

Tangipahoa Parish Library
(a component unit of the
Tangipahoa Parish Council)
Amite, Louisiana

Annual Financial Statements

As of and for the Year Then Ended December 31, 2010
With Supplemental Information Schedules

Tangipahoa Parish Library
Annual Financial Statements
As of and for the Year Ended December 31, 2010
With Supplemental Information Schedules

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Tangipahoa Parish Library
Annual Financial Statements
As of and for the Year Ended December 31, 2010
With Supplemental Information Schedules

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Bruce C. Harrell, CPA

Dale H. Jones, CPA
Michael P. Estay, CPA
Eric J. Rodrigue, CPA
Kristi U. Bergeron, CPA

INTERNET
www.teamcpa.com

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs



BRUCE HARRELL
and COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (985) 542-6372
FAX: (985) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 909 Avenue G
Kentwood, LA 70444
VOICE: (985) 229-5955
FAX: (985) 229-5951

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tangipahoa Parish Library, a component unit of the Tangipahoa Parish Council, Louisiana as of and for the year ended December 31, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the Tangipahoa Parish Library's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tangipahoa Parish Library, as of December 31, 2010, and the respective changes in the financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

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

To the Board of Control
Tangipahoa Parish Library
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 12 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Library's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation the basic financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 30, 2011

Required Supplemental Information (Part I)

Management's Discussion and Analysis

Tangipahoa Parish Library

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

General Information

The Tangipahoa Parish Library (Library) is a public library system established in 1944 for the purpose of making available to all citizens of the parish books, other library materials, and technology for education, information, and recreation. The library strives to maintain a program of service to locate information, guide reading, promote literacy, and provide the most effective use of library resources.

Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Government Accounting Standard's Board (GASB) in their statement number 34. Its purpose is to provide an overview of the financial activities of the Library based on currently known facts, decisions, or conditions.

Financial Highlights

- Ad Valorem taxes reflect an authorized and levied millage of 5.81 which resulted in \$2,851,655 of levied 2010 ad valorem taxpayer assessments.
- Total revenue for 2010 was \$3,117,510. This revenue includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for photo copies, gifts, fines, interest earnings, and miscellaneous fees.
- Library expenditures for 2010 totaled \$ 2,650,332. Expenditures include: library administration – personnel salaries and benefits, operating services - utilities, communications, maintenance of grounds, buildings, and equipment, insurance on facilities, grounds, and vehicles; materials and supplies - office, buildings, grounds, vehicle, and library supplies; travel - continuing education travel and expenses; capital outlay – vehicles, machinery and equipment, major repairs, and library materials; and intergovernmental expenditures - contributions to retirement systems and statutory reimbursements.

Government-Wide Financial Statements

The annual financial report of the Library includes two government-wide financial statements. These statements provide information about the Library using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The two government-wide financial statements are as follows:

The Statement of Net Assets presents information on all of the Library's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The Statement of Activities presents information showing how the Library's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The purpose of the Statement of Activities is to demonstrate the financial reliance of the governmental type activities or functions of the Library on revenues provided by the taxpayers.

These financial statements are on pages 14 and 15 of this report.

Tangipahoa Parish Library

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

Fund Financial Statements

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Library uses a single governmental type fund, the General Fund, to ensure and demonstrate compliance with finance-related laws and regulations. Governmental type funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The fund financial statements are on pages 17 through 20 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 22 to 33 of this report.

Other Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Required supplemental information can be found beginning on page 35 of this report.

Tangipahoa Parish Library

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Library's net assets for the current year as compared to the prior year. For more detailed information on the current fiscal year, see the Statement of Net Assets on page 14 of this report.

