

TANGIPAHOA PARISH LIBRARY

(A Component Unit of the Tangipahoa Parish Government)

Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the year ended

December 31, 2019

TANGIPAHOA PARISH LIBRARY
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

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Independent Auditor's Report

Wanda McElveen, Chairperson
And Board of Control
Tangipahoa Parish Library
Amite, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Tangipahoa Parish Library, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Tangipahoa Parish Library, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 5 through 9 and 31 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.

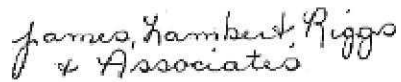
Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Tangipahoa Parish Library's basic financial statements. The schedule of compensation, benefits, and other payments to agency head and the schedule of board members are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head and the schedule of board members are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the schedule of board members are fairly stated in all material respects in relation the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of the Tangipahoa Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Tangipahoa Parish Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Parish Library's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 30, 2020

REQUIRED SUPPLEMENTAL INFORMATION
(PART I)

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2019

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 mills which resulted in \$3,491,685 of levied 2019 ad valorem tax revenue.

Total revenue for 2019 was \$3,912,975. This revenue includes parish ad valorem taxes, state revenue sharing, grant revenue, charges for photocopies, gifts, fines, interest earnings and miscellaneous fees.

Library expenditures for 2019 totaled \$3,157,572. 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, statutory reimbursements, and the construction of a new library.

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 Position presents information on all of the Library's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position 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 position changed during the fiscal year. All changes in net position 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 11 and 12 of this report.

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.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2019

These financial statements are on pages 13 to 16 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 18 to 30 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 32 of this report.

Government-Wide Financial Analysis

As noted earlier, net position 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 position for the current and prior fiscal year. For more detailed information on the current fiscal year, see the Statement of Net Position on page 11 of this report.

Summary of Net Position
December 31

	2019	2018
Current and Other Assets	\$ 8,209,265	\$ 7,467,821
Restricted asset – net pension asset	-	116,433
Capital Assets, Net	2,946,388	2,887,770
Total Assets	11,155,653	10,472,024
Deferred Outflow of Resources	642,194	261,214
Other Liabilities	318,044	332,003
Net Pension Liability	713,417	-
Total Liabilities	1,031,461	332,003
Deferred Inflow of Resources	44,768	346,319
Net Position:		
Investment in Capital Assets	2,946,388	2,887,770
Restricted	110,922	197,717
Unrestricted	7,664,308	6,969,429
Total Net Position	\$ 10,721,618	\$ 10,054,916

The Library's assets and deferred outflow at December 31, 2019, exceed liabilities and deferred inflow by \$10,721,618 (net position), with the Library reporting positive balances in all categories of net position. Of the total net position, \$7,664,308 are Unrestricted Net Position. The balance of net position includes a total of \$2,946,388 invested in Capital Assets, which includes the collection and \$ 110,922 restricted for the Hammond branch and payroll. 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 \$4,480,587, consisting of funds deposited within the Louisiana Asset Management Pool, Inc. (LAMP), and receivables consisting of ad valorem tax receivable of \$3,360,129 and state revenue sharing receivable of \$125,785, less an allowance account for uncollectibles of \$33,000 for a total of \$3,452,914.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2019

Other Liabilities totaling \$318,044 consist primarily of accounts payable, payroll related liabilities, and deductions from property tax distributions for pension fund obligations.

As a result of GASB 68, the Library has allocated its proportionated share of the Parochial Employee's Retirement System's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The Library reports a net pension liability of \$713,417. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Library's management.

Summary of Changes in Net Position
For year ended December 31

	2019	2018
Revenues:		
Program Revenues:		
Charges for Services	\$ 93,868	\$ 98,191
Operating grant	-	2,000
General Revenues:		
Ad valorem Taxes	3,491,685	3,404,716
Intergovernmental	188,678	181,080
Interest Income	131,639	102,703
Other	4,958	34,606
Donations	2,147	1,764
Support revenue	12,283	11,662
Total Revenues	3,925,258	3,836,722
Program Expenses	3,258,556	3,424,978
Change in Net Position	666,702	411,744
Net Position - Beginning	10,054,916	9,643,172
Net Position - Ending	\$ 10,721,618	\$ 10,054,916

The major component of Program Revenues, totaling \$93,868 consists of charges for fines and fee charges at branch library locations. The major General Revenue sources are ad valorem taxes totaling \$3,491,685, state revenue sharing totaling \$188,670, and interest earnings totaling \$131,639.

