Expenditures	-	279,999	279,999	853,487
FUND BALANCE				
Beginning of year	<u>4,386,636</u>	<u>4,386,636</u>	<u>-</u>	<u>3,921,649</u>
End of year	<u>\$ 4,386,636</u>	<u>\$ 4,666,635</u>	<u>\$ 279,999</u>	<u>\$ 4,786,636</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH LIBRARY
CONVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of St. Tammany Parish Library (the Library) conform to generally accepted accounting principles as applicable to governments. The following is a summary of significant accounting policies:

1. Reporting Entity

The Library was established by the Parish governing authority, under the provisions of Louisiana Revised Statute 29:211. The Library is governed by a Board of Control which is appointed by the Parish Police Jury. Effective January 1, 1989, the administrative and accounting functions for the Library were transferred to the Board of Control under the provisions of Louisiana Revised Statute 33:215(B)(9); these functions were previously provided by the Parish of St. Tammany (the Parish). The Library maintains eleven locations which provide citizens of the Parish access to library materials, books, magazines, compact discs, films and the Internet.

The Library is a component unit of the Parish and, as such, these financial statements will be included in the comprehensive annual financial report of the Parish for the year ended December 31, 1997. Land, buildings and furnishings of the Library's eleven locations are included in the Parish's financial statements and, as such, are not included in the Library's financial statements. Additionally, the Parish is responsible for reporting and administering funds generated from Library capital bond proceeds.

2. Fund Accounting

The accounts of the Library are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the manner by which spending activities are controlled.

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 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.

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 basis applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Ad valorem taxes and state revenue sharing are recognized as revenues and recorded as receivables at the time of levy. Miscellaneous revenues and fines and forfeitures are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received. Charges for services are recorded when earned since they are measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

4. Operating Budgetary Data

The Library Board adopted a budget for the General Fund. The budgetary process includes public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Library Board. Budgeted amounts included in the accompanying financial statements include all encumbrances. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The general fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

5. Bad Debts

The financial statements of the Library contain no allowance for bad debts. Uncollectible 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.

ST. TAMMANY PARISH LIBRARY
CONVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. 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 time instruments with original maturities of 90 days or less. Under state law, the municipality 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 municipality 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. Investments are stated at cost.

7. General Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund spending statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. All fixed assets purchased prior to 1989, except for book purchases, are accounted for by the Parish. Fixed assets do not include capital expenditures for periodicals and subscriptions. Fixed assets purchased from 1989 through 1997 are valued at historical cost. Books purchased prior to 1989 are valued at an estimated average book cost of \$15.00. No depreciation has been provided on general fixed assets.

The General Fixed Assets Account Group is not a "fund". It is concerned only with the measurement of financial positions. It is not involved with the measurement of results of operations.

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Compensated Absence

Full time employees receive three weeks of vacation that is accrued at the rate of 1.25 days per month from the date of employment. Employees with 20 or more years of service at January 1, 1985, are approved for four weeks of vacation. Vacation time does not vest. Any unused vacation time remaining at year end is forfeited. Full time employees receive an annual sick leave allowance of 10 working days accrued at the rate of 6.67 hours per month from date of employment and it may be used after six months of employment. Sick leave is cumulative, with maximum accumulation being 50 days. Upon retirement or termination of employment, employees will be paid for 30% of accumulation. At December 31, 1997 the Library employees had accumulated and vested approximately \$52,898 of employee-leave benefits.

9. Long-term Obligations

Long-term obligations of the Library consist of vested sick leave payable to employees. Only the portion of the Library's long-term obligations expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

10. Total Columns on Combined Statements

The total column on the combined statements - overview is captioned "Miscellaneous Only" to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

The 1996 column on page 6 has been adjusted to conform with the Library's 1997 budget for comparative purposes.

NOTE B - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at December 31, 1997:

Demand deposits	\$ 342,233
Money market accounts	<u>143,175</u>
Total	<u>\$ 485,408</u>

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE B - CASH AND CASH EQUIVALENTS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 1997, the Library has \$496,323 in deposits (indicated bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$196,323 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though pledged securities are considered uncollateralized - Category 3 under the provisions of GASB Statement No. 3, Louisiana Revised Statute 99:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE C - INVESTMENTS

Investments of \$2,166,888 as of December 31, 1997 consists of treasury bills and are carried at cost. Estimated market value at December 31, 1997 was \$2,191,999.

NOTE D - AD VALOREM TAXES

Property taxes for the operations and maintenance of the Library 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 St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the list of January 1, 1996. Taxes are due and payable December of the following year.