Net Assets 2010 and 2009

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Assets:		
Current and Other Assets	\$ 7,069,078	\$ 6,642,884
Capital Assets	3,252,868	3,326,002
Total Assets	<u>10,321,946</u>	<u>9,968,886</u>
Liabilities:		
Other Liabilities	<u>229,145</u>	<u>270,129</u>
Total Liabilities	<u>229,145</u>	<u>270,129</u>
Net Assets:		
Invested in Capital Assets	3,252,869	3,326,002
Unrestricted	<u>6,839,933</u>	<u>6,372,755</u>
Total Net Assets	<u>\$ 10,092,802</u>	<u>\$ 9,698,757</u>

The Library's assets at December 31, 2010, exceeded liabilities by \$10,092,801 (net assets), with the Library reporting positive balances in both categories of net assets. Of the total net assets, \$6,839,933 are Unrestricted Net Assets. The balance of net assets includes a total of \$3,252,869 invested in Capital Assets, consisting of the Library's net investment in library equipment and vehicles, books, and facilities improvements. The investment in Capital Assets matches the amount recorded for Capital Assets (net of depreciation) since the Library has not incurred, and applicable statutes prohibit the Library from incurring, long-term debt.

The largest components of the "Current and Other Assets" category are investments totaling \$4,177,279, consisting of funds deposited within the Louisiana Asset Management Pool, Inc. (LAMP), and receivables consisting primarily of an ad valorem tax receivable of \$2,824,078, grant and state revenue sharing receivable of \$118,265, and intergovernmental receivable of \$3,918, less an allowance for uncollectibles of \$63,000 for a total of \$2,883,261.

Other Liabilities, totaling \$229,145 consist primarily of accounts payable, payroll related liabilities, deductions from property tax distributions for pension fund obligations and unearned grant revenue.

Tangipahoa Parish Library

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

Changes in Net Assets For the years ended December 31, 2010 and 2009

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues:		
Charges for Services	\$ 82,324	\$ 78,405
General Revenues:		
Ad Valorem Taxes	2,799,367	2,727,711
Intergovernmental	205,718	265,750
Interest Income	14,230	22,579
Other	15,871	71,794
Total Revenues	3,117,510	3,166,239
Program Expenses:		
Library Services	2,723,465	2,726,859
Total Expenses	2,723,465	2,726,859
Change in Net Assets	394,045	439,380
Net Assets, Beginning	9,698,757	9,259,377
Net Assets, Ending	\$ 10,092,802	\$ 9,698,757

The major component of Program Revenues, totaling \$82,324, consists of charges for fines and fees at branch library locations. The major General Revenue sources are ad valorem taxes totaling \$2,799,367, state revenue sharing totaling \$177,398, and interest earnings totaling \$14,230.

The ad valorem taxes increased \$71,656 from last year. Interest earnings decreased \$8,349 from last year.

Program expenses of \$2,723,465 shown in the Summary of Changes in Net Assets are not detailed since the level of detail for presentation of expenses on a functional basis would be the same as presented in the Statement of Activities on page 15. The largest expense category of expenses was for personnel services totaling \$1,454,306.

Other significant expenses include communications at \$95,657, operating services at \$102,349, rentals at \$33,014, maintenance of \$130,460, expenses of \$286,815 for stolen, destroyed, and obsolete books, statutory payments of \$112,200, and payments made under the co-operative endeavor agreement of \$198,535.

Fund Financial Analysis

As previously noted, the Library's only governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements can be found on pages 17 to 20 of this report. Within the fund statements, the Library recorded an excess of revenues and other sources over expenditures and other uses of \$467,178 resulting in a fund balance of \$6,839,933 at December 31, 2010.

Tangipahoa Parish Library

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2010**

Capital Assets

The investment in capital assets, net of depreciation as of December 31, 2010 was \$3,252,869 (net of depreciation). There was an overall decrease in net capital assets of \$73,133. An inventory of all assets of the Library was performed in December 2010.

The following table provides a summary of the Library's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2010 and 2009**

Capital Assets	Governmental Activities	
	2010	2009
Library Collection	\$ 3,040,583	\$ 3,105,424
Inactive Assets	477	1,544
Vehicles	52,932	52,932
Equipment and Furniture	595,157	588,793
Leasehold Improvements	190,710	175,971
Subtotal Capital Assets	3,879,859	3,924,664
Less: Accumulated Depreciation	(626,990)	(698,662)
Capital Assets, Net	\$ 3,252,869	\$ 3,226,002

Budgetary Highlights

The Library demonstrated legal compliance by adopting its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures and other uses did not exceed budgeted expenditures and other uses by 5%.