The net ad valorem tax increase was \$86,969 from last year. Interest earnings increased \$28,936 from last year.

Program expenses of \$3,258,556 shown in the Summary of Changes in Net Position 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 12. The largest expense category was personnel services totaling \$2,071,003.

Other Significant expenses include operating services at \$170,309, materials and supplies at \$124,963 professional services at \$185,181 maintenance of \$121,583, expenses of \$119,614 for stolen, destroyed, and obsolete books, and statutory payments of \$133,182.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2019

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 13 to 16 of this report. Within the fund statements, the Library recorded an excess of revenues and other sources over expenditures and other uses of \$755,403 resulting in a fund balance of \$7,891,221 at December 31, 2019.

Capital Assets

The investment in capital assets, net of accumulated depreciation as of December 31, 2019, was \$2,946,388. There was an overall increase in net capital assets of \$58,618. An inventory of all assets of the Library was performed in December 2019.

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)
December 31

Capital Assets	2019	2018
Library Collection	\$ 2,788,350	\$ 2,720,873
Vehicles	70,436	70,436
Equipment and Furniture	1,132,841	1,106,986
Leasehold Improvements	227,140	227,140
Subtotal	4,218,767	4,125,435
Less: Accumulated Depreciation	(1,272,379)	(1,237,635)
Capital Assets, Net	\$ 2,946,388	\$ 2,887,800

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 \$442,975. Actual expenditures and other uses were under the original/final budgeted amounts by \$303,928.

The Library did not amend its budget for FYE December 31, 2019.

Economic Factors and Next Year's Budget

The Library Board of Control and the Director use a conservative approach in determining the 2020 budget figures.

The Library's 2020 budget for revenues will show an increase of \$149,000.

The 2020 budget for expenditures and other uses will show a \$62,000 increase.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS concluded
As of and for the year ended December 31, 2019

Conclusion

The Library has continued its programming and services to the public, 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. Improving facilities is the Library's biggest challenge.

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

Contacting the Tangipahoa Parish Library's Administration

This financial report is designed to provide a general overview of the Tangipahoa Parish Library's finances. Questions about this report or requests for additional information may be sent to Barry Bradford, Director, Tangipahoa Parish Library, 204 NE Central Avenue, Amite, LA 70422, telephone (985) 748-7559.

BASIC FINANCIAL STATEMENTS

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF NET POSITION
December 31, 2019

Assets

Cash and cash equivalents	\$ 139,087
Investments	4,480,587
Receivables, net	3,452,914
Due from other governments	18,757
Prepaid Insurance	6,998
Restricted asset – cash	110,922
Capital assets, net of accumulated depreciation	2,946,388

Total Assets	11,155,653
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Deferred Outflow of Resources

642,194

Liabilities

Accounts and other payables	\$ 96,346
Accrued salaries/leave	88,516
Deductions from ad valorem tax	133,182
Net pension liability	713,417

Total Liabilities	1,031,461
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Deferred Inflow of Resources

44,768

Net Position

Investment in capital assets	2,946,388
Restricted	110,922
Unrestricted	7,664,308

Total Net Position	\$ 10,721,618
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The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

Expenses

Library services:

Personnel services	\$ 2,071,003
Operating services	170,309
Communications	83,363
Online subscription services	47,386
Electronic books	21,735
Electronic periodicals	5,351
Rentals	2,860
Maintenance	121,583
Professional services	185,181
Insurance	79,681
Materials and supplies	124,963
Travel	10,224
Co-operative Endeavor Agreement - Kentwood	37,578
Intergovernmental	133,182
Stolen, destroyed, or obsolete books	119,614
Depreciation	44,543
Total Expenses	<u>3,258,556</u>

Program Revenues

Fees, fines, and other charges for services	<u>93,868</u>
Total Program Revenues	<u>93,868</u>

Net Program (Expenses)	<u>(3,164,688)</u>
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General Revenues

Ad valorem taxes	3,491,685
State revenue sharing	188,678
Interest earnings	131,639
Miscellaneous	4,958
Donations – cash	2,147
Support revenue	12,283
Total General Revenues	<u>3,831,390</u>

