

TANGIPAOA PARISH LIBRARY
(A Component Unit of the Tangipahoa Parish Government)

Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the year ended

December 31, 2021

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

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Independent Auditor's Report

Daniel Williams, Chairperson
And Board of Control
Tangipahoa Parish Library
Amite, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund information of the Tangipahoa Parish Library, Amite, Louisiana, as of and for the year ended December 31, 2021, 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.

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 information of the Tangipahoa Parish Library, as of December 31, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tangipahoa Parish Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tangipahoa Parish Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tangipahoa Parish Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tangipahoa Parish Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Tangipahoa Parish Library
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because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 6, 2022, 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.

James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 6, 2022

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, 2021

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 \$3,785,654 of levied 2021 ad valorem tax revenue.

Total revenue for 2021 was \$4,099,307. 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 2021 totaled \$3,309,148. 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, 2021

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

	2021	2020
Current and Other Assets	\$ 9,272,145	\$ 9,109,675
Capital Assets, Net	2,964,266	2,872,817
Net Pension Asset	322,702	-
Total Assets	<u>12,559,113</u>	<u>11,982,492</u>
Deferred Outflow of Resources	<u>353,249</u>	<u>264,513</u>
Other Liabilities	463,541	326,970
Net Pension Liability	-	7,789
Total Liabilities	<u>463,541</u>	<u>334,759</u>
Deferred Inflow of Resources	<u>668,336</u>	<u>362,367</u>
Net Position:		
Investment in Capital Assets	2,964,266	2,872,817
Restricted	36,833	44,571
Unrestricted	<u>8,779,386</u>	<u>8,632,491</u>
Total Net Position	<u>\$ 11,780,485</u>	<u>\$ 11,549,879</u>

The Library's assets and deferred outflow at December 31, 2021, exceed liabilities and deferred inflow by \$11,780,485 (net position), with the Library reporting positive balances in all categories of net position. Of the total net position, \$8,779,386 are Unrestricted Net Position. The balance of net position includes a total of \$2,964,266 invested in Capital Assets, which includes the collection and \$36,833 restricted for the Hammond branch. 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 \$5,087,036, consisting of funds deposited within the Louisiana Asset Management Pool, Inc. (LAMP), and receivables consisting of ad valorem tax receivable of \$3,785,654 and state revenue sharing receivable of \$128,257, less an allowance account for uncollectibles of \$38,000 for a total of \$3,875,911.

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, 2021

Other Liabilities totaling \$463,541 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/(asset), deferred outflows of resources, deferred inflows of resources, and pension expense. The Library reports a net pension asset of \$322,702. 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

	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 62,149	\$ 41,928
Operating grant	7,469	185,674
Capital grant	39,596	-
General Revenues:		
Ad valorem Taxes	3,773,917	3,680,113
Intergovernmental	192,386	190,348
Interest Income	14,736	51,625
Other	3,868	1,048
Donations- Cash	5,186	4,441
Support revenue	15,473	13,390
Total Revenues	4,114,780	4,168,567
Program Expenses	3,884,174	3,340,306
Change in Net Position	230,606	828,261
Net Position - Beginning	11,549,879	10,721,618
Net Position - Ending	\$ 11,780,485	\$ 11,549,879

The major components of Program Revenues, are \$62,149 from charges for services and the \$39,596 capital grant from ARPA. The major General Revenue sources are ad valorem taxes totaling \$3,773,917, state revenue sharing totaling \$192,386, and interest earnings totaling \$14,736.

The net ad valorem tax increase was \$93,804 from last year. Interest earnings decreased \$36,889 from last year.

Program expenses of \$3,884,174 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 \$1,965,630.

Other Significant expenses include operating services at \$168,047, professional services at \$180,827, \$764,260 for the construction of the new branch in Kentwood, and statutory payments of \$144,357.

MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2021

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 \$816,058 resulting in a fund balance of \$8,808,604 at December 31, 2021.

Capital Assets

The investment in capital assets, net of accumulated depreciation as of December 31, 2021, was \$2,964,266. There was an overall increase in net capital assets of \$91,449. An inventory of all assets of the Library was performed in December 2021.

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	2021	2020
Library Collection	\$ 2,716,086	\$ 2,700,871
Vehicles	70,436	70,436
Equipment and Furniture	1,255,941	1,161,896
Leasehold Improvements	227,140	227,140
Subtotal	4,269,603	4,160,343
Less: Accumulated Depreciation	(1,305,337)	(1,287,526)
Capital Assets, Net	\$ 2,964,266	\$ 2,872,817

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 \$490,307. Actual expenditures and other uses were under the original/final budgeted amounts by \$3,153,699.