For the general fund, actual revenues and other sources exceeded the original/final budgeted amounts by \$242,485. Actual expenditures and other uses were under the original/final budgeted amounts by \$3,936,340.

The Library did not amend its budget for 2010.

Tangipahoa Parish Library

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

Economic Factors and Next Year's Budget

The Library Board of Control and the Director use a conservative approach in determining the 2011 Budget figures.

The Library's 2011 budget will show an overall decrease in revenues of \$49,804. Ad valorem taxes have been budgeted with an increase of \$50,000, however, there are anticipated decreases in interest earnings and grant revenues.

The 2011 budget for operating expenditures will show a \$227,957 increase which is attributable to the hiring of a new full-time MLS certified librarian for the Amite branch, a part-time children's coordinator for the Ponchatoula branch, anticipated major repair at Ponchatoula, an upgrade to the employee break room at the Hammond branch, new expenditure category Programming Supplies for each branch and general increases due to economic factors.

The Library will purchase 20 new laptops at a cost of \$14,900, with proceeds coming from a state aid grant.

The Library will open bids on June 9, 2011, for the construction of the new Amite branch and administrative offices. It is anticipated that construction costs will come in around \$4.1 million dollars.

Conclusion

The Library has continued its programming and services to the public, expanded its facilities, and maintains an adequate number of staff to support the library's program. Additional professional level librarians are desirable to facilitate the maximum use of the Library and its services. Enthusiastic staff members continue to develop successful programs and two grants enabled the Library to provide entertainment and educational activities. Technology continues to be the Library's biggest challenge: updating hardware and software, maintenance, service, and availability of an adequate number of computers.

The annual operations and maintenance budget enables the Library to provide building and ground maintenance.

Contacting the Library's Financial Management

This financial report is designed to provide a general overview of the Tangipahoa Parish Library's finances. Questions regarding this report or requests for additional information should be addressed to the Barry Bradford, Director, Tangipahoa Parish Library, 200 East Mulberry Street, Amite, LA 70422, Phone (985) 748-7559.

Basic Financial Statements
Government-Wide Financial Statements

Tangipahoa Parish Library
Statement of Net Assets
As of December 31, 2010

Statement A

		<u>Primary Government Governmental Activities</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	8,538
Investments		4,177,279
Receivables, Net:		
Ad Valorem Taxes		2,761,078
Grants and State Revenue Sharing		118,265
Due From Other Governments		3,918
Total Current Assets		<u>7,069,078</u>
Capital Assets:		
Library Collection		3,040,583
Capital Assets, Net		212,285
Total Capital Assets		<u>3,252,868</u>
Total Assets		<u>10,321,946</u>
Liabilities		
Current Liabilities:		
Accounts Payable		45,685
Accrued Salaries/Leave		53,350
Deductions from Ad Valorem Taxes		112,200
Deferred Revenue		17,910
Total Current Liabilities		<u>229,145</u>
Total Liabilities		<u>229,145</u>
Net Assets		
Invested in Capital Assets		3,252,869
Unrestricted		6,839,933
Total Net Assets	\$	<u><u>10,092,802</u></u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
Statement of Activities
For the year ended December 31, 2010

Expenses

Personnel Services	
Salaries	\$ 1,002,618
Benefits	424,469
Payroll Taxes	27,219
Operating Services	102,349
Communications	95,657
Rentals	33,014
Repairs and Maintenance	130,460
Professional Services	78,969
Insurance	57,718
Materials and Supplies	93,174
Grant Expenditures (non capital)	6,159
Travel	10,730
Intergovernmental Expenses	112,200
Co-Operative Endeavor Agreement - Amite	198,535
Loss on Junked Assets	1,544
Stolen, Destroyed, or Obsolete Books	286,815
Depreciation Expense	61,835
Total Expenses	<u>2,723,465</u>
Program Revenues	
Fees, Fines, and other Charges for Services	<u>82,324</u>
Total Program Revenues	<u>82,324</u>
General Revenues:	
Ad Valorem Taxes	2,799,367
State Revenue Sharing	177,398
Grants	28,320
Interest	14,230
Miscellaneous	13,421
Donations - Cash	2,450
Total General Revenues	<u>3,035,186</u>
Change in Net Assets	<u>394,045</u>
Net Assets - Beginning of Year	<u>9,698,757</u>
Net Assets - End of Year	<u>\$ 10,092,802</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Statement C