Change in Net Position	666,702
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Net Position

Beginning of year, Restated	<u>10,054,916</u>
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Net Position – End of year	\$ <u>10,721,618</u>
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The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

BALANCE SHEET - GOVERNMENTAL FUND
GENERAL FUND
December 31, 2019

ASSETS

Cash and cash equivalents	\$ 139,087
Investments	4,480,587
Receivables, net	3,452,914
Due from other governments	18,757
Prepaid Insurance	6,998
Restricted asset - cash	<u>110,922</u>

Total Assets	\$ <u>8,209,265</u>
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Liabilities

Accounts and other payables	\$ 96,346
Accrued salaries/leave	88,516
Deductions from ad valorem tax	<u>133,182</u>

Total Liabilities	<u>318,044</u>
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Fund Balance

Restricted	110,922
Committed	1,600,000
Unassigned	<u>6,180,299</u>

Total Fund Balance	<u>7,891,221</u>
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Total Liabilities and Fund Balance	\$ <u>8,209,265</u>
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The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
December 31, 2019

Fund balance – governmental fund (page 13)	\$ 7,891,221
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and ,therefore, are not reported in the governmental fund.	
Governmental capital assets	4,218,767
Less: Accumulated Depreciation	(1,272,379)
Some assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Net pension liability	(713,417)
Deferred outflow and inflows are not financial resources or currently payable. These consist of:	
Deferred outflow	642,194
Deferred inflows	(44,768)
Net Position of Government Activities (page 11)	\$ <u>10,721,618</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
For the year ended December 31, 2019

Revenues

Ad valorem Taxes	\$ 3,491,685
State revenue sharing	188,678
Fines and fees	93,868
Interest earnings	131,639
Donations	2,147
Miscellaneous	4,958
Total Revenues	<u>3,912,975</u>

Expenditures

Personnel services	1,911,401
Operating services	170,309
Communications	83,363
Online subscription services	47,386
Electronic books	21,735
Electronic periodicals	5,351
Rentals	2,860
Maintenance	121,583
Professional services	185,181
Insurance	79,681
Material and supplies	124,963
Travel	10,224
Intergovernmental expenditures	133,182
Capital outlay	222,775
Total Expenditures	<u>3,119,994</u>

Excess of Revenues over Expenditures 792,981

Other Financing (Uses)

Cooperative endeavor	<u>(37,578)</u>
Total Other Financing (Uses)	<u>(37,578)</u>

Net Change in Fund Balance 755,403

Fund Balance at Beginning of Year, Restated 7,135,818

Fund Balance at End of Year \$ 7,891,221

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

**Amounts reported for governmental activities in the statement
of activities are different because**

Net change in fund balance - total governmental fund (page 15)	\$ 755,403
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is 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.	178,232
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds	
Contributions from non-contributing entity. GASB 68	12,283
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. These differences consist of:	
Stolen, destroyed, or obsolete books	(119,614)
Pension expense for GASB	(159,602)
Change in net position of governmental activities (page 12)	\$ 666,702

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TANGIPAHOA PARISH LIBRARY
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 state revenue sharing funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement 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 of 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 position and the statement of activities and changes in net position) report information on all of the 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 and changes in net position demonstrates the degree to which the direct expenses of a given function or segment are 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in fund financial statements. The Library has no proprietary funds.

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.

The Library implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows, or Resources and Net Position*. GASB 63 provides guidance for reporting deferred outflows or resources, deferred inflows or resources, and net position in a statement of financial position and related disclosures. The reader will note a change in terminology from "net assets" to "net position".

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented which establishes new financial reporting requirements for governments that provide their employees with pension benefits. Additional information about the Library's net pension liability is presented in the notes to the financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, was implemented which improves financial reporting by providing financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. As a result of implementation of this statement, additional disclosures related to tax abatements are included in Note 15.

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, 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 entity's primary operating fund. It accounts for all financial resources of the entity, 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 both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict 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 Library has no business-type activities or enterprise funds.

Amounts reported as program revenues, if any, 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.

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.

E. DEPOSITS AND INVESTMENTS

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

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

G. RESTRICTED ASSETS

Certain resources of the Library are set aside for the Hammond branch are classified as restricted assets on the balance sheet because their use is limited per the donor's instructions.

