

2002

RECEIVED  
LEGISLATIVE AUDITOR  
00 JUN 21 AM 9:30

OFFICIAL  
FILE COPY  
DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**TANGIPAHOA PARISH LIBRARY  
TANGIPAHOA PARISH COUNCIL**

-----  
**FINANCIAL REPORT**

**December 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8-23-00

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

Financial Statements  
As of and for the Year Ended December 31, 1999

**CONTENTS**

	Statement	Schedule	Page
INDEPENDENT AUDITOR'S REPORT .....			3
FINANCIAL STATEMENTS:			
Balance Sheet - All Fund Types and Account Groups .....	A		4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - General Fund .....	B		5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Governmental Fund Type - General Fund	C		6
Notes to the Financial Statements .....			7
SUPPLEMENTAL INFORMATION:			
Schedule of Expenditures - Budget (GAAP Basis) and Actual - General Fund .		1	15
Summary Schedule of Prior Year Audit Findings .....		2	18
Corrective Action Plan for Current Year Audit Findings .....		3	19
OTHER INDEPENDENT AUDITOR'S REPORTS:			
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

Bruce C. Harrell, CPA

Warren A. Wool, CPA  
Michael P. Estay, CPA  
Dale H. Jones, CPA  
Charles P. Hebert, CPA  
James D. Rabalais, CPA

**BRUCE HARRELL & CO.**

CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

109 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
VOICE: (504) 542-6372  
FAX: (504) 345-3156  
E-MAIL: bharrell@teamcpa.com

KENTWOOD OFFICE  
P.O. Box 45 - 602 Fifth St.  
Kentwood, LA 70444  
VOICE: (504) 229-5955  
FAX: (504) 229-5951

MEMBERS  
American Institute of CPAs  
Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Control  
Tangipahoa Parish Library  
Amite, Louisiana 70422

We have audited the accompanying general purpose financial statements of the Tangipahoa Parish Library, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Tangipahoa Parish Library, Louisiana's, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 in the first paragraph present fairly, in all material respects, the financial position of the Tangipahoa Parish Library, Louisiana, as of December 31, 1999, 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 April 20, 2000 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 general purpose financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Tangipahoa Parish Library, Louisiana. 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.



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

Kentwood, Louisiana  
April 20, 2000

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

Statement A

**Balance Sheet  
ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1999**

	Governmental Fund Type	Account Group	Total (Memorandum Only)
	General Fund	General Fixed Assets	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,624	\$ -	\$ 1,624
Investments	399,111	-	399,111
Receivable	1,049,514	-	1,049,514
Due from others	171	-	171
Land	-	18,750	18,750
Buildings	-	361,631	361,631
Vehicles	-	140,609	140,609
Furniture and equipment	-	396,976	396,976
Books and periodicals	-	2,640,875	2,640,875
Office improvements	-	56,919	56,919
	<u>\$ 1,450,420</u>	<u>\$ 3,615,760</u>	<u>\$ 5,066,180</u>
<b>Total assets</b>			
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 23,034	\$ -	\$ 23,034
Accrued salaries/leave	23,794	-	23,794
Deductions from ad valorem tax	39,694	-	39,694
Deferred revenue	32,668	-	32,668
	<u>119,190</u>	<u>-</u>	<u>119,190</u>
<b>Total liabilities</b>			
<b>Fund equity:</b>			
Investment in general fixed assets	-	3,615,760	3,615,760
Fund balance - unreserved - undesignated	1,316,161	-	1,316,161
Fund balance - reserved for capital additions	15,069	-	15,069
	<u>1,331,230</u>	<u>3,615,760</u>	<u>4,946,990</u>
<b>Total fund equity</b>			
<b>Total liabilities and fund equity</b>	<u>\$ 1,450,420</u>	<u>\$ 3,615,760</u>	<u>\$ 5,066,180</u>

The accompanying notes are an integral part of this statement.

**TANGIPAHOA PARISH LIBRARY  
TANGIPAHOA 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, 1999**

**REVENUES**

Ad valorem taxes	\$ 1,054,493
State revenue sharing	151,202
Grant revenues	84,818
Fines and fees	40,401
Interest earnings	44,102
Donations	946
Miscellaneous	<u>3,045</u>
 Total revenues	 <u>1,379,007</u>

**EXPENDITURES**

Personnel services	608,295
Operating services	95,132
Communications	20,000
Rentals	72,643
Maintenance	40,825
Professional services	25,247
Insurance	25,410
Materials and supplies	31,442
Travel	4,785
Capital outlay	<u>335,731</u>
 Total expenditures	 <u>1,259,510</u>

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	119,497
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,211,733</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 1,331,230</u></u>

The accompanying notes are an integral part of this statement.