**Tangipahoa Parish Library
Balance Sheet, Governmental Fund
As of December 31, 2010**

	<u>General Fund</u>
Assets	
Cash and Equivalents	\$ 8,538
Investments	4,177,279
Receivables, Net:	
Ad Valorem Taxes	2,761,078
State Revenue Sharing and Other	118,265
Due From Other Funds	3,918
Total Assets	<u>\$ 7,069,078</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	\$ 45,685
Other Accrued Liabilities	53,350
Deferred Revenue	17,910
Deductions from Ad Valorem Taxes	112,200
Total Liabilities	<u>229,145</u>
Fund Balances:	
Unreserved Fund Balance	2,839,933
Unreserved - Designated Fund Balance	4,000,000
Total Fund Balances	<u>6,839,933</u>
Total Liabilities and Fund Balances	<u>\$ 7,069,078</u>

The accompanying notes are an integral part of this statement.

Statement D

**Tangipahoa Parish Library
Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Financial Statement of Net Assets
As of December 31, 2010**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C) \$ 6,839,933

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation 3,252,868

Net Assets of Governmental Activities (Statement A) \$ 10,092,801

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Library
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2010**

Statement E

	General Fund
Revenues	
Ad Valorem Taxes	\$ 2,799,367
State Revenue Sharing	177,398
Fines and Fees	82,324
Grants	28,320
Interest	14,230
Donations	2,450
Miscellaneous	13,421
Total Revenues	3,117,510
Expenditures	
Personnel Services	
Salaries	1,002,618
Benefits	424,469
Payroll Taxes	27,219
Operating Services	102,349
Communications	95,657
Rentals	33,014
Repairs and Maintenance	130,460
Professional Services	78,969
Insurance	57,718
Materials and Supplies	93,174
Grant Expenditures (non capital)	6,159
Travel	10,730
Intergovernmental Expenditures	112,200
Capital Outlays	277,061
Total Expenditures	2,451,797
Excess (Deficiency) of Revenues Over (Under) Expenditures	665,713
Other Financing Sources (Uses)	
Co-Operative Endeavor Agreement - Amite	(198,535)
Total Other Financing Sources (Uses)	(198,535)
Net Change in Fund Balances	467,178
Fund Balances, Beginning of Year	
Fund Balances, Beginning of Year	6,372,755
Fund Balances, Ending of Year	\$ 6,839,933

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 467,178
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of other reconciling items related to capital assets, which are also not recorded on governmental funds.

Expenditures for capital assets	\$ 277,061	
Less:		
Loss on Disposition of assets:		
Stolen destroyed or obsolete books from library collection	(288,359)	
Current year depreciation	(61,835)	(73,133)

Change in Net Assets of Governmental Activities, Statement B	\$ <u>394,045</u>
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The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

Introduction

The Tangipahoa Parish Library (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 Tangipahoa Parish Government in accordance with the provisions of LSA RS 25:214. One member of the Tangipahoa Parish Government 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 basic financial statements of the Tangipahoa Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the identification of a primary government unit for financial reporting purposes.

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Tangipahoa Parish Government, which holds the Library's corporate powers. For this reason, the Library is a component unit of the Tangipahoa Parish Government, 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 government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all nonfiduciary activities of the Library. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library's only fund, the general fund, is classified as a governmental type activity.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

Separate financial statements are provided for governmental funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Library has no proprietary fund and presents its operations within one fund, the general fund, for financial statement presentation.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, when applicable, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Library reports the following major governmental fund:

The *General Fund* is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has no business-type activities or enterprise funds.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, if any.

