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TANGIPAHOLA PARISH LIBRARY  
TANGIPAHOLA PARISH COUNCIL

FINANCIAL REPORT

December 31, 1987

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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 JUL 22 1988

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

**Component Unit Financial Statements  
As of and for the Year Ended December 31, 1997**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Control  
Tangipahoa Parish Library  
Amite, Louisiana 70402

We have audited the accompanying component unit financial statements of the Tangipahoa Parish Library, Louisiana, as of and for the year ended December 31, 1997, 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 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 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, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued our report dated May 28, 1998 on our consideration of the Tangipahoa Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the 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 respects in relation to the component unit financial statements taken as a whole.

  
Bruce Harrell and Company, CPA's  
A Professional Accounting Corporation

Baton Rouge, Louisiana  
May 28, 1998

**TANGIPAHOLA PARISH LIBRARY**  
**TANGIPAHOLA PARISH COUNCIL**  
 Avilla, Louisiana

Statement A

Balance Sheet  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
 December 31, 1997

	Governmental	Account	Total (Miscellaneous Only)
	Fund Type	Group	
	General Fund	General Fund Assets	
<b>ASSETS</b>			
Cash and cash equivalents	\$424,115	\$ -	\$424,115
Restricted cash	18,869	-	18,869
Receivable	1,044,845	-	1,044,845
Prepaid expenditures	23,837	-	23,837
Due From Officers	18	-	18
Land	-	18,750	18,750
Buildings	-	361,621	361,621
Vehicles	-	119,051	119,051
Furniture and equipment	-	361,320	361,320
Books and periodicals	-	1,797,795	1,797,795
Office improvements	-	65,918	65,918
<b>Total assets</b>	<b>\$1,582,684</b>	<b>\$2,625,376</b>	<b>\$4,208,060</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$25,880	\$ -	\$25,880
Accrued salaries/wages	24,463	-	24,463
Payroll taxes payable	1,358	-	1,358
Deductions from ad valorem tax	25,082	-	25,082
Deferred revenue	19,231	-	19,231
<b>Total liabilities</b>	<b>105,822</b>	<b>-</b>	<b>105,822</b>
<b>Fund equity:</b>			
Investment in general fund assets	-	2,625,376	2,625,376
Fund balance - unreserved - undesignated	1,715,788	-	1,715,788
Fund balance - reserved for capital additions	10,000	-	10,000
<b>Total fund equity</b>	<b>1,825,827</b>	<b>2,625,376</b>	<b>4,451,223</b>
<b>Total liabilities and fund equity</b>	<b>\$1,905,644</b>	<b>\$2,625,376</b>	<b>\$4,531,020</b>

The accompanying notes are an integral part of this statement.

**FUND BALANCE AT END OF YEAR**

\$1,885,827

TANGIPAHOLA PARISH LIBRARY  
 TANGIPAHOLA PARISH COUNCIL

Amite, Louisiana

Statement 01

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Governmental Fund Type - General Fund  
 For the Year Ended December 31, 1997

<b>REVENUES</b>	
Ad valorem taxes	5970,863
State revenue sharing	170,588
Revenue sharing payback	30,308
Grant revenues	16,189
Fees and fines	30,305
Interest earnings	41,239
Donations	13,549
Miscellaneous	1,826
Rent	1,931
	<hr/>
Total revenues	<u>1,281,838</u>
<b>EXPENSE FUNDS</b>	
Personnel services	572,626
Operating services	84,260
Communications	37,837
Rentals	76,808
Maintenance	35,681
Professional services	28,762
Insurance	16,507
Materials and supplies	34,845
Travel	3,743
Capital outlay	238,818
	<hr/>
Total expenditures	<u>1,116,734</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	165,104
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,218,761</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$1,383,865</u>

The accompanying notes are an integral part of this statement.