H. 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 Position and Statement of Activities. All capital assets, other than the library collection, are depreciated using the straight-line method over the following estimated useful life years:

<u>Assets Class</u>	<u>Life Years</u>
Equipment	3-10
Furniture and Fixtures	3-12
Motor Vehicles	5-10
Leasehold Improvements	Shorter of (1) remaining lease term, or (2) useful life of 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 asset lives are not capitalized.

I. COMPENSATED ABSENCES

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

Permanent employees of the Library earn from 9 to 20 days of vacation leave each year, depending on their length of service and job classification. Annual leave may be accumulated up to 1- ½ times the total annual leave, but only ½ of total annual leave may be carried over from one year to another, with minor exceptions. Upon separation, employees are paid at their current rate of pay for accrued leave up to a maximum of 3 weeks. Employees earn 13 days of sick leave each year. Sick leave may be accumulated up to 300 hours but upon separation any accumulated sick leave is forfeited.

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

J. FUND EQUITY

Governmental fund equity is classified as fund balance. Beginning with fiscal year ending December 31, 2011, the Library implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable: This classification includes amounts that cannot be spent because they are either not in spendable form or they are legally contractually required to be maintained intact.

The Library does not have anything that can be classified as Non-spendable Fund Balance.

- Restricted: This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

The Library restricted \$110,922. \$73,037 is for the Hammond branch as required by the donors and \$37,885 by the fiscal agent for payroll.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Library's board, which is the Library's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The Library board committed \$1,600,000 of fund balance toward the construction of a new Kentwood branch. The commitment was enacted originally through the adoption of the operating budget.

- **Assigned:** This classification includes amounts that are constrained by the Library's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Library's governing body itself or a committee or official to which the governing body has delegated the authority to assigned amounts to be used for specific purposes.

The Library does not have anything that can be classified as Assigned Fund Balance.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purpose within the General Fund.

A. Restricted Net Position

For the government-wide statement of net position, equity is classified and displayed in three components:

1. **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. **Restricted** - Consists of resources with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or by (b) laws through constitutional provisions or enabling legislation.
3. **Unrestricted** - All other resources that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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.

When fund balance resources are available for a specific purpose in multiple classifications, the Library will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Library's management reserves the right to selectively spend unassigned resources first and to defer the use of other classified funds.

K. 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. 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 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 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:

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration Date of <u>Millage</u>
General Fund	3.00	3.00	10/01/2028
General Fund	2.81	2.81	10/01/2024

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS

The Library uses the following budget practice:

The Library adopts a budget for the General Fund on the modified accrual basis each year. The budget for the fiscal year ended December 31, 2019, was adopted on November 26, 2018. 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, 2019. Unexpended budget balances lapse at year-end.

3. DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statements of net position:

Cash and cash equivalents	\$ 139,087
Investments	4,480,587
Restricted asset - cash	110,922
Total cash and cash equivalents and investments	\$ <u>4,730,596</u>

Deposits and investments (GASB 3, as amended) as of December 31, 2019, consists of the following:

Cash on hand	\$ <u>100</u>
Deposits with financial institutions:	
Interest-bearing demand deposits	<u>176,872</u>
Investments	
Louisiana Asset Management Pool	<u>4,553,624</u>
Total deposits and investments	\$ <u>4,730,596</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, 2019, the Library has \$200,659 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

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.

In accordance with GASB - 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair value, with the estimate of fair value based on quoted market prices. At December 31, 2019, the Library's investment balances are as follows:

	Carrying Amount	Fair Value
Louisiana Asset Management Pool	\$ 4,553,624	\$ 4,553,624

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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 U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by 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. 33:2955 (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+ 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 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2019:

<u>Class of Receivables</u>	<u>General Fund</u>
Ad valorem taxes	\$ 3,360,129
State Revenue Sharing	125,785
Less: Allowance for uncollectible ad valorem taxes	<u>(33,000)</u>
Total	\$ <u>3,452,914</u>

5. AD VALOREM TAXES

For the year ended December 31, 2019, taxes of 5.81 mills were levied on property with assessed valuations totaling \$601,365,522. Total taxes levied were \$3,493,913.