**TANGIPAHOA PARISH LIBRARY  
TANGIPAHOA 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, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	\$ 964,391	\$ 1,054,493	\$ 90,102
State revenue sharing	170,986	151,202	(19,784)
Grant revenues	54,450	84,818	30,368
Fines and fees	26,100	40,401	14,301
Interest earnings	55,000	44,102	(10,898)
Donations	2,000	946	(1,054)
Miscellaneous	-	3,045	3,045
	<u>1,272,927</u>	<u>1,379,007</u>	<u>106,080</u>
<b>EXPENDITURES</b>			
Personnel services	622,927	608,295	14,632
Operating services	87,500	95,132	(7,632)
Communications	56,600	20,000	36,600
Rentals	73,200	72,643	557
Maintenance	27,700	40,825	(13,125)
Professional services	31,500	25,247	6,253
Insurance	19,000	25,410	(6,410)
Materials and supplies	45,000	31,442	13,558
Travel	7,500	4,785	2,715
Capital outlay	302,000	335,731	(33,731)
	<u>1,272,927</u>	<u>1,259,510</u>	<u>13,417</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	119,497	119,497
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,211,733</u>	<u>1,211,733</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1,211,733</u>	<u>\$ 1,331,230</u>	<u>\$ 119,497</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 1999**

**INTRODUCTION**

The Tangipahoa 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. One member 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 investments.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Tangipahoa 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**

The library does not possess all the corporate powers necessary to make it a legally separate entity and the Tangipahoa Parish Council holds the library's corporate powers. For this reason, the library is 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 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.

Funds of the library are classified as a governmental funds. The Governmental funds account for the library's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The only fund of the library is the general fund.

**TANGIPAOA PARISH LIBRARY  
TANGIPAOA PARISH COUNCIL  
Amite, Louisiana**

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

**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 investments in LAMP. Interest earned on checking accounts and LAMP are recorded when received.

Substantially all other revenues are recorded when received.

**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 source/use) 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 1999 was made available for public inspection on November 9, 1998. 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 Tangipahoa Parish Council's office on November 30, 1998, 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. Inexpedient appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.



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

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

**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**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. 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, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**H. INVESTMENTS**

Investments are limited by Louisiana Revised Statutes (R.S.) 33:2955 and the Tangipahoa Parish Library's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments of the Tangipahoa Parish Library are maintained in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of Louisiana, and operates as a local government investment pool. LAMP invests its assets only in securities and other obligations that are permissible under Louisiana State law for local governments. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or otherwise backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities.

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the reporting of investment positions in 2a7-like pools (such as LAMP) be based on the pool's share price.

**I. 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)**

**J. COMPENSATED ABSENCES**

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

Permanent employees of the Tangipahoa Parish Library earn from 9 to 20 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 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.

**K. FUND EQUITY**

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**L. 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.

**2. LEVIED TAXES**

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date of Millage</u>
General Fund	3.00	3.00	10/01/08
General Fund	2.63	2.63	10/01/04

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

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

**3. CASH AND CASH EQUIVALENTS**

At December 31, 1999, the library has cash and cash equivalents totaling \$1,624, as follows:

Interest-bearing demand deposit	\$	1,624
Time deposit		-
		-
	\$	1,624

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, 1999, the library has \$10,084 in deposits (collected bank balances). Deposits are secured from risk by federal deposit insurance.

**4. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

- I. Insured or registered, or securities held by the library or its agent in the library's name
- II. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the library's name
- III. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the library's name

All investments held by the Tangipahoa Parish Library fall into category I credit risk, defined as "insured or registered, or securities held by the Tangipahoa Parish Library or its agent in the Tangipahoa Parish Library's name." In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

Investments held by the library at December 31, 1999, are as follows:

Type of Investment	Fair Value	Total Carrying Amount
LAMP	\$ 399,111	\$ 399,111

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

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

In accordance with GASB Codification Section I50.165, the investment in LAMP at June 30, 1999, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**5. RECEIVABLES**

The following is a summary of receivables at December 31, 1999:

Class of Receivable	General Fund
Ad Valorem taxes	\$ 948,712
State Revenue Sharing	100,802
Other	171
Total	\$1,049,685

**6. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land	\$ 18,750	\$ -	\$ -	\$ 18,750
Buildings	361,631	-	-	361,631
Vehicles	119,051	21,558	-	140,609
Equipment & furniture	394,236	53,182	50,442	396,976
Books & periodicals	2,495,161	145,714	-	2,640,875
Office Improvements	56,919	-	-	56,919
Total	\$ 3,445,748	\$ 220,454	\$ 50,442	\$3,615,760

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

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

**7. PENSION PLAN**

*Plan Description.* Substantially all employees of the Tangipahoa Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan 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 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, 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 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 Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

*Funding Policy.* Under Plan A, Members are required by statute to contribute 9.5 percent of their annual covered salary and the library is required to contribute at an actuarially determined rate. The current rate is 7.75 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 Tangipahoa Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, 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 Tangipahoa Parish Library's contributions to the System under Plan A for the year ending December 31, 1999, 1998, and 1997 were \$28,597, \$29,584, and \$28,612, respectively, equal to the required contribution for each year.