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

E. Deposits and Investments

The Library's cash and cash equivalents includes cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposit 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, 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.

Investments for the Library are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

F. Receivables and Revenue

Receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts for property taxes are as a reduction of current revenues.

G. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing vehicles, furniture, and equipment. A threshold level of \$25,000 or more is maintained for leasehold improvements.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. All capital assets, other than the library collection, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment	3 - 10 Years
Furniture and Fixtures	3 - 12 Years
Vehicles	5 - 10 Years
Leasehold Improvements	- shorter of (1) the remaining lease term or (2) useful life of the improvement

The Library board has adopted the policy that the library collection will be reported on a composite basis by making adjustments to total value to reflect increases or decreases in total value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

H. Compensated Absences

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

Permanent employees of the Library earn from nine to twenty days of vacation leave each year, depending on their length of service and job classification. Annual leave may be accumulated up to one

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

and a half times the total annual leave, but only one half 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 three weeks. Employees earn thirteen days of sick leave each year. Sick leave may be accumulated up to 300 hours, but upon separation any accumulated sick leave is forfeited.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

I. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

J. Net Assets

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, requires classification of net assets, the difference between the Library's assets and liabilities, into three components, as described below:

1. Invested in capital assets - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and normally reduced by the outstanding balances of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds. Debt does not enter into the calculation of this category of net assets since the Library can not legally hold long term indebtedness.
2. Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of December 31, 2010, the Library had no restricted net assets.
3. Unrestricted - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets".

K. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Tangipahoa Parish Assessor in October and billed in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

The Tangipahoa Parish Sheriff on behalf of the Library bills, collects, and remits the property taxes using the assessed values determined by the tax assessor of Tangipahoa Parish. 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 - Ad Valorem	3.00 mills	3.00 mills	10/1/2018
General Fund - Ad Valorem	2.81 mills	2.81mills	10/1/2014

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

The Library adopts a budget for the General Fund on the modified accrual basis each year in accordance with generally accepted accounting principles (GAAP). The budget for the fiscal year ended December 31, 2010, was legally adopted on December 14, 2009. The budget is monitored by the Board of Control and amended by the Tangipahoa Parish Government as needed at the request of the Board of Control. The budget was not amended for the fiscal year ended December 31, 2010. Unexpended budget balances lapse at year-end.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

3. Cash and Cash Equivalents

At December 31, 2010, the Library has cash and cash equivalents (book balances) as follows:

	December 31, 2010
Interest-bearing demand deposit	\$ 8,488
Cash on hand	50
	<u>\$ 8,538</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, 2010, the Library has \$92,729 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell 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. Investments

Investments are generally categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Library or its agent in the Library's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Library's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the 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.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

At December 31, 2010, the investment in the Louisiana Asset Management Pool (LAMP) – an external investment pool – is stated at the value of the pool shares, which is the same as the fair value, as noted below:

	Carrying Amount	Fair Market Value
Louisiana Asset Management Pool	\$ 4,177,279	\$ 4,177,279

In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2010, is not categorized in the three risk categories provided by GASB Codification Section 150.164 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. 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 in accordance with LSA-R.S. 33:2955. 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.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2295(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment Grade)A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's *Investment Guidelines* were amended to allow the limited investment in A-1 or A-1+ commercial paper.

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. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an Investment company.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

5. Receivables and Revenue

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Tangipahoa Parish Assessor in October and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Governmental Fund accounts receivable consist of the following at December 31, 2010 .