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019, for governmental activities is as follows:

Governmental Activities Capital Assets:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decrease s</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Library Collection	\$ 2,720,873	\$ 187,091	\$ 119,614	\$ 2,788,350
Total Capital Assets Not Being Depreciated	<u>2,720,873</u>	<u>187,091</u>	<u>119,614</u>	<u>2,788,350</u>
Capital Assets Being Depreciated:				
Equipment and Furniture	1,106,986	35,684	9,829	1,132,841
Vehicles	70,436	-	-	70,436
Leasehold Improvements	227,140	-	-	227,140
Total Capital Assets Being Depreciated	<u>1,404,562</u>	<u>35,684</u>	<u>9,829</u>	<u>1,430,417</u>
Less Accumulated Depreciation for:				
Equipment and Furniture	1,002,619	34,512	9,829	1,027,302
Vehicles	47,064	7,452	-	54,516
Leasehold Improvements	187,982	2,579	-	190,561
Total Accumulated Depreciation	<u>1,237,665</u>	<u>44,543</u>	<u>9,829</u>	<u>1,272,379</u>
Total Capital Assets Depreciated, Net	<u>166,897</u>	<u>(8,859)</u>	<u>-</u>	<u>158,038</u>
Total Governmental Activities Capital Assets, Net	\$ <u>2,887,770</u>	\$ <u>178,232</u>	\$ <u>119,614</u>	\$ <u>2,946,388</u>

Depreciation was charged to government as follows:

Library Services	\$ <u>44,543</u>
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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 percent 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 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 rate for 2019 is 11.50 percent of the annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). 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, 2019, 2018 and 2017, were \$120,657, \$113,638 and \$120,692 respectively, equal to the required contribution for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2019, the Library reported a liability of \$713,417 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating, governmental entities actuarially determined. At December 31, 2018, the Library's proportion was .160739 percent.

For the year ended December 31, 2019, the Library recognized pension expense of \$277,556. At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 43,463
Changes of assumptions	178,378	-
Net difference between projections and actual earnings on pension plan investments	341,515	-
Changes in proportion and differences between Library contributions and proportionate share of contributions	1,644	1,305
Library contributions subsequent to the measurement date	120,657	-
Total	\$ 642,194	\$ 44,768

\$120,657 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported a deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	163,725
2020	88,991
2021	73,190
2022	150,863
2023	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	6.50%, (net of investment expense, including inflation)
Projected salary increase	4.75% (2.35% merit, 2.4% inflation)
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 Scale for disabled annuitants.
Expected remaining service lives	4 years

Cost of living adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The actuarial assumptions used in the December 31, 2018, valuation (excluding Mortality) was based on actuarial funding valuation and results of an actuarial experience study for the period January 1, 2013, to December 31, 2017, unless otherwise specified.

The long-term expected rate of return on pension plan investments was determined using a triangulation method in which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included on the System's target asset allocation as of December 31, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	.65%
Real Assets	2%	.11%
Total	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

Discount Rate. The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine pension liability.

Sensitivity to changes in Discount rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% that the current date.

	Changes in Discount Rate 2018		
	1% Decreased	Current Discount Rate	1% Increase
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Net Pension Liability	<u>\$ 1,515,107</u>	<u>\$ 713,417</u>	<u>\$ 43,274</u>

8. COMPENSATED ABSENCES

At December 31, 2019, employees of the Library have accumulated and vested \$39,605 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The \$39,605 is recorded as an obligation of the General Fund.

9. LEASES

The Library rents storage units on a month to month basis. Total rent expense was \$2,860.

10. LITIGATION

There is no outstanding litigation at December 31, 2019

11. RISK MANAGEMENT

The Library is exposed to various risks of losses 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.

12. CUSTODIAL CREDIT RISK - DEPOSITS

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, 2019, the Library's bank balances of \$200,659 were not exposed to custodial credit risk.

13. RESTATED FUND BALANCE / NET POSITION

- A. The beginning fund balance has been restated to reflect the retroactive recording of prior period adjustments to the December 31, 2018, balance:

General Fund

Fund Balance at December 31, 2018	\$	7,144,951
Correct accounts payable		<u>(9,133)</u>
Fund balance at December 31, 2018, as restated	\$	<u>7,135,818</u>

- B. The beginning net position of the Governmental Funds has been restated:

Net Position at December 31, 2018	\$	10,064,049
Correct accounts payable		<u>(9,133)</u>
Net Position at December 31, 2018, as restated	\$	<u>10,054,916</u>

As a result of the above prior period adjustments, the Change in Net Position for the year ended December 31, 2019 has been adjusted from \$420,877 to \$411,744 a difference of \$9,133

14. RESTRICTED ASSET - CASH

- A.** On March 24, 2016, the Jewish Endowment Foundation on behalf of the Andree & Sidney Rosenblum family donated \$100,000 to be used exclusively for the Hammond branch.

