

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, 2008
With Supplemental Information Schedules

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 7/15/09



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Tangipahoa Parish Library
Annual Financial Statements
As of and for the Year Ended December 31, 2008
With Supplemental Information Schedules

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Tangipahoa Parish Library
Annual Financial Statements
As of and for the Year Ended December 31, 2008
With Supplemental Information Schedules

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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, 2008, 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 and the aggregate remaining fund information of the Tangipahoa Parish Library, as of December 31, 2008, 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 10, 2009 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. 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.

To the Board of Control
Tangipahoa Parish Library
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The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

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 10, 2009

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, 2008

Introduction

The Tangipahoa Parish Library (the 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 \$2,558,582 of levied ad valorem taxpayer assessments.
- Total revenue for 2008 was \$3,116,236 on a government wide basis. 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 2008 totaled \$2,146,622 on a government wide basis. 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.

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 included immediately following this Management's Discussion and Analysis.

Tangipahoa Parish Library

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2008**

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 begin with "Statement C -- Balance Sheet -- Governmental Fund" and follow the government-wide financial statements.

Notes to the Financial Statements

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

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 36 of this report.

Tangipahoa Parish Library

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2008**

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, see the Statement of Net Assets in this report.

**Net Assets
2008 and 2007**

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Assets:		
Current and Other Assets	\$ 6,079,804	\$ 5,047,716
Capital Assets	3,529,121	3,490,812
Total Assets	<u>9,608,925</u>	<u>8,538,528</u>
Liabilities:		
Other Liabilities	328,832	228,049
Total Liabilities	<u>328,832</u>	<u>228,049</u>
Net Assets:		
Invested in Capital Assets	3,529,121	3,490,812
Restricted	-	-
Unrestricted	5,750,972	4,819,667
Total Net Assets	<u>\$ 9,280,093</u>	<u>\$ 8,310,479</u>

The Library's assets at December 31, 2008, exceeded liabilities by \$9,280,093 (net assets), with the Library reporting positive balances in both categories of net assets. Of the total net assets, \$5,750,972 are Unrestricted Net Assets. The balance of net assets includes a total of \$3,529,121 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 \$3,459,666, consisting of funds deposited within the Louisiana Asset Management Pool, Inc. (LAMP), and receivables consisting primarily of an ad valorem tax receivable of \$2,557,375 and a state revenue sharing receivable of \$131,714, less an allowance for uncollectible ad valorem taxes of \$104,361 for a total of \$2,453,014.

Other Liabilities, totaling \$328,832 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, 2008**

**Changes in Net Assets
For the years ended December 31, 2008 and 2007**

	<i>Governmental Activities</i>	
	2008	2007
Revenues:		
Program Revenues:		
Charges for Services	\$ 74,568	\$ 58,138
General Revenues:		
Ad Valorem Taxes	2,558,582	2,085,738
Intergovernmental	270,055	223,212
Interest Income	108,238	172,303
Other	104,793	66,524
Total Revenues	3,116,236	2,605,915
Program Expenses:		
Library Services	2,146,622	1,695,068
Total Expenses	2,146,622	1,695,068
Change in Net Assets	969,614	910,847
Net Assets, Beginning	8,310,479	7,399,632
Net Assets, Ending	\$ 9,280,093	\$ 8,310,479

The major component of Program Revenues consists of charges for fines and fees at branch library locations totaling \$74,568. The major General Revenue sources are ad valorem taxes totaling \$2,558,582, state revenue sharing totaling \$197,571, and interest earnings totaling \$108,238.

Ad valorem taxes increased \$472,844 from last year. Interest earnings decreased by \$64,065.

Program expenses of \$2,146,622 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. The largest expense category of expenses was for personnel services, totaling \$1,139,886.

Other significant expenses on the government wide level include communications at \$110,340, operating services at \$96,073, rentals at \$73,200, maintenance of \$107,542, expenses of \$172,057 for stolen, destroyed, and obsolete books, statutory payments of \$103,685, election costs of \$40,696, and payments made under a cooperative endeavor agreement of \$35,109.

Fund Financial Analysis

As noted previously, the Library's sole governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Within the fund statements, the Library recorded an excess of revenues and other sources over expenditures and other uses of \$931,000 resulting in a fund balance of \$5,750,972 at December 31, 2008.