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE D - AD VALOREM TAXES (Continued)

Properties for which taxes have not been paid are sold. Taxes are billed and collected by the St. Tammany Parish Sheriff's Department which receives a fee for its services. The taxes remitted by the Sheriff's Department to the Parish and then to the Library are net of parson fund expense. The tax rates for the year ended December 31, 1997 were \$6.33, per \$1,000 of assessed valuation on property parish-wide. Ad valorem taxes are recorded as revenues in the period levied.

NOTE E - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1997	Additions	Deletions	Balance December 31, 1997
Books	\$ 6,501,290	\$ 438,853	\$ 87,634	\$ 6,852,510
Vehicle	12,119	-	-	12,119
Computers	199,879	60,375	-	260,254
Improvements	-	45,365	-	45,365
Equipment	148,659	27,436	-	176,095
Totals	\$ 6,851,947	\$ 602,629	\$ 87,634	\$ 7,378,951

NOTE F - SELF-INSURANCE:

The Library participates in the self insurance fund of its primary government, the St. Tammany Parish Police Jury, for coverage of property, contents and general liability.

The Library has established a self-insurance medical plan for its employees and their covered dependents. The Plan administrator, Benefit Resources, Inc., is responsible for the approval, processing, and payment of claims. The administrator is also responsible for actuarially determining

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE F - SELF-INSURANCE (Continued)

the needed funding of the plan. The plan provides employee health benefits up to a \$1,000,000 lifetime maximum per covered person. All full-time employees who are regularly scheduled to work at least twenty-eight hours per week and their eligible dependents are eligible for the plan.

The Plan is accounted for in the general fund of the Library. The cost of claims is recorded as an expense when the claims arise. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

Claims liabilities include an amount for claims that have been incurred but not paid as of December 31, 1997. These liabilities are reported at their present value of \$13,127. Changes in the balances of claims liabilities during the year ending December 31, 1997 were as follows:

	<u>1997</u>
Beginning of year liability	\$ 35,128
Claims and changes in estimates	72,500
Claims payments	(94,502)
Balance at fiscal year end	<u>\$ 13,127</u>

A stop-loss insurance contract entered into with an insurance carrier covers claims in excess of \$7,500 per single employee, per year. Claims totaling \$49,466 were insured during the year ending December 31, 1997, that exceeded the stop-loss insurance limit.

The Library has reserved \$46,082 of its fund balance for amounts by which the health claims cost account exceeded the self-insurance medical plan's liabilities at December 31, 1997.

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE G - OPERATING LEASES

The Library leases the Ponchartraine branch facility in Slidell, certain telephone equipment and a vehicle. Lease expense for the year ended December 31, 1997 was \$23,223. Future minimum payments for these agreements are as follows:

	Building and Land	Telephone Equipment	Vehicle
1998	\$ 4,570	\$ 7,200	\$ 4,931
1999	-	7,200	1,650
2000	-	7,200	-
2001	-	1,800	-
2002	-	-	-
	<u>\$ 4,570</u>	<u>\$ 23,400</u>	<u>\$ 6,601</u>

NOTE H - PENSION PLAN

Substantially all full-time employees of the Library are members of the State Parochial Employees Retirement System of Louisiana. The System is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent employees working at least 28 hours per week and who are paid wholly or in part from Library funds are eligible to participate in the System. Employees who retire at or after age 60 with at least ten years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service, are entitled to a retirement benefit. This benefit is payable monthly for life and is equal to 1 percent of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the 30 consecutive or joint months which produce the highest average.

Employees who terminate with at least the amount of credited service stated previously, and who do not withdraw their employee contributions, may retire at the age specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE H - PENSION PLAN (Continued)

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 Periodical Employees Retirement System of Louisiana, P. O. Box 140379, Baton Rouge, Louisiana 70898-0379, or by calling (504) 938-0360.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish except Orleans and East Baton Rouge Parishes. For the year ended December 31, 1997, State statute required employers to contribute 9.5 percent of their salary to the System, and the Library must contribute 7.75 percent of the taxable wages of each employee as an employer match.

The required contributions by the Library for the years ended December 31, 1997, 1996 and 1995 were \$171,019, \$148,350, and \$132,613, respectively. These amounts were equal to the required contributions for each year. These contributions consisted of \$35,928, \$60,750, and \$68,623, respectively as the employer contributions and \$94,098, \$79,600 and \$71,990, respectively from covered employees. Covered payroll for the year ended December 31, 1997 was \$992,518.

NOTE I - STATE REVENUE SHARING

State revenue sharing is an arrangement whereby local governments are reimbursed by the State for ad valorem taxes not billed due to the homestead exemption.

The Library recognized revenue from state revenue sharing of \$178,139 for the year ended December 31, 1997. Receivable for state revenue sharing for the year ended December 31, 1997 was \$178,079.

NOTE J - COMPENSATION OF BOARD MEMBERS

No compensation was paid to board members for the year ended December 31, 1997.