Government Receivables	2010
Taxes:	
Ad Valorem	\$ 2,824,078
Intergovernmental:	
State Revenue Sharing	118,265
Intergovernmental	3,918
Less: Allowance for Uncollectible Ad Valorem Taxes	(63,000)
Total Government Receivables	\$ 2,883,261

6. Ad Valorem Taxes

For the year ended December 31, 2010, taxes of 5.81 mills were levied on property with assessed valuations totaling \$490,813,260. Total taxes levied were \$2,851,655.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2010 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities Capital Assets:				
Capital Assets Not Being Depreciated:				
Library Collection	\$ 3,105,424	\$ 221,974	\$ 286,815	\$ 3,040,583
Inactive Assets	1,544	477	1,544	477
Total Capital Assets Not Being Depreciated	<u>3,106,968</u>	<u>222,451</u>	<u>288,359</u>	<u>3,041,060</u>
Capital Assets Being Depreciated:				
Equipment and Furniture	588,793	40,348	33,984	595,157
Vehicles	52,932	-	-	52,932
Leasehold Improvements	175,971	14,739	-	190,710
Total Capital Assets Being Depreciated	<u>817,696</u>	<u>55,087</u>	<u>33,984</u>	<u>838,799</u>
Less Accumulated Depreciation for:				
Equipment and Furniture	402,933	56,232	33,507	425,658
Vehicles	52,932	-	-	52,932
Leasehold Improvements	142,797	5,603	-	148,400
Total Accumulated Depreciation	<u>598,662</u>	<u>61,835</u>	<u>33,507</u>	<u>626,990</u>
Total Capital Assets Being Depreciated, Net	<u>219,034</u>	<u>(6,748)</u>	<u>477</u>	<u>211,809</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 3,326,002</u>	<u>\$ 215,703</u>	<u>\$ 288,836</u>	<u>\$ 3,252,869</u>

Depreciation was charged to governmental functions as follows:

Library Services	\$ 61,835
	<u>\$ 61,835</u>

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

8. 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 percent 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.

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 or amended 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 (225) 928-1361.

Funding Policy. Under Plan A, members are required by state 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 12.25 percent of the 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, 2010, 2009, and 2008 were \$127,657, \$88,475, and \$85,149, respectively, equal to the required contribution for each year.

9. Compensated Absences

At December 31, 2010, employees of the Library have accumulated and vested of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The total amount of \$34,166 accrued vacation leave is recorded as an obligation of the general fund.

**Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010**

10. Leases

At December 31, 2010, the Library has operating leases of the following nature:

- Tangipahoa Parish Library rents a building for the operation of the Amite branch on a month to month basis for \$2,700 per month. Total rent expense was \$32,400.

11. Accounts, Salaries, and Other Payables

The Governmental Funds payables consist of the following at December 31, 2010 :

Governmental Funds Payable	<u>2010</u>
Accounts	
Accrued Expenses	\$ 45,685
Retirement	-
Other	
Accrued Salaries	19,184
Annual Leave	34,166
Total Government Funds Payable	<u><u>\$ 99,035</u></u>

12. Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library attempts to minimize risk from significant losses through the purchase of commercial insurance.

13. Contingent Liabilities

At December 31, 2010, the Library was not involved in any outstanding litigation or claims.

14. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does not have a deposit policy for custodial credit risk. As of December 31, 2010, the Library's bank balances of \$92,729 were not exposed to custodial credit risk.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2010

15. Co-operative Endeavor Agreement

The Tangipahoa Parish Library Board of Control entered into a Co-Operative agreement with the Tangipahoa Parish Government dated June 18, 2010. The parties will cooperate to construct a new Amite branch which will house the administrative offices of the Tangipahoa Parish Library System and in connection therewith, will expend public tax funds of \$4,000,000, or more in actual construction costs.

During the year, the library made payments per the agreement in the amount of \$198,535.

16. Subsequent Events

- In May 2011, the Library spent \$14,900 of State Aid Grant money to purchase 20 new laptops.