Tangipahoa Parish Library

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2008**

Capital Assets

The Library's investment in capital assets for its governmental activities as of December 31, 2008 amounts to \$3,529,121 (net of depreciation). The total increase in the Library's investment in capital assets for the current fiscal year was \$38,309 (net of depreciation). An inventory of all assets of the Library was performed in December 2008.

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 6 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2008 and 2007**

Capital Assets	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Library Collection	\$ 3,321,032	\$ 3,294,135
Vehicles	52,932	158,882
Equipment and Furniture	560,156	(529,405)
Leasehold Improvements	175,971	175,971
Subtotal Capital Assets	<u>4,110,091</u>	<u>3,099,583</u>
Less: Accumulated Depreciation	<u>(580,970)</u>	<u>(667,581)</u>
Capital Assets, Net	<u><u>\$ 3,529,121</u></u>	<u><u>\$ 2,432,002</u></u>

General Fund 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 \$733,352. Actual expenditures and other uses were under the original/final budgeted amounts by \$2,406,820.

The Library did not amend its budget for 2008.

Tangipahoa Parish Library

Management's Discussion and Analysis As of and for the Year Ended December 31, 2008

Economic Factors and Next Year's Budget

The Library Board of Control and the Director use a conservative approach in determining the 2009 Budget figures.

The Library's 2009 budget will show an increase in revenues of \$508,500. The anticipated increase is expected to come from ad valorem taxes and E-rate. The application process for the E-rate request is now being monitored regularly so that the Library does not miss out on receiving these funds.

The 2009 budget for operating expenditures will show a slight increase to account for the three (3) percent step increase in employee's pay, the hiring of a maintenance person, and the hiring of six (6) part-time employees to work at three major branches. These branches will have new extended hours.

The Library entered into a new contract on September 18, 2008, with LDC, LLC, for the façade renovation of the Hammond branch. The total project cost is estimated to be \$159,070. During 2008, \$35,109 was expended leaving \$123,961 to be incurred in 2009.

The Library will purchase and install equipment in all seven branches to enable wireless internet connections.

The Library will pay \$86,500 towards the purchase price of \$286,500 for a piece of property to locate the new Amite Branch and administrative office. The Tangipahoa Parish Government will provide the remaining \$200,000.

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 Library's finances. Questions regarding this report or requests for additional information should be addressed to the Tangipahoa Parish Library, 200 East Mulberry Street, Amite, LA 70422.

Basic Financial Statements
Government-Wide Financial Statements

**Tangipahoa Parish Library
Statement of Net Assets
As of December 31, 2008**

Statement A

		<u>Primary Government Governmental Activities</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	35,410
Investments		3,459,666
Receivables, Net:		
Ad Valorem Taxes		2,453,014
State Revenue Sharing and Other		131,714
Total Current Assets		<u>6,079,804</u>
Capital Assets:		
Library Collection		3,321,032
Capital Assets, Net		208,089
Total Capital Assets		<u>3,529,121</u>
Total Assets		<u>9,608,925</u>
Liabilities		
Current Liabilities:		
Accounts Payable		77,120
Accrued Salaries/Leave		70,977
Contract Payable		7,310
Deductions from Ad Valorem Taxes		100,081
Deferred Revenue		73,344
Total Current Liabilities		<u>328,832</u>
Total Liabilities		<u>328,832</u>
Net Assets		
Invested in Capital Assets		3,529,121
Unrestricted		5,750,972
Total Net Assets	\$	<u>9,280,093</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
Statement of Activities
For the year ended December 31, 2008

Statement B

Expenses

Personnel Services		
Salaries	\$	800,771
Benefits		322,860
Payroll Taxes		16,255
Operating Services		96,073
Communications		110,340
Rentals		73,200
Repairs and Maintenance		107,542
Professional Services		61,092
Insurance		52,754
Materials and Supplies		56,088
Grant Expenditures (non capital)		33,332
Travel		1,139
Intergovernmental Expenses		144,381
Co-Operative Endeavor Agreement - Hammond		35,109
Stolen, Destroyed, or Obsolete Books		172,057
Depreciation Expense		63,629
Total Expenses		<u>2,146,622</u>