On September 21, 2016, the C&S Wholesale Services donated \$1,000 to be used for programs at the Hammond Branch.

On October 17, 2019, the C&S Wholesale Services donated \$1,000 to be used for programs at the Hammond Branch.

As of December 31, 2019, \$28,963 of these funds have been used and the balance on deposit in the LAMP account is \$73,037.

- B.** On December 31, 2019, the fiscal agent withdrew \$37,885 from the bank account for the direct deposit of the payroll dated January 3, 2020. Normally, the funds would be withdrawn 2 business days prior to the direct deposit. However, January 1, 2020, was a federal and banking holiday. Therefore, the money was withdrawn a day earlier. The \$37,885 remained in trust at the fiscal agent bank for the benefit of the Library as of December 31, 2019

15. TAX ABATEMENTS

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. There are currently sixty-six tax abatements in Tangipahoa Parish, related to seventeen companies, under the Louisiana ITEP. For the 2019 tax year, the estimated forgone ad valorem taxes due to this abatement program was \$33,706.20.

16. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the following events occurred:

In March 2020, the COVID-19 virus began spreading throughout the United States. On March 22, 2020, Louisiana Governor John Bel Edwards issued a stay-at-home order limiting person-to-person contact and closing many nonessential businesses. Management has evaluated the possible impact of this situation and does not believe that this will have a significant negative impact on the continuing operations of the Library.

Subsequent events have been evaluated by management through June 30, 2020, the date the financial statements were available for issuance. No other events were noted requiring recording or additional disclosure in the financial statements for the year ending December 31, 2019.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART II)**

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
For the year ended December 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Ad valorem taxes	\$ 3,200,000	\$ 3,491,685	\$ 291,685
State revenue sharing	160,000	188,678	28,678
Fines and fees	89,000	93,868	4,868
Interest earning	15,000	131,639	116,639
Donations	1,000	2,147	1,147
Miscellaneous	5,000	4,958	(42)
Total revenues	<u>3,470,000</u>	<u>3,912,975</u>	<u>442,975</u>
Expenditures			
Personnel services	2,097,500	1,911,401	186,099
Operating services	210,400	170,309	40,091
Communications	89,000	83,363	5,637
Online subscription services	62,000	47,386	14,614
Electronic books	20,000	21,735	(1735)
Electronic periodicals	5,000	5,351	(351)
Rentals	3,500	2,860	640
Maintenance	76,000	121,583	(45,583)
Professional services	197,300	185,181	12,119
Insurance	93,800	79,681	14,119
Materials and supplies	133,000	124,963	8,037
Travel	15,000	10,224	4,776
Intergovernmental expenditures	130,000	133,182	(3,182)
Capital outlay	279,000	222,775	56,225
Total Expenditures	<u>3,411,500</u>	<u>3,119,994</u>	<u>291,506</u>
Excess of Revenues over Expenditures	<u>58,500</u>	<u>792,981</u>	<u>734,481</u>
Other Financing (Uses)			
Cooperative endeavor	(50,000)	(37,578)	12,422
Total Other Financing (Uses)	<u>(50,000)</u>	<u>(37,578)</u>	<u>12,422</u>
Net Change in Fund Balance	8,500	755,403	746,903
Fund Balance at Beginning of Year, Restated	<u>6,892,801</u>	<u>7,135,818</u>	<u>243,017</u>
Fund Balance at End of Year	\$ <u>6,901,301</u>	\$ <u>7,891,221</u>	\$ <u>989,920</u>

See Independent Auditor's Report

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability (asset)	.160739%	(.156865%)	.162922%	.152482%	.16%
Library's proportionate share of the net pension liability (asset)	713,417	(116,433)	335,540	401,376	43,787
Library's covered-employee payroll	1,049,187	988,163	965,525	966,213	874,270
Library's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	67.99%	(11.78%)	34.75%	41.54%	5.01%
Plan fiduciary net position as a percentage of the total pension liability	88.86%	101.98%	94.15%	92.23%	99.14%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years which information is available.