**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, 1997**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Ad valorem taxes	\$520,800	\$570,061	\$49,261
State revenue sharing	165,000	170,966	5,966
Revenue sharing payback	35,200	35,200	-
Grant revenues	-	16,189	16,189
Fines and fees	21,200	30,285	9,085
Interest earnings	37,000	41,233	4,233
Donations	-	13,549	13,549
Miscellaneous	-	1,906	1,906
Rent	3,000	1,521	(1,479)
	<u>1,025,200</u>	<u>1,281,880</u>	<u>256,680</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Personnel services	544,800	571,626	26,826
Operating services	86,800	84,299	(2,501)
Communications	30,800	37,857	7,057
Rentals	75,500	76,000	500
Maintenance	18,500	25,683	(7,183)
Professional services	21,800	28,352	(6,552)
Insurance	18,000	18,500	500
Materials and supplies	37,500	34,648	2,852
Travel	3,000	3,248	(248)
Capital outlay	788,000	738,818	(49,182)
	<u>1,878,200</u>	<u>1,118,734</u>	<u>(760,466)</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	-	165,156	165,156
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,228,701</u>	<u>1,228,701</u>	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$1,228,701</u>	<u>\$1,393,857</u>	<u>\$165,156</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 1997**

**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 25:216. 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 inclusion 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 criteria 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 and/or
  - 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 fiscally 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.

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

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

Because the parish council appoints the governing board, has the ability to significantly influence operations, and has accountability for fiscal matters, the library was determined to be a component unit of the Tangipahola 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 government functions or activities.

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

*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 with financial institutions. Interest earned on checking accounts is recorded when received. Interest earned on certificates of deposit is recorded when the certificate matures and the interest is available.

Substantially all other revenues are recorded when received.



TANGIPAROA PARISH LIBRARY  
TANGIPAROA 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 resources) are accounted for as other financing sources (uses). The library has no operating transfers, since it has only one fund.

**E. BUDGET PRACTICES**

The proposed budget for 1997 was made available for public inspection on October 22, 1996. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal prior to the public hearing, which was held at the Tangiparola Parish Council's office on November 12, 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 as beginning fund balances.

**F. ENCUMBRANCES**

Encumbrance 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.

TANGIPARUA PARISH LIBRARY  
TANGIPARUA PARISH COUNCIL  
Ande, Lumbina

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

**I. COMPENSATED ABSENCES**

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

Permanent employees of the Tangiparua 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 1/2 of total annual leave may be carried over from one year to another, with minor exceptions. Upon separation, employees are paid at their current rate of pay for accrued leave up to a maximum of 3 weeks. Employees earn 15 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 EQUITY**

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

Reserve for capital additions - This reserve was created to restrict the use of resources obtained from the sale of the old Panchajanya Library Building. These funds are restricted for capital additions to the new Panchajanya Library, in the amount of \$18,000 as of December 31, 1997.

**K. TOTAL COLUMNS ON 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.

**L. LEVIED TAXES**

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

	Authorized Millage	Levied Millage	Expiration Date of Millage
General Fund	3.08	3.08	10/01/98
General Fund	2.80	2.80	10/01/94

TANGIPAHOA PARISH LIBRARY  
TANGIPAHOA PARISH COUNCIL  
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

3. CASH AND CASH EQUIVALENTS

At December 31, 1997, the library has cash and cash equivalents totaling \$434,184, as follows:

Interest-bearing demand deposit	\$ 50,184
Time deposit	174,608
	<u>\$ 434,184</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 holding or custodial bank that is mutually acceptable to both parties. At December 31, 1997, the library has \$659,961 in deposits (collected bank balances). Deposits are secured from risk by \$180,000 of federal deposit insurance and \$150,961 of pledged securities held by the custodial bank in the name of the fiscal agent bank (CLASSIC Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of CLASS Statement 3, Louisiana Revised Statute 38:1229 imposes a statutory requirement on the custodial bank to advertise and call the pledged securities within 10 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, 1997:

<u>Class of Receivable</u>	<u>General Fund</u>
All Valued assets	\$ 626,442
Intergovernmental: State Revenue Sharing	118,405
Total	<u>\$ 1,044,847</u>

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

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

**5. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, 1997	Additions	Deletions	Balance December 31, 1997
Land	\$ 18,758	\$ -	\$ -	\$ 18,758
Buildings	381,631	-	-	381,631
Vehicles	119,441	-	480	118,961
Equipment & furniture	224,523	76,443	1,650	300,316
Books & periodicals	1,626,618	131,088	-	1,757,706
Office improvements	24,358	28,479	5,721	47,116
Total	<u>\$ 2,399,333</u>	<u>\$ 236,000</u>	<u>\$ 7,771</u>	<u>\$2,627,562</u>

**6. PENSION PLAN**

*Plan Description.* Substantially all employees of the Tangipahoa Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-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 60 with at least 10 years of creditable service, at or after age 55 with at least 20 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, 1980, 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 jointed 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 Parochial Employees' Retirement System, Post Office Box 14618, Baton Rouge, Louisiana 70804-0618, or by calling (504) 638-1361.