The Library did not amend its budget for FYE December 31, 2021.

Economic Factors and Next Year's Budget

The Library Board of Control and the Director use a conservative approach in determining the 2022 budget figures.

The Library's 2022 budget for revenues will show an increase of \$245,000.

The 2022 budget for expenditures and other uses will show a \$1,825,056 decrease.

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, 2021

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, 2021

Assets

Cash and cash equivalents	\$	256,407
Investments		5,087,036
Receivables, net		3,875,911
Due from other governments		7,832
Due from others		1,797
Prepaid Insurance		6,329
Restricted asset – cash		36,833
Capital assets, net of accumulated depreciation		2,964,266
Net pension asset		<u>322,702</u>
Total Assets		<u>12,559,113</u>

Deferred Outflow of Resources

353,249

Liabilities

Accounts and other payables		257,946
Accrued salaries/leave		61,238
Deductions from ad valorem tax		<u>144,357</u>
Total Liabilities		<u>463,541</u>

Deferred Inflow of Resources

668,336

Net Position

Investment in capital assets		2,964,266
Restricted		36,833
Unrestricted		<u>8,779,386</u>
Total Net Position	\$	<u>11,780,485</u>

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, 2021

Expenses

Library services:		
Personnel services	\$	1,965,630
Operating services		168,047
Communications		104,622
Online subscription services		72,289
Electronic books		38,726
Rentals		3,160
Maintenance		98,996
Professional services		180,827
Insurance		105,174
Materials and supplies		86,110
Travel		3,488
Intergovernmental		144,357
Cooperative endeavor agreement- Kentwood		764,260
Stolen, destroyed, or obsolete books		102,815
Depreciation		45,673
Total Expenses		<u>3,884,174</u>

Program Revenues

Fees, fines, and other charges for services	62,149
Operating grant	7,469
Capital grant	39,596
Total Program Revenues	<u>109,214</u>

Net Program (Expenses) (3,774,960)

General Revenues

Ad valorem taxes	3,773,917
State revenue sharing	192,386
Interest earnings	14,736
Miscellaneous	3,868
Donations	5,186
Support revenue	15,473
Total General Revenues	<u>4,005,566</u>

Change in Net Position 230,606

Net Position- Beginning of year 11,549,879

Net Position – End of year \$ 11,780,485

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, 2021

Assets	
Cash and cash equivalents	\$ 256,407
Investments	5,087,036
Receivables, net	3,875,911
Due from other governments	7,832
Due from others	1,797
Prepaid Insurance	6,329
Restricted asset - cash	<u>36,833</u>
 Total Assets	 \$ <u>9,272,145</u>
 Liabilities	
Accounts and other payables	\$ 257,946
Accrued salaries/leave	61,238
Deductions from ad valorem tax	<u>144,357</u>
 Total Liabilities	 <u>463,541</u>
 Fund Balance	
Restricted	36,833
Committed	829,800
Unassigned	<u>7,941,971</u>
 Total Fund Balance	 <u>8,808,604</u>
 Total Liabilities and Fund Balance	 \$ <u>9,272,145</u>

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, 2021

Fund balance – governmental fund (page 13)	\$	8,808,604
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		4,269,603
Less: Accumulated Depreciation		(1,305,337)
Some assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		322,702
Deferred outflow and inflows are not financial resources or currently payable. These consist of:		
Deferred outflows		353,249
Deferred inflows		<u>(668,336)</u>
Net Position of Government Activities (page 11)	\$	<u>11,780,485</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, 2021

Revenues	
Ad valorem Taxes	\$ 3,773,917
State revenue sharing	192,386
Grant Revenues – Federal ARPA	47,065
Fines and fees	62,149
Interest earnings	14,736
Donations	5,186
Miscellaneous	3,868
Total Revenues	4,099,307
 Expenditures	
Personnel services	2,063,415
Operating services	168,047
Communications	104,622
Online subscription services	72,289
Electronic books	38,726
Rentals	3,160
Maintenance	98,996
Professional services	180,827
Insurance	105,174
Material and supplies	86,110
Travel	3,488
Intergovernmental expenditures	144,357
Capital outlay	239,937
Total Expenditures	3,309,148
 Excess of Revenues over Expenditures	 790,159
 Other Financing (Uses)	
Cooperative endeavor- Kentwood	(764,260)
Total Other Financing (Uses)	(764,260)
 Net Change in Fund Balance	 25,899
Fund Balance at Beginning of Year	8,782,705
 Fund Balance at End of Year	 \$ 8,808,604

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, 2021

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

Net change in fund balance - total governmental fund (page 15)	\$	25,899
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.		194,264
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		15,473
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		(102,815)
Pension expense for GASB 68		<u>97,785</u>
Change in net position of governmental activities (page 12)	\$	<u>230,606</u>

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, 2021

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 14.

