

**BIENVILLE PARISH LIBRARY**  
**Arcadia, Louisiana**

**Annual Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**December 31, 2017**  
**With Supplemental Information Schedules**

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended December 31, 2017  
With Supplemental Information Schedules

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Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

## **Independent Auditor's Report**

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and major fund of the Bienville Parish Library, a component unit of the Bienville Parish Police Jury, as of December 31, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana  
Independent Auditor's Report,  
December 31, 2017

***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Bienville Parish Library as of December 31, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 9, the budgetary comparison information on pages 35 through 36, the schedule of funding progress for the retiree healthcare plan on page 37, and the schedule of the Library's proportionate share of the net pension liability on pages 38 through 39, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

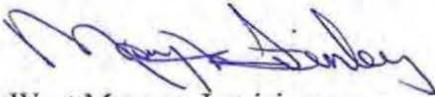
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bienville Parish Library's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are 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. The schedule of compensation, benefits, and other payments to agency head on page 41 presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana  
Independent Auditor's Report,  
December 31, 2017

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated June 4, 2018, on my consideration of the Bienville Parish Library's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bienville Parish Library's internal control over financial reporting and compliance.



West Monroe, Louisiana  
June 4, 2018

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

**Management's Discussion and Analysis**  
December 31, 2017

As management of the Bienville Parish Library, I offer readers of the Bienville Parish Library's financial statements this narrative overview and analysis of the financial activities of the Bienville Parish Library for the year ended December 31, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Library's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Bienville Parish Library's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

The Bienville Parish Library adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Bienville Parish Library's performance.

**Government-wide Financial Analysis**

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Bienville Parish Library exceeded liabilities by \$6,705,315. Approximately 36% of the Bienville Parish Library's Net Position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Bienville Parish Library to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the Statement of Net Position.

STATEMENT OF NET POSITION

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Cash and cash equivalents	\$3,078,197	\$2,697,292
Receivables	1,421,561	1,375,576
Prepays	6,817	
Capital assets (not depreciated)	42,557	14,350
Capital assets (net of accumulated depreciation)	<u>2,366,953</u>	<u>2,560,714</u>
TOTAL ASSETS	<u>6,916,085</u>	<u>6,647,932</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>166,764</u>	<u>234,864</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$7,082,849</u>	<u>\$6,882,796</u>
<b>LIABILITIES</b>		
Accounts payable	\$57,974	\$64,920
Withholdings payable		7,139
Payroll payable	14,529	13,652
Compensated absences payable	7,982	8,538
Net pension liability	123,019	164,937
Net OPEB obligation	<u>149,710</u>	<u>134,045</u>
TOTAL LIABILITIES	<u>353,214</u>	<u>393,231</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	24,320	27,609
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	2,409,510	2,575,064
Unrestricted	<u>4,295,805</u>	<u>3,886,892</u>
TOTAL NET POSITION	<u>6,705,315</u>	<u>6,461,956</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$7,082,849</u>	<u>\$6,882,796</u>

STATEMENT OF ACTIVITIES

	<b>2017</b>	<b>2016</b>
Culture and recreation:		
Personal services	\$667,383	\$634,027
Operating services	182,645	211,858
Materials and supplies	36,836	59,059
Travel	10,251	9,739
Intergovernmental	43,392	41,636
Depreciation expense	<u>280,764</u>	<u>284,624</u>
Total Program Expenses	<u>1,221,271</u>	<u>1,240,943</u>
Program revenues:		
Fines and forfeitures	<u>21,128</u>	<u>19,208</u>
Net Program Expenses	<u>(1,200,143)</u>	<u>(1,221,735)</u>
General revenues		
Taxes - ad valorem	1,381,453	1,370,489
Intergovernmental:		
State revenue sharing	23,592	21,242
Other state grants	2,209	1,767
Interest earned	29,149	20,432
Other revenue	7,099	8,078
Gain (loss) on disposal of assets		<u>2,734</u>
Total general revenues	<u>1,443,502</u>	<u>1,424,742</u>

Change in Net Position	243,359	203,007
Net Position - Beginning of year as restated	<u>\$6,461,956</u>	<u>\$6,258,949</u>
Net Position - End of year	<u>\$6,705,315</u>	<u>\$6,461,956</u>

## Financial Analysis of the Government's Funds

As noted earlier, the Bienville Parish Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the General Fund unreserved, undesignated fund balance of \$4,434,072 showed an increase of \$446,915 over December 31, 2016.