**8. COMPENSATED ABSENCES**

At December 31, 1999, employees of the library have accumulated and vested \$14,602 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. All of this amount, \$14,602 is recorded as an obligation of the General Fund.

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

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

**9. LEASES**

The library has operating leases of the following nature:

A building for the operation of the Amite branch under an operating lease which expired on September 1, 1999. No new lease has been signed, but the library is still leasing it for \$2,200 per month.

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

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, 1999:

<u>Fiscal Year</u>	<u>Buildings and Office</u>
2000	\$ -
2001	-
2002	-
2003	-
2004	-
Total	<u>\$ -</u>

**10. LITIGATION AND CLAIMS**

At December 31, 1999, the library is not in litigation or aware of any claims.

**11. COMMITMENTS**

On March 16, 2000, the library agreed to reimburse the Tangipahoa Parish Council for the purchase of a building to be used as a library. The agreement states the library will reimburse the Tangipahoa Parish Council \$30,000 at the time of closing, and \$50,000 within the next year without penalty.

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

Schedule 1

**SCHEDULE OF EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL FUND  
For the Year Ended December 31, 1999**

<b>EXPENDITURES</b>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Personnel Services:</b>			
Regular Salaries & Wages	\$ 490,000	\$ 499,164	\$ (9,164)
Retirement Contributions	36,500	28,597	7,903
Life/Health Insurance	70,927	62,718	8,209
Worker's Compensation	5,000	3,551	1,449
Medicare & FICA Tax	11,500	13,402	(1,902)
Unemployment	4,000	-	4,000
Contract Labor	2,500	-	2,500
Continuing Education	2,500	863	1,637
<b>Total Personnel Services</b>	<u>622,927</u>	<u>608,295</u>	<u>14,632</u>
<b>Operating Services:</b>			
Membership Dues	2,000	2,924	(924)
Printing & Publications	1,000	4,512	(3,512)
Binding	5,000	774	4,226
Uniforms	6,000	1,856	4,144
Utilities	40,000	45,372	(5,372)
Deducted from Ad valorem Tax	33,500	39,694	(6,194)
<b>Total Operating Services</b>	<u>87,500</u>	<u>95,132</u>	<u>(7,632)</u>
<b>Communications:</b>			
Postage & Box Rent	11,600	4,552	7,048
Telephone	44,000	14,746	29,254
On/Line Services	1,000	702	298
<b>Total Communications</b>	<u>56,600</u>	<u>20,000</u>	<u>36,600</u>
<b>Rentals:</b>			
Building	72,200	72,000	200
Equipment	1,000	33	967
Other	-	610	(610)
<b>Total Rentals</b>	<u>73,200</u>	<u>72,643</u>	<u>557</u>

Continued on the following page.

The accompanying notes are an integral part of this statement.

**TANGIPAOA PARISH LIBRARY  
TANGIPAOA PARISH COUNCIL  
Amite, Louisiana**

Schedule 1

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

(Continued)

For the Year Ended December 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
Maintenance:			
Grounds	\$ 4,000	\$ 3,882	\$ 118
Buildings	6,000	22,659	(16,659)
Motor Vehicles	10,000	5,886	4,114
Equipment	7,000	8,398	(1,398)
Other	700	-	700
Total Maintenance	27,700	40,825	(13,125)
Professional Services:			
Accounting	18,225	18,225	-
Automation	3,275	-	3,275
Entertainers	1,000	303	697
Grant	9,000	6,719	2,281
Total Professional Services	31,500	25,247	6,253
Insurance	19,000	25,410	(6,410)
Materials & Supplies:			
Library	40,000	29,380	10,620
Grant	5,000	2,062	2,938
Total Materials & Supplies	45,000	31,442	13,558
Travel	7,500	4,785	2,715

Continued on the following page.

The accompanying notes are an integral part of this statement.



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

Schedule 1

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

(Continued)

For the Year Ended December 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
Capital Outlays:			
Building	\$ 10,000	\$ 22,706	\$ (12,706)
Leasehold Improvements	8,000	-	8,000
Acquisition of Motor Vehicle	-	21,558	(21,558)
Library Machinery & Equipment	7,000	9,610	(2,610)
Automated & On/Line Service	30,000	20,183	9,817
Furniture & Fixtures	7,000	11,602	(4,602)
Grant Expenditures	54,000	39,936	14,064
Major Repairs	5,000	17,326	(12,326)
Books	138,000	158,214	(20,214)
Periodicals	28,000	19,632	8,368
Audio, Visual & Electronic	15,000	14,964	36
	302,000	335,731	(33,731)
Total Capital Outlays			
	\$ 1,272,927	\$ 1,259,510	\$ 13,417
Total Expenditures			

(Concluded)

The accompanying notes are an integral part of this statement.