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 \$36,833, which is for the Hammond branch as required by the donors.

- **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. As of December 31, 2021, \$829,800 remains of that commitment.

- **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:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date of 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, 2021, was adopted on December 14, 2020. 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, 2021. Unexpended budget balances lapse at year-end.

3. DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statements of net position:

Cash and cash equivalents	\$ 256,407
Investments	5,087,036
Restricted asset - cash	<u>36,833</u>
Total cash and cash equivalents and investments	\$ <u>5,380,276</u>

Deposits and investments (GASB 3, as amended) as of December 31, 2021, consists of the following:

Cash on hand	\$ <u>100</u>
Deposits with financial institutions:	
Interest-bearing demand deposits	256,307
Investments	
Louisiana Asset Management Pool	<u>5,123,869</u>
Total deposits and investments	\$ <u>5,380,176</u>

Tangipahoa Parish Library
Notes to the Financial Statements – continued
December 31, 2021

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, 2021, the Library has \$266,852 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and the remaining \$16,852 is uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank

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, 2021, the Library's investment balances are as follows:

	Carrying Amount	Fair Value
Louisiana Asset Management Pool	\$ <u>5,123,869</u>	\$ <u>5,123,869</u>

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, 2021:

<u>Class of Receivables</u>	<u>General Fund</u>
Ad valorem taxes	\$ 3,785,654
State Revenue Sharing	128,257
Less: Allowance for uncollectible ad valorem taxes	<u>(38,000)</u>
Total	\$ <u>3,875,911</u>

5. AD VALOREM TAXES

For the year ended December 31, 2021, taxes of 5.81 mills were levied on property with taxable assessed valuations totaling \$651,578,636. Total taxes levied were \$3,785,654.

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021, for governmental activities is as follows:

Governmental Activities Capital Assets:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Library Collection	\$ 2,700,871	\$ 118,030	\$ 102,815	\$ 2,716,086
Total Capital Assets Not Being Depreciated	<u>2,700,871</u>	<u>118,030</u>	<u>102,815</u>	<u>2,716,086</u>
Capital Assets Being Depreciated:				
Equipment and Furniture	1,161,896	121,907	27,862	1,255,941
Vehicles	70,436	-	-	70,436
Leasehold Improvements	227,140	-	-	227,140
Total Capital Assets Being Depreciated	<u>1,459,472</u>	<u>121,907</u>	<u>27,862</u>	<u>1,553,517</u>
Less Accumulated Depreciation for:				
Equipment and Furniture	1,032,418	39,271	27,862	1,043,827
Vehicles	61,968	3,823	-	65,791
Leasehold Improvements	193,140	2,579	-	195,719
Total Accumulated Depreciation	<u>1,287,526</u>	<u>45,673</u>	<u>27,862</u>	<u>1,305,337</u>
Total Capital Assets Depreciated, Net	<u>171,946</u>	<u>76,234</u>	<u>-</u>	<u>248,180</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 2,872,817</u>	<u>\$ 194,264</u>	<u>\$ 102,815</u>	<u>\$ 2,964,266</u>

Depreciation was charged to government as follows:

Library Services	\$ <u>45,673</u>
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7. PENSION PLAN

Part-time employees of the Library are members of the social security system. In addition to employee payroll deductions, Library funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended December 31, 2021, were \$30,724 of which \$15,362 was contributed by the Library.

A. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA.

Plan Description. Substantially all full-time employees of the Tangipahoa Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two (2) 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. New employees meeting the age and social security criteria have up to ninety (90) days from their date of hire to elect to participate. Under Plan A the eligibility provisions are as follows:

<u>Hired Prior to January 1, 2007</u>	<u>Hired January 1, 2007, and Later</u>
7 years and age 65	7 years and age 67
10 years and age 60	10 years and age 62
25 years and age 55	30 years and age 55
30 years and any age	

The retirement allowance is equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 months salary for members hired prior to January 1, 2007. For members hired January 1, 2007, and later, final average compensation shall be defined as the average of the highest consecutive 60 months salary.