Required Supplemental Information (Part II)

Tangipahoa Parish Library
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund - Summary
For the year ended December 31, 2010

	<u>Budget Original & Final</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Ad Valorem Taxes	\$ 2,600,000	\$ 2,799,367	\$ 199,367
State Revenue Sharing	156,000	177,398	21,398
Fines and Fees	67,000	82,324	15,324
Grants	28,525	28,320	(205)
Donations	1,500	2,450	950
Interest	20,000	14,230	(5,770)
Miscellaneous	2,000	13,421	11,421
Total Revenues	<u>2,875,025</u>	<u>3,117,510</u>	<u>242,485</u>
Expenditures			
Personnel Services			
Salaries	1,004,000	1,002,618	1,382
Benefits	458,000	424,469	33,531
Payroll Taxes	30,450	27,219	3,231
Operating Services	131,000	102,349	28,651
Communications	150,000	33,014	116,986
Rentals	34,400	130,460	(96,060)
Repairs and Maintenance	138,000	78,969	59,031
Professional Services	92,300	95,657	(3,357)
Insurance	75,000	57,718	17,282
Materials and Supplies	80,000	93,174	(13,174)
Grant Expenditures (non capital)	28,522	6,159	22,363
Travel	10,000	10,730	(730)
Intergovernmental Expenditures	90,000	112,200	(22,200)
Capital Outlays	265,000	277,061	(12,061)
Total Expenditures	<u>2,586,672</u>	<u>2,451,797</u>	<u>134,875</u>
Excess Revenues (Expenditures)	<u>288,353</u>	<u>665,713</u>	<u>377,360</u>
Other Financing Sources (Uses)			
Co-Operative Endeavor Agreement-Amite	(4,000,000)	(198,535)	3,801,465
Total Other Financing Sources (Uses)	<u>(4,000,000)</u>	<u>(198,535)</u>	<u>3,801,465</u>
Net Change in Fund Balances	<u>(3,711,647)</u>	<u>467,178</u>	<u>4,178,825</u>
Fund Balances, Beginning of Year	6,372,755	6,372,755	-
Fund Balances, End of Year	<u>\$ 2,661,108</u>	<u>\$ 6,839,933</u>	<u>\$ 4,178,825</u>

See independent auditor's report.

Other Supplemental Information

Tangipahoa Parish Library

Schedule 2

**Schedule of Compensation Paid to Board Members
For the year ended December 31, 2010**

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>	<u>Term Expires</u>
Dr. Kay Moser (985) 748-4791	1200 N. Duncan Avenue Amite, LA 70422	-	April 2012
Martha Alexander, Vice President (985) 748-9517	18348 Hwy 16 Amite, LA 70422	-	January 2013
Shirley Adams (985) 386-6126	41094 S. Range Rd. Ponchatoula, LA 70454	-	July 2011 Resigned August 2010
Shelia Broyles (985) 229-2209	401 Avenue E Kentwood, LA 70444	-	April 2011
Mark Anderson, President (985) 370-4858	333 South 1st Street Ponchatoula, LA 70454	-	March 2014
Katherine Yeargain (985) 386-3586	P O Box 1046 Ponchatoula, LA 70454		July 2011
Cecilia Ginnaobile (985) 345-4176	110 Granby Drive Hammond, LA 70401		January 2015
Tom Tolar, Ex-Officio (985) 229-2209	P.O. Box 472 Kentwood, LA 70444	-	N/A
		\$ <u> -</u>	

See Independent Auditor's Report.

Tangipahoa Parish Library
Summary Schedule of Prior Year Audit Findings
For the year ended December 31, 2010

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

See Independent Auditor's Report.

**Tangipahoa Parish Library
Corrective Action Plan for Current Year Findings
For the year ended December 31, 2010**

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

See Independent Auditor's Report.

Bruce C. Harrell, CPA

Dale H. Jones, CPA
Michael P. Estay, CPA
Eric J. Rodrigue, CPA
Kristi U. Bergeron, CPA

INTERNET
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MEMBERS
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BRUCE HARRELL
and COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (985) 542-6372
FAX: (985) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 909 Avenue G
Kentwood, LA 70444
VOICE: (985) 229-5955
FAX: (985) 229-5951

**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
Tangipahoa Parish Council
Amite, Louisiana 70422

We have audited the governmental activities and each major fund of the Tangipahoa Parish Library, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Library's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the Tangipahoa Parish Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Parish Library's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Control
Tangipahoa Parish Library
Amite, Louisiana 70422
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tangipahoa 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statutes S24:513.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 30, 2011