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

**Schedule 2**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 1999**

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

**Reference Number: 98-1**

**Finding Incurred**

December, 1998

**Description of Finding:**

It was noted within Footnote 12 of the *Notes to the Financial Statements*, that the Tangipahoa Parish Library had inventoried computer systems and other electronic equipment that may be affected by the year 2000 issue. It was also noted that management of the Tangipahoa Parish Library cannot assure that parties with which the Tangipahoa Parish Library does business will be year 2000 ready.

**Corrective Action Taken**

Yes

**Reference Number: 98-2**

**Finding Incurred**

December, 1998

**Description of Finding:**

It was noted that the Tangipahoa Parish Library's expenditures exceeded the 5% budget variance as stated by state statute.

**Corrective Action Taken**

Yes

**Section II - Management Letter**

**No Section II Findings.**

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

**Schedule 3**

**Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended December 31, 1999**

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

**No Section I Findings**

**Section II - Management Letter**

**Reference Number: 99-1**

**Description of Finding:**

During the fiscal year ending December 31, 1999, the Tangipahoa Parish Library significantly increased funding from grant programs. Grants obtained were from the State Library or for smaller grants, from non-profit agencies. These grants generally do not require extensive record keeping, as is the case with federal grants, but do require monitoring of budget-to-actual expenditures to ensure that expenditures are incurred by the grant deadline. We noted that budget-to-actual expenditures were maintained, but that significant time was required by management to determine the status of grant expenditures.

We recommend for each major grant (generally in excess of \$10,000) that the Tangipahoa Parish Library create a separate set of grant revenue and expenditure general ledger accounts, and budget revenues and expenditures per grant program. Unless it is required by the grantor agency, it will likely be sufficient to create a minimum number of general ledger expenditure accounts per grant program, including a separate capital expenditure account to properly record and reconcile fixed asset expenditures for grant programs.

**Corrective Action Planned:**

We have discussed this matter with our accountant, and are in the process of revising our general ledger to include more detailed budget-to-actual reporting for grant programs.

**Name of Contact Person:**

Pat Sledge  
Amite, LA

**Anticipated Completion Date:**

We anticipate compliance to this recommendation by June 30, 2000.

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

**Schedule 3**

**Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended December 31, 1999**

**Reference Number: 99-2**

**Description of Finding:**

During the fiscal year ending December 31, 1999, the Tangipahoa Parish Library completed an inventory of all fixed assets, and input all fixed asset records into a newly created data base. This represents a significant improvement in record keeping and accountability for the Library. However, we noted that the audit trail for fixed asset additions and deletions needs to be strengthened and procedures adopted for periodic reconciliation to the general ledger capital expenditure accounts. Building on progress already begun by the Library, we recommend the following:

1. Adopt a policy specifying a minimum dollar limit for recording assets in the fixed asset database. Other governmental agencies generally require a minimum threshold value of from \$250 to \$500, before the fixed asset is recorded in the fixed asset management system.
2. Periodically reconcile expenditures recorded in general ledger capital expenditure accounts to additions in the fixed asset database.
3. Maintain records of all disposal of assets as support for deletions recorded in the fixed asset database.

**Corrective Action Planned:**

We will review the above recommendations at our next board meeting and adopt any required changes in fixed asset management.

**Name of Contact Person:**

Pat Sledge  
Amite, LA

**Anticipated Completion Date:**

We anticipate compliance within the next quarter, ending September 30, 2000.

Bruce C. Harrell, CPA

Warren A. Wool, CPA  
Michael P. Estay, CPA  
Dale H. Jones, CPA  
Charles P. Hebert, CPA  
James D. Rabalais, CPA

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
*A Professional Accounting Corporation*

109 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
VOICE: (504) 542-6372  
FAX: (504) 345-3156  
E-MAIL: bharrell@teamcpa.com

KENTWOOD OFFICE  
P.O. Box 45 - 602 Fifth St.  
Kentwood, LA 70444  
VOICE: (504) 229-5955  
FAX: (504) 229-5951

MEMBERS  
American Institute of CPAs  
Society 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

We have audited the financial statements of the Tangipahoa Parish Library, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 20, 2000. We have 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 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 in 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 99-1 and 99-2.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Tangipahoa 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.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

Page 2

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, CPA's  
A Professional Accounting Corporation

April 20, 2000