**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 1.35 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 11:183, the employee 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, 1991, 1995, and 1996 were \$28,617, \$23,835, and \$27,848, respectively, equal to the required contribution for each year.

**7. COMPENSATED ABSENCES**

At December 31, 1995, employees of the library have accumulated and vested \$12,948 of employee leave benefits, which was computed in accordance with GASB Codification Section 608. Of this amount, \$12,948 is recorded as an obligation of the General Fund and none is recorded within the general long-term liabilities account group.

**8. LEASES**

The library has operating leases of the following nature:

A building for the operation of the library headquarters and Amite branch under an operating lease which expires on September 1, 1999.

A building for the operation of the Clark Library branch under a month by month lease which has a 3 month notice requirement before it expires.

A building for the operation of the Independence Library branch under a month by month lease which has a 3 month notice requirement before it expires.

A building for the operation of the Longport Library branch under a month by month lease which has a 3 month notice requirement before it expires.

A building for the operation of the Hammond Library branch under an operating lease which expired in February, 1991. The library has not renewed a lease on this building, since it is in the process of trying to acquire the building. However, the library is paying the same rental fee each month until it determines whether it can purchase the building.

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

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

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1993:

<u>Fiscal Year</u>	<u>Buildings and Office</u>
1994	\$ 28,000
1995	15,000
2000	-
2001	-
2002	-
Total	<u>\$ 48,000</u>

**9. LITIGATION AND CLAIMS**

As of December 31, 1993, 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. 85-082. The state revenue sharing funds provided by Act 908 of 1985 and Act 1264 of 1986 were withheld from the Library and used by the Council to pay unrelated expenditures of the parish.

On January 11, 1988, the Bylaws of the Proulxtonde Branch 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 1264 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 payment from the Council as follows:

<u>Due for 1988</u>	<u>Due for 1989</u>	<u>Total</u>
\$ 176,858	\$ 179,282	\$ 356,140

On March 8, 1993, the Tangipahola Parish Council agreed to make quarterly payments of \$8,000 (25.2% of \$25,000) for the next five years, beginning April, 1993, if funds are available. If more funds are available during any of those years, the Parish Council reserves the right to pay at a higher figure at their discretion. At the end of 50 years, this pay back plan shall be paid in full and judgment against the Tangipahola Parish Council will be satisfied and cancelled at that time.

As of December 31, 1993 the Tangipahola Parish Council has repaid \$151,000. The remaining balance is \$172,200.

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

Schedule C

**SCHEDULE OF EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL FUND  
For the Year Ended December 31, 1997**

EXPENDITURES	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Personnel Services:</b>			
Regular Salaries & Wages	\$64,000	\$49,335	\$14,665
Retirement Contributions	35,000	28,612	6,388
Life/Health Insurance	64,000	68,892	(4,892)
Worker's Compensation	5,000	2,734	2,266
Medicare & FICA Tax	11,000	10,840	160
Unemployment	2,500	998	1,502
Contract Labor	2,500	268	2,232
Continuing Education	-	2,364	(2,364)
<b>Total Personnel Services</b>	<b>184,000</b>	<b>173,629</b>	<b>11,371</b>
<b>Operating Services:</b>			
Maintenance Costs	1,000	2,928	(1,928)
Printing & Publications	930	930	-
Supplies	1,000	-	1,000
Utilities	8,000	7,716	284
Utilities	39,970	37,898	2,072
Deduction from Ad valorem Tax	33,200	39,692	(6,492)
<b>Total Operating Services</b>	<b>86,000</b>	<b>84,264</b>	<b>1,736</b>
<b>Communications:</b>			
Postage & Box Rent	7,000	4,528	2,472
Telephone	29,000	32,438	(3,438)
On-Line Services	3,000	99	2,901
<b>Total Communications</b>	<b>39,000</b>	<b>37,065</b>	<b>1,935</b>
<b>Rentals:</b>			
Building	74,000	75,580	(1,580)
Equipment	1,500	470	1,030
<b>Total Rentals</b>	<b>75,500</b>	<b>76,050</b>	(550)

Continued on the following page.