Program Revenues

Fees, Fines, and other Charges for Services		74,568
Total Program Revenues		<u>74,568</u>

General Revenues:

Ad Valorem Taxes		2,558,582
State Revenue Sharing		197,571
Grants		72,484
Interest		108,238
Miscellaneous		86,111
Donations - Cash		7,077
Gain on Disposition of Capital Assets		11,605
Total General Revenues		<u>3,041,668</u>

Change in Net Assets

		<u>969,614</u>
Net Assets - Beginning Before Prior Period Adjustment		8,310,175
Prior Period Adjustment (Note 13)		304
Net Assets - Beginning (Restated)		<u>8,310,479</u>
Net Assets - Ending	\$	<u>9,280,093</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements
Fund Financial Statements

**Tangipahoa Parish Library
Balance Sheet, Governmental Fund
As of December 31, 2008**

Statement C

	<u>General Fund</u>
Assets	
Cash and Equivalents	\$ 35,410
Investments	3,459,666
Receivables, Net:	
Ad Valorem Taxes	2,453,014
State Revenue Sharing and Other	131,714
Total Assets	<u>\$ 6,079,804</u>
 Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	\$ 77,120
Other Accrued Liabilities	70,977
Contract Payable	7,310
Deferred Revenue	73,344
Deductions from Ad Valorem Taxes	100,081
Total Liabilities	<u>328,832</u>
Fund Balances:	
Unreserved Fund Balance	3,550,972
Unreserved - Designated Fund Balance	2,200,000
Total Fund Balances	<u>5,750,972</u>
 Total Liabilities and Fund Balances	 <u>\$ 6,079,804</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, 2008

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

Fund Balances, Total Governmental Funds (Statement C) \$ 5,750,972

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 3,529,121

Net Assets of Governmental Activities (Statement A) \$ 9,280,093

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, 2008

Statement E

	General Fund
Revenues	
Ad Valorem Taxes	\$ 2,558,582
State Revenue Sharing	197,571
Fines and Fees	74,568
Grants	72,484
Interest	108,238
Donations	7,077
Miscellaneous	86,111
Total Revenues	3,104,631
Expenditures	
Personnel Services	
Salaries	800,771
Benefits	322,860
Payroll Taxes	16,255
Operating Services	96,073
Communications	110,340
Rentals	73,200
Repairs and Maintenance	107,542
Professional Services	61,092
Insurance	52,754
Materials and Supplies	56,088
Grant Expenditures (non capital)	33,332
Travel	1,139
Intergovernmental Expenditures	144,381
Capital Outlays	276,416
Total Expenditures	2,152,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	952,388
Other Financing Sources (Uses)	
Sale of Fixed Assets	13,721
Co-Operative Endeavor Agreement - Hammond	(35,109)
Total Other Financing Sources (Uses)	(21,388)
Net Change in Fund Balances	931,000
Fund Balances, Beginning	4,819,972
Fund Balances, Ending	\$ 5,750,972

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, 2008

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

Net Change in Fund Balances, Total Governmental Funds, Statement E **\$ 931,000**

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	\$	276,416	
Less:			
Loss on Disposition of assets:			
Sale of Assets (Fund Basis)		(13,721)	
Gain on Sale of Assets (Government-Wide Basis)		11,605	
Stolen destroyed or obsolete books from library collection		(172,057)	
Current year depreciation		(63,629)	<u>38,614</u>

Change in Net Assets of Governmental Activities, Statement B **\$ 969,614**

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, 2008

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, 2008

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, 2008**

E. Cash, Cash Equivalents and Investments

The Library's cash and cash equivalents are considered to be cash on hand, 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, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Library may invest in United States bonds, treasury 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, 2008

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, 2008, 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, 2008**

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	10/1/2008
General Fund - Ad Valorem	2.81 mills	2.81mills	10/1/2014

L. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Library, which are either unusual in nature or infrequent in occurrence.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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.

O. 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, 2008, was legally adopted on December 10, 2007. 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, 2008. Unexpended budget balances lapse at year-end.