NOTE K - DEFERRED COMPENSATION PLAN

The St. Tammany Parish Library offers its employees deferred compensation under the Louisiana Public Employees Deferred Compensation Plan in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until retirement, death, termination, disability, or financial hardship.

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE K - DEFERRED COMPENSATION PLAN - Continued

All amounts of compensation deferred under the plan, all property and rights purchased with these amounts, and all income attributable to these amounts, property, or rights are (until paid or made available to the employee or beneficiary) solely the property and rights of the Library (without being restricted to the provision of benefits under the plan), subject only to the claims of the Library's general creditors. Participants' rights under the plan are equal to those of general creditors of the Library in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Library's legal counsel that the Library has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Library believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Accordingly, the plan assets and related liabilities have not been included herein.

NOTE L - ROOF REPAIRS

The Library has discovered severe structural defects in the roofs of its Covington and Wichee branches. The Library and the Police Jury are currently engaged in litigation with the parties responsible for construction and design of the buildings. Costs of litigation, repairs to roofs and related damages to property has been, and is expected to continue to be, substantial.

SUPPLEMENTAL INFORMATION

ST. TAMMANY PARISH LIBRARY
COVINGTON, LOUISIANA

SCHEDULE OF EXPENSES

For the year ended December 31, 1997

PERSONAL SERVICES

Salaries and wages	\$ 1,199,251
Health insurance	117,143
Retirement	76,500
Payroll taxes	25,604
Workers' compensation	18,510
	<u>\$ 1,437,008</u>

SUPPLIES AND MATERIALS

Book preparation	\$ 25,806
Summer reading program	18,865
Office	11,110
Small tools and supplies	8,825
Conventions and seminars	3,394
Walker Ferry symposium	4,289
Staff travel	4,255
Programming	1,350
Other	3,387
	<u>\$ 85,871</u>

OPERATING SERVICES

Utilities	\$ 116,082
Repairs and maintenance	95,382
Contracted grounds, lawn	82,383
Telephone and Internet	62,553
Insurance	55,275
Legal and professional	47,619
Architectural, engineering, landscaping	47,180
Automation systems maintenance	38,056
Lease payments	33,223
Postage	18,875
Identification systems	9,329
Supplies	7,581
Dues and subscriptions	5,489
Security	5,086
Vehicle	4,496
Health/dental	3,573
Advertising and publication	1,620
	<u>\$ 818,317</u>

ST. TAMMANT PARESH LIBRARY
CONVINGTON, LOUISIANA

SCHEDULE OF EXPENSES - Continued

For the year ended December 31, 1997

CAPITAL EXPENDITURES

Adult books	\$ 292,490
Improvements	125,893
Juvenile books	108,808
Reference	87,532
Automation	65,737
Periodicals	31,268
Audio recordings	25,930
Video recordings	20,280
Microfilm	12,808
Office equipment and furniture	5,534
CD-ROM	2,712
	<u>\$ 792,012</u>

ST. TAMMANY PARISH LIBRARY
COMMITTEE, LOUISIANA

SCHEDULE OF GOVERNING BOARD

December 31, 1997

Board of Control	Term of Office	Compensation
George Cuy 813 Maine Avenue Slidell, LA 70458	April 18, 2000	\$0
James Puzell 70404 Acadie Plant Road Covington, LA 70433	February 28, 2000	0
Richard Hart 275 Garden Avenue Mandeville, LA 70471	May 17, 2000	0
Mark Johnson 811 Whippoorwill Covington, LA 70433	November 31, 2000	0
Harlan Mangin 83229 N. Sun Moore Road Fossil River, LA 70452	May 30, 1999	0
Kristen Scott 61282 W. Springhill Drive Lacombe, LA 70443	May 16, 2001	0
Hugh Smith 82196 Dush Cemetery Road Covington, LA 70433	November 17, 1998	0
Steve Steinhock 287 Queen Ann Drive Slidell, LA 70460	Police Jury member appointed to serve as Ex-Officio member	0

Smith, Huval & Associates, L.L.C.

AN LIMITED LIABILITY COMPANY
Certified Public Accountants
P.O. Box 1662
Covington, Louisiana 70434-1662

James H. Smith, CPA
Francis "Tom" Huval, CPA

FOR INFORMATION CONTACT
704.393.4500 • FAX

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

To the Board of Control
St. Tammany Parish Library

We have audited the financial statements of the St. Tammany Parish Library as of and for the years ended December 31, 1997 and have issued our report thereon dated April 23, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the St. Tammany Parish Library's 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*. Our tests did disclose immaterial instances of noncompliance which we have reported to management orally.

In planning and performing our audit, we considered the St. Tammany Parish Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 operation that we consider to be material weaknesses.

This report is intended for the information of management and the Louisiana Legislative Auditor.

Smith, Huval & Associates, L.L.C.

April 28, 1998