The accompanying notes are an integral part of this statement.

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

Schedule 3

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

(Continued)

For the Year Ended December 31, 1997

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Maintenance:</b>			
Grounds	\$10,000	\$1,850	\$8,150
Buildings	-	12,629	(12,629)
Motor Vehicles	3,000	4,480	(1,480)
Equipment	3,200	6,732	(3,532)
Other	3,500	-	3,500
<b>Total Maintenance</b>	<u>19,700</u>	<u>25,691</u>	<u>(5,991)</u>
<b>Professional Services:</b>			
Accounting	17,400	17,400	-
Automation	1,500	2,296	(796)
Entertainers	3,800	12	3,788
Guest	-	6,408	(6,408)
Other	-	2,964	(2,964)
<b>Total Professional Services</b>	<u>21,900</u>	<u>29,760</u>	<u>(7,860)</u>
<b>Insurance</b>	<u>19,800</u>	<u>16,507</u>	<u>2,493</u>
<b>Materials &amp; Supplies:</b>			
Library	37,500	33,800	3,680
Guest	-	345	(345)
<b>Total Materials &amp; Supplies</b>	<u>37,500</u>	<u>34,145</u>	<u>3,455</u>
<b>Total</b>	<u>7,800</u>	<u>3,243</u>	<u>4,557</u>

Continued on the following page.



TANGIPAHOLA PARISH LIBRARY  
 TANGIPAHOLA PARISH COUNCIL  
 Amite, Louisiana

Schedule I

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

(Continued)

For the Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Capital Outlays:</b>			
Building	\$ -	32,500	(32,500)
Landhold Improvements	4,000	317	3,683
Machinery & Equipment	1,000	18,625	(9,625)
Automated & On-Line Service	35,000	25,487	9,513
Furniture & Fixtures	6,000	18,288	(12,288)
Grant	-	8,464	(8,464)
Major Repairs	-	25,862	(25,862)
Books	120,000	115,526	4,474
Periodicals	18,000	28,768	(10,768)
Audio, Visual & Electronic	2,000	8,437	(6,437)
Other	2,000	-	2,000
<b>Total Capital Outlays</b>	<u>338,000</u>	<u>218,230</u>	<u>(120,210)</u>
<b>Total Expenditures</b>	<u>\$1,878,200</u>	<u>\$1,116,724</u>	<u>(761,476)</u>

(Concluded)

TANGIPAHOLA PARISH LIBRARY  
TANGIPAHOLA PARISH COUNCIL  
Amite, Louisiana

Schedule 2

CORRECTIVE ACTION PLAN FOR CURRENT YEAR  
MANAGEMENT LETTER RECOMMENDATION  
For the Year Ended December 31, 1993

Reference Number: 97 M-1

**Description of Findings:**

During the financial audit, we noted that the fixed assets inventory listing is still being maintained on word processor. Although the listing does provide a recap of all assets owned by the Tangipahola Parish Library, and a deletions list is maintained, the listing does not provide an adequate audit trail to easily reconcile fixed asset additions and deletions to changes as reported in the general ledger. The Library should also be able to track any changes in fixed asset locations. Any changes from the prior fixed asset listing, such as new additions and disposal of assets, should correspond to changes in the general ledger. The fixed asset program must be capable of printing a list of these changes. We recommended that the Library purchase a fixed asset management program.

**Corrective Action Planned (Response by Management):**

We are now in the process of reviewing several fixed asset management programs, and expect to implement a new program within 90 days.

**Corrective action taken:** Partially

**Additional Explanation:**

Corrective action is listed as partial since the Tangipahola Parish Library's implementation of a new fixed asset program is pending.

**BRUCE HARRELL & CO.**  
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Faculty of Louisiana CPAs

**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  
Tangipahoa Parish Library  
Amite, Louisiana 70422

We have audited the component unit financial statements of the Tangipahoa Parish Library, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 28, 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Library, Louisiana'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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Tangipahoa Parish Library, Louisiana'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Tangipahoa Parish Library, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned cost as item No. 93 M-1.

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. 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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we believe some of the reportable conditions described above is a material weakness.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF THE HARRIS GROUP OF COMPANIES

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This report is intended for the information of management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

May 28, 1998