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2008

3. Cash and Cash Equivalents

At December 31, 2008, the Library has cash and cash equivalents (book balances) as follows:

	December 31, 2008
Interest-bearing demand deposit	\$ 35,360
Cash on hand	50
	<u>\$ 35,410</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, 2008, the Library has \$32,596 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, 2008**

At December 31, 2008, 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	\$ 3,459,666	\$ 3,459,666

In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2008, 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, 2008

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, 2008 .

Government Receivables	<u>2008</u>
Taxes:	
Ad Valorem	\$ 2,557,375
Intergovernmental:	
State Revenue Sharing	131,714
Other	0
Less: Allowance for Uncollectible Ad Valorem Taxes	(104,361)
Total Government Receivables	\$ <u>2,584,728</u>

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2008

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2008 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	\$ 3,294,135	\$ 198,954	\$ 172,057	\$ 3,321,032
Total Capital Assets Not Being Depreciated	<u>3,294,135</u>	<u>198,954</u>	<u>172,057</u>	<u>3,321,032</u>
Capital Assets Being Depreciated:				
Equipment and Furniture	\$ 529,405	\$ 77,461	\$ 46,406	\$ 560,460
Vehicles	158,882	-	105,950	52,932
Leasehold Improvements	175,971	-	-	175,971
Total Capital Assets Being Depreciated	<u>864,258</u>	<u>77,461</u>	<u>152,356</u>	<u>789,363</u>
Less Accumulated Depreciation for:				
Equipment and Furniture	379,223	55,447	43,986	390,684
Vehicles	155,838	3,044	105,950	52,932
Leasehold Improvements	132,520	5,138	-	137,658
Total Accumulated Depreciation	<u>667,581</u>	<u>63,629</u>	<u>149,936</u>	<u>581,274</u>
Total Capital Assets Being Depreciated, Net	<u>196,677</u>	<u>13,832</u>	<u>2,420</u>	<u>208,089</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 3,490,812</u>	<u>\$ 212,786</u>	<u>\$ 174,477</u>	<u>\$ 3,529,121</u>

Depreciation was charged to governmental functions as follows:

Library Services	\$ <u>63,629</u>
	\$ <u>63,629</u>

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2008

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 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 12.75 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, 2008 and 2007, were \$85,149 and \$65,269, respectively, equal to the required contribution for each year.

8. Compensated Absences

At December 31, 2008, 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 \$29,356 accrued vacation leave is recorded as an obligation of the general fund.

**Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2008**

9. Leases

At December 31, 2008, 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.
- The Tangipahoa Parish Library rents a building for the operation of the Hammond branch from the Tangipahoa Parish Government at a monthly rate of \$3,400. Total rent expense was \$40,800.

10. Accounts, Salaries, and Other Payables

The Governmental Funds payables consist of the following at December 31, 2008 :

Governmental Funds Payable	<u>2008</u>
Accounts	
Accrued Expenses	\$ 77,120
Retirement	-
Other	
Accrued Salaries	41,621
Annual Leave	29,356
Total Government Funds Payable	<u><u>\$ 148,097</u></u>

11. Risk Management

The Library is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Library purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Library's payment of the insurance policy deductible is the only liability associated with these policies and bonds.

12. Contingent Liabilities

At December 31, 2008, the Library was not involved in any outstanding litigation or claims.

13. Restated Net Assets

The following amounts have been restated to reflect the retroactive recording of prior period adjustments to the December 31, 2007 balances:

<u>Net Assets</u>	
Net Assets at December 31, 2007:	\$ 8,310,175
Correct Equipment Total	<u>304</u>
Net Assets at December 31, 2007, as Restated	<u><u>\$ 8,310,479</u></u>

Tangipahoa Parish Library
Notes to the Financial Statements
December 31, 2008

Also, at fiscal year end, the Board of Control had designated a total of \$2,200,000 for future construction of the proposed Amite Library.

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, 2008, the Library's bank balances of \$48,063 were not exposed to custodial credit risk.

15. Subsequent Events

- In April 2009, the Board of Control agreed to pay \$86,500 toward the purchase price of \$286,500 for a piece of property to be the future site of the Amite branch and administrative office. The Tangipahoa Parish Government is paying the remaining \$200,000.
- The Library is to receive a \$5,000 grant from the Department of Culture, Recreation, and Tourism for the Hammond façade renovation.