Any employee who was a member of the supplemental plan only prior to the revision date (January 1, 1980) has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation plus two dollars per month for each year credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary or the final average compensation.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Employers shall pay the actuarial cost of leave conversion at the time of retirement for those members enrolled January 1, 2007, and later.

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 2021 is 12.25 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, 2021, 2020 and 2019, were \$144,031, \$149,498 and \$120,657 respectively, equal to the required contribution for each year.

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

At December 31, 2021, the Library reported an asset of \$(322,702) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020 and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability (asset) 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, 2020, the Library's proportion was .184042 percent.

For the year ended December 31, 2021, the Library recognized pension expense of \$46,533. At December 31, 2021, 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	\$ 78,567	\$ 38,516
Changes of assumptions	105,578	-
Net difference between projections and actual earnings on pension plan investments	-	629,820
Changes in proportion and differences between Library contributions and proportionate share of contributions	25,073	-
Library contributions subsequent to the measurement date	144,031	-
Total	\$ 353,249	\$ 668,336

\$144,031 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 (asset) in the year ended December 31, 2021. 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:	
2021	(125,691)
2022	(36,683)
2023	(192,994)
2024	(102,888)
Thereafter	-

Actuarial assumptions. The total pension liability (asset) in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2020
Actuarial cost method	Entry Age Normal
Investment rate of return	6.40%, (net of investment expense, including inflation)
Projected salary increase	4.75%
Inflation rate	2.30%

Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using the MP2018 scale for annuitant and beneficiary mortality. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP 2018 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, 2020, 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 7.00% for the year ended December 31, 2020.

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, 2020, 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	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	.67%
Real Assets	2%	.11%
Total	100%	5.00%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.00%

Discount Rate The discount rate used to measure the total pension liability(asset) was 6.4% 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 those 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 period of projected benefit payments to determine the total pension liability periods.

The following presents the net pension liability (asset) of Plan A calculated using the discount rate of 6.40%, as well as what the system's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	-	1% Increase (7.40%)
Net Pension Liability/(Asset)	\$ 676,611	\$(322,702)	-	\$(1,159,606)

8. COMPENSATED ABSENCES

At December 31, 2021, employees of the Library have accumulated and vested \$36,586 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The \$36,586 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 \$3,160.

10. LITIGATION

There is no outstanding litigation at December 31, 2021.

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, 2021, the Library's bank balances of \$266,852 were are exposed to custodial credit risk.

13. 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, 2020, the C&S Wholesale Services donated \$1,000 to be used for programs at the Hammond Branch.

As of December 31, 2021, \$65,167 of these funds have been used and the balance on deposit in the LAMP account is \$36,833.

14. 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 2021 tax year, the estimated forgone ad valorem taxes due to this abatement program was \$20,469.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through June 6, 2022, 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, 2021.

**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, 2021

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Ad valorem taxes	\$ 3,300,000	\$ 3,773,917	\$ 473,917
State revenue sharing	175,000	192,386	17,386
Grant Revenues – Federal ARPA	-	47,065	47,065
Fines and fees	89,000	62,149	(26,851)
Interest earning	40,000	14,736	(25,264)
Donations	1,000	5,186	4,186
Miscellaneous	4,000	3,868	(132)
Total revenues	<u>3,609,000</u>	<u>4,099,307</u>	<u>490,307</u>
Expenditures			
Personnel services	2,200,000	2,063,415	136,585
Operating services	198,400	168,047	30,353
Communications	97,000	104,622	(7,622)
Online subscription services	70,000	72,289	(2,289)
Electronic books	40,000	38,726	1,274
Electronic periodicals	4,000	-	4,000
Rentals	3,000	3,160	(160)
Maintenance	98,000	98,996	(996)
Professional services	190,800	180,827	9,973
Insurance	90,000	105,174	(15,174)
Materials and supplies	129,000	86,110	42,890
Travel	15,000	3,488	11,512
Intergovernmental expenditures	130,000	144,357	(14,357)
Capital outlay	529,000	239,937	289,063
Total Expenditures	<u>3,794,200</u>	<u>3,309,148</u>	<u>485,052</u>
Excess of Revenues over Expenditures	<u>(185,200)</u>	<u>790,159</u>	<u>975,359</u>
Other Financing (Uses)			
Cooperative endeavor	(2,942,600)	(764,260)	2,178,340
Total Other Financing (Uses)	<u>(2,942,600)</u>	<u>(764,260)</u>	<u>2,178,340</u>
Net Change in Fund Balance	<u>(3,127,800)</u>	<u>25,899</u>	<u>3,153,699</u>
Fund Balance at Beginning of Year	<u>8,420,735</u>	<u>8,782,705</u>	<u>361,970</u>
Fund Balance at End of Year	<u>\$ 5,292,935</u>	<u>\$ 8,808,604</u>	<u>\$ 3,515,669</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 (ASSET)
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability (asset)	(.184042%)	.165467%	.160739%	(.156865%)	.162922%	.152482%	.16%
Library's proportionate share of the net pension liability (asset)	(322,702)	7,789	713,417	(116,433)	335,540	401,376	43,787
Library's covered-employee payroll	1,175,755	1,220,381	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	(27.45%)	.64%	67.99%	(11.78%)	34.75%	41.54%	5.01%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.99%	99.88%	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, 2020, (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, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$144,031	\$149,498	\$120,657	\$113,638	\$120,692	\$125,608	\$126,769
Contributions in relation to the contractually required contribution	<u>144,031</u>	<u>149,498</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	\$1,175,755	\$1,220,381	\$1,049,187	\$988,163	\$965,525	\$966,213	\$874,270
Contributions as a percentage of covered-employee payroll	12.25%	12.25%	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, 2020, (measurement date).