Data reported measured as of December 31, 2018, (measurement date)

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

SCHEDULE OF THE LIBRARY'S CONTRIBUTIONS
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$120,657	\$113,638	\$120,692	\$125,608	\$126,769
Contributions in relation to the contractually required contribution	<u>120,657</u>	<u>113,638</u>	<u>120,692</u>	<u>125,608</u>	<u>126,769</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	\$1,049,187	\$ 988,163	\$ 965,525	\$ 966,213	\$ 874,270
Contributions as a percentage of covered-employee payroll	11.50%	11.50%	12.50%	13.00%	14.50%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Data reported is measured as of December 31, 2018, (measurement date).

See Independent Auditor's Report.

OTHER SUPPLEMENTAL INFORMATION

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2019

Agency Head: Barry Bradford, Director of the Tangipahoa Parish Library

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 83,703
Benefits – Insurance	12,486
Benefits - Retirement (11.50% parochial employee)	9,626
Benefits – Medicare	1,214
Travel (airfare, hotels, parking fees, and meals)	3,814
Memberships for Tangipahoa Parish Library	500
Meals	65
Mileage reimbursement	217
	<u>\$ 111,625</u>

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

SCHEDULE OF BOARD MEMBERS
For the year ended December 31, 2019

	<u>Term</u>	<u>Term Expires</u>
Wanda McElveen, President 19473 Hwy 38 Kentwood, LA 70444 (985) 351-2118	1st	January 2021
D.J. Abrahams, Vice President 17535 Tangi Lake - Unit B Hammond, LA 70422 (985) 507-6645	1st	May 2021
Gloria Vinyard, Treasurer 49274 Ravenwood Drive Loranger, LA 70446 (985) 542-8313	2nd	April 2020
Katherine Yeargain P.O. Box 1046 Ponchatoula, LA 70454 (985) 386 -3586	2nd	July 2021
John Magee 725 East Charles Street Hammond, LA 70401 (985) 345-8234	1st	March 2024
Cecila A. Giannobile 110 Granby Drive Hammond, LA 70401 (985) 386-4085	2nd	January 2020
Daniel Williams 633 Weinberger Road Ponchatoula, LA 70454 (985) 386-4085	1st	January 2023
Louis Nick Joseph, Ex-Officio Tangipahoa Parish Council Member 279 Hwy. 40 West Independence, LA 70443 (985) 878-4711	N/A	N/A

No compensation is paid to these members.

See Independent Auditor's Report

FINDINGS AND OTHER INDEPENDENT AUDITOR'S REPORT

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA

Megan E. Lynch, CPA
B. Jacob Steib, CPA
Christie J. Barado
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Jenny I. Schliegmeyer
Debbie G. Faust, EA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
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Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Wanda McElveen, Chairperson
And Board of Control
Tangipahoa Parish Library
Amite, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities and the general fund of the Tangipahoa Parish Library, as of for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Library's basic financial statements, and have issued our report thereon dated June 30, 2020

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tangipahoa Parish Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tangipahoa Parish Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Parish Library's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

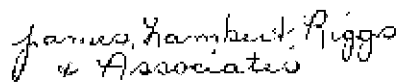
Compliance and Other Matters

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 grant agreements, 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of James Lambert Riggs in cursive script, with "James Lambert Riggs" on the top line and "& Associates" on the bottom line.

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 30, 2020

Tangipahoa Parish Library

SCHEDULE OF FINDINGS, RECOMMENDATIONS, AND RESPONSES
For the Year Ended December 31, 2019

We have audited, 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, the financial statements of the governmental activities and the general fund of the Tangipahoa Parish Library as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated June 30, 2020. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	<u> </u>	Yes	<u> X </u>	No
Significant Deficiencies	<u> </u>	Yes	<u> X </u>	No

Compliance:

Compliance Material to the Financial Statements	<u> </u>	Yes	<u> X </u>	No
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2. Management Letter

Was a management letter issued?	<u> </u>	Yes	<u> X </u>	No
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Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Tangipahoa Parish Library
Amite, LA
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Status of Finding</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None