Required Supplemental Information (Part II)

Schedule 1

Tangipahoa Parish Library
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund - Summary
For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Ad Valorem Taxes	\$ 2,000,000	\$ 2,000,000	\$ 2,558,582	\$ 558,582
State Revenue Sharing	153,000	153,000	197,571	44,571
Fines and Fees	57,000	57,000	74,568	17,568
Grants	72,500	72,500	72,484	(16)
Donations	1,500	1,500	7,077	5,577
Interest	100,000	100,000	108,238	8,238
Miscellaneous	1,000	1,000	86,111	85,111
Total Revenues	<u>2,385,000</u>	<u>2,385,000</u>	<u>3,104,631</u>	<u>719,631</u>
Expenditures				
Personnel Services				
Salaries	913,000	913,000	800,771	112,229
Benefits	368,672	368,672	322,860	45,812
Payroll Taxes	20,000	20,000	16,255	3,745
Operating Services	103,000	103,000	96,073	6,927
Communications	124,000	124,000	73,200	50,800
Rentals	77,000	77,000	107,542	(30,542)
Repairs and Maintenance	103,000	103,000	61,092	41,908
Professional Services	72,000	72,000	110,340	(38,340)
Insurance	75,000	75,000	52,754	22,246
Materials and Supplies	80,000	80,000	56,088	23,912
Grant Expenditures (non capital)	72,500	72,500	33,332	39,168
Travel	4,000	4,000	1,139	2,861
Intergovernmental Expenditures	80,000	80,000	144,381	(64,381)
Capital Outlays	252,000	252,000	276,416	(24,416)
Total Expenditures	<u>2,344,172</u>	<u>2,344,172</u>	<u>2,152,243</u>	<u>191,929</u>
Excess Revenues (Expenditures)	<u>40,828</u>	<u>40,828</u>	<u>952,388</u>	<u>911,560</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	13,721	13,721
Co-Operative Endeavor Agreement-Amite	(2,200,000)	(2,200,000)	-	2,200,000
Co-Operative Endeavor Agreement-Hammond	(50,000)	(50,000)	(35,109)	14,891
Total Other Financing Sources (Uses)	<u>(2,250,000)</u>	<u>(2,250,000)</u>	<u>(21,388)</u>	<u>2,228,612</u>
Net Change in Fund Balances	<u>(2,209,172)</u>	<u>(2,209,172)</u>	<u>931,000</u>	<u>3,140,172</u>
Fund Balances, Beginning (As Restated)	<u>4,819,972</u>	<u>4,819,972</u>	<u>4,819,972</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 2,610,800</u>	<u>\$ 2,610,800</u>	<u>\$ 5,750,972</u>	<u>\$ 3,140,172</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, 2008

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>	<u>Term Expires</u>
Ginger Daughdrill, President (985) 345-2376	2002 Dennis Drive Hammond, LA 70401	\$ -	January 2010
A.J. Bodker, Vice President (985) 386-3902	2064 Angela Drive Ponchatoula, LA 70454	-	January 2009
Gloria Vinyard, Treasurer (985) 542-8313	49274 Ravenwood Drive Loranger, LA 70446	-	April 2010
Dr. Kay Moser (985) 748-4791	1200 N. Duncan Avenue Amite, LA 70422	-	April 2012
Martha Alexander (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
Shelia Broyles (985) 229-2209	401 Avenue E Kentwood, LA 70444	-	April 2011
Debbie Edwards, Ex-Officio (985) 386-2125	39108 Keaghey Road Ponchatoula, LA 70454	-	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, 2008

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

No Findings for Section I.

Section II - Internal Control and Compliance Material to the Federal Awards

Not Applicable.

Section III - Management Letter

No Findings for Section III.

See Independent Auditor's Report.

**Tangipahoa Parish Library
Corrective Action Plan for Current Year Findings
For the year ended December 31, 2008**

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

No Findings for Section I.

Section II - Internal Control and Compliance Material to the Federal Awards

Not Applicable.

Section III - Management Letter

No Findings for Section III.

See Independent Auditor's Report.

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**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, 2008, and have issued our report thereon dated June 10, 2009. 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.

Compliance

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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Library'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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there

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

is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

This report is intended 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 10, 2009