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, 2021

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 84,011
Benefits – Insurance	12,272
Benefits - Retirement (12.25% parochial employee)	10,291
Benefits – Medicare	1,179
Travel (airfare, hotels, parking fees, and meals)	561
Memberships	450
Mileage reimbursement	171
	<u>\$ 108,935</u>

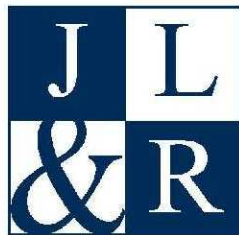
Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

SCHEDULE OF BOARD MEMBERS
For the year ended December 31, 2021

	<u>Term</u>	<u>Term Expires</u>
Wanda McElveen, President 19473 Hwy 38 Kentwood, LA 70444 (985) 351-2118	2nd	January 2026
Daniel Williams, Vice President 633 Weinberger Road, Unit B Ponchatoula, LA 70454 (985) 386-4085	1st	January 2023
Dr. John Magee, Treasurer 725 East Charles Street Hammond, LA 70401 (985) 345-8234	1st	March 2024 (resigned September 2021)
Sandra Capp 49274 Ravenwood Drive Loranger, LA 70446 (985) 542 - 8313	1st	April 2025
Katherine Yeargain 18407 Weinberger Road Ponchatoula, LA 70454 (985) 386 -3586	2nd	July 2021 (resigned May 2021)
Dusty Cooper 20035 Sisters Road Ponchatoula, LA 70454 (646) 712 -1774	1st	July 2026
Dr. Robert Martin 1008 Mooney Ave. Hammond, LA 70403 (985) 981 - 1794	1st	January 2025
Tracy LeBlanc 78429 McElveen Road Kentwood, LA 70444 (985) 320 – 6112	1st	April, 2025
Reggie Sanders 303 East Thomas Street Hammond, LA 70401 (985) 542-3455	1st	October 2026
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.

FINDINGS AND OTHER INDEPENDENT AUDITOR'S REPORT



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*

Daniel Williams, 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, 2021, 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 6, 2022.

Report on 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) as a basis for designing 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.

Report on Compliance and Other Matters

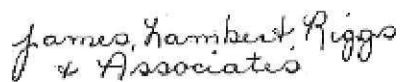
As part of obtaining reasonable assurance about whether the Tangipahoa Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

Tangipahoa Parish Library
Amite, Louisiana

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.

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

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 6, 2022

Tangipahoa Parish Library

SCHEDULE OF FINDINGS, RECOMMENDATIONS, AND RESPONSES
For the Year Ended December 31, 2021

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, 2021, 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 6, 2022. 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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance:

Compliance Material to the Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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2. Management Letter

Was a management letter issued?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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, 2021

<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

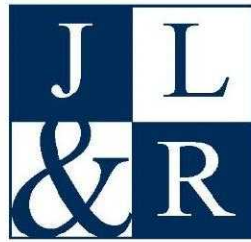
None

TANGIPAOA PARISH LIBRARY

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

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



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com


Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

Mr. Barry Bradford, Executive Director
and the Board of Commissioners
Tangipahoa Parish Library
Amite, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Tangipahoa Parish Library (the "Library") management is responsible for those C/C areas identified in the SAUPs.

The Library has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are detailed in Schedule "A."

We were engaged by the Library to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 6, 2022

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** The policy does not include how vendors are added to the vendor list.
 - c. ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - e. ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - f. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** The policy does not include information on legal review.
 - g. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- h. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- k. **Information Technology Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - **Results:** The Library does not have a written policy for IT Disaster Recovery / Business Continuity.
- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Board or Finance Committee

2. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe that the board / finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Bank reconciliations include evidence that a member of management / board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- **Results:** No exceptions were noted as a result for the above listed procedures.

- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a. Employees responsible for cash collections do not share cash drawers / registers.

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- d. The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, are not responsible for collecting cash, unless another employee / official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a. Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- e. Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Non-Payroll Disbursements (excluding card purchases / payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. The employee responsible for processing payments is prohibited from adding / modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #9, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Credit Cards / Debit Cards / Fuel Cards / P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- **Results:** No exceptions were noted as a result for the above listed procedures.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit / debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe that finance charges and late fees were not assessed on the selected statements.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- **Results:** No exceptions were noted as a result for the above listed procedures.

b. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- **Results:** Out of five reimbursements, one food related charge was not supported by an itemized receipt that identified what the purchase was.

c. Observe each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- **Results:** Out of five reimbursements, one item was a food related charge that was not itemized, did not include the names of individuals participating, and lacked the purpose of the charge.

d. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Contracts

15. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and / or contract, the official should document his / her daily attendance and leave.)
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- **Results:** No employees or officials received termination payments during the fiscal period.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Ethics

20. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee / official completed one hour of ethics training during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Debt Service

21. Obtain a listing of bonds / notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

- **Results:** The Library has no debt.

22. Obtain a listing of bonds / notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond / note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

- **Results:** The Library has no debt.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

- **Results:** No exceptions were noted as a result for the above listed procedures.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Information Technology Disaster Recovery / Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- **Results:** We performed the procedure and discussed the results with management.

b. Obtain and inspect the entity's most recent documentation that it has tested / verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing / verifying backup restoration) and observe evidence that the test / verification was successfully performed within the past 3 months.

- **Results:** We performed the procedure and discussed the results with management.

- c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- **Results:** We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee / official completed at least one hour of sexual harassment training during the calendar year.

- **Results:** Out of five randomly selected employees/officials, one did not complete the one hour of sexual harassment training during the calendar year.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- **Results:** The Library did not have its sexual harassment policy and complaint procedures listed on the website, however as of the date of this report the policy has been uploaded to the website.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;

- **Results:** The Library did prepare the annual sexual harassment report, however it was not completed on or before February 1. All applicable requirements of R.S. 42:344 were included in the report.

- b. Number of sexual harassment complaints received by the agency;

- **Results:** The Library did prepare the annual sexual harassment report, however it was not completed on or before February 1. All applicable requirements of R.S. 42:344 were included in the report.

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

- **Results:** The Library did prepare the annual sexual harassment report, however it was not completed on or before February 1. All applicable requirements of R.S. 42:344 were included in the report.

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

- **Results:** The Library did prepare the annual sexual harassment report, however it was not completed on or before February 1. All applicable requirements of R.S. 42:344 were included in the report.

- e. Amount of time it took to resolve each complaint.

- **Results:** The Library did prepare the annual sexual harassment report, however it was not completed on or before February 1. All applicable requirements of R.S. 42:344 were included in the report.



June 13, 2022

James Lambert Riggs & Associates, Inc.
P.O. Drawer 369
Hammond, LA 70404

Re: Statewide Agreed Upon Procedures

Policy on Selection of Vendors

Library Administration will draft a policy to outline criteria for the selection of vendors.

Policy on Legal Review of Contracts

Library Administration will draft a policy to include the engagement of legal counsel to review Library contracts over \$100,000.

Policy on IT Disaster and Recovery/Business Continuity

Library Administration will draft a policy outlining ways in which works to prevent a technology disaster, and ways that it will recover should such a disaster take place.

Sexual Harassment Training

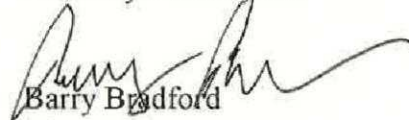
Library Administration will ensure that all employees of the Library will complete required sexual harassment training.

Sexual Harassment Policy on Website

Library Administration will ensure that its sexual harassment policy is on the Library's website at all times.

Sexual Harassment Report

Library Administration will ensure that a sexual harassment report is completed and filed before February 1 each year.


Barry Bradford
Director
Tangipahoa Parish Library