### General Fund Budgetary Highlights

There were no amendments to the budget.

### Capital Asset and Debt Administration

**Capital assets.** The Bienville Parish Library's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$2,409,510 (net of accumulated depreciation). This investment includes furniture and equipment, automation and library materials. The increase in capital assets for the year was \$115,210, and there were no decreases for the year.

**Long-term debt.** At the end of the fiscal year, Bienville Parish Library had \$7,982 debt outstanding for compensated absences. The Bienville Parish Library also contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the library's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2017 is \$149,710. Net pension liability at December 31, 2017 was \$123,019.

### Requests for Information

This financial report is designed to provide a general overview of the Bienville Parish Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bienville Parish Library, 2768 Maple Street, Arcadia, LA 71001.

June 4, 2018

**BASIC FINANCIAL STATEMENTS**

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

STATEMENT OF NET POSITION  
December 31, 2017

**ASSETS**

Cash and cash equivalents	\$3,078,197
Receivables	1,421,561
Prepays	6,817
Capital assets (not depreciated)	42,557
Capital assets (net of accumulated depreciation)	<u>2,366,953</u>
TOTAL ASSETS	<u>6,916,085</u>

**DEFERRED OUTFLOW OF RESOURCES**

Pension related	<u>166,764</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u><u>\$7,082,849</u></u>

**LIABILITIES**

Accounts payable	\$57,974
Salaries payable	14,529
Compensated absences payable	7,982
Net pension liability	123,019
Net OPEB obligation	<u>149,710</u>
TOTAL LIABILITIES	<u>353,214</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension related	24,320
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**NET POSITION**

Invested in capital assets, net of related debt	2,409,510
Unrestricted	<u>4,295,805</u>
TOTAL NET POSITION	<u>6,705,315</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$7,082,849</u></u>

The accompanying notes are an integral part of this statement.

**Statement B**BIENVILLE PARISH LIBRARY  
Arcadia, LouisianaSTATEMENT OF ACTIVITIES  
December 31, 2017

Culture and recreation:	
Personal services	\$667,383
Operating services	182,645
Materials and supplies	36,836
Travel	10,251
Intergovernmental	43,392
Depreciation expense	280,764
Total Program Expenses	<u>1,221,271</u>
Program revenues:	
Fines and forfeitures	21,128
Net Program Expenses	<u>(1,200,143)</u>
General revenues	
Taxes - ad valorem	1,381,453
Intergovernmental:	
State revenue sharing	23,592
Other state funds	2,209
Interest earned	29,149
Other revenue	7,099
Total general revenues	<u>1,443,502</u>
Change in Net Position	243,359
Net Position - Beginning of year	<u>6,461,956</u>
Net Position - End of year	<u>\$6,705,315</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2017

**ASSETS**

Cash and cash equivalents	\$3,078,197
Receivables	1,421,561
Prepays	<u>6,817</u>
TOTAL ASSETS	<u>\$4,506,575</u>

**LIABILITIES AND FUND EQUITY**

Liabilities:	
Accounts payable	\$57,974
Payroll payable	<u>14,529</u>
TOTAL LIABILITIES	72,503
Fund Equity - fund balances -unassigned	<u>4,434,072</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$4,506,575</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2017

Total Fund Balances - Governmental Funds (Statement C)		\$4,434,072
Deferred outflows of resources		166,764
Cost of capital assets	\$6,014,611	
Less: Accumulated depreciation	<u>(3,605,101)</u>	2,409,510
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable		(7,982)
Net pension liability		(123,019)
Net OPEB obligation		(149,710)
Deferred inflows of resources		<u>(24,320)</u>
Net Position (Statement A)		<u>\$6,705,315</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,  
and Changes in Fund Balances

For the Year Ended December 31, 2017

<b>REVENUES</b>	
Taxes - ad valorem	\$1,381,453
Intergovernmental revenues:	
State revenue sharing	23,592
Other state funds	2,209
Fines and forfeitures	21,128
Use of money and property - interest earnings	29,149
Other revenues	2,687
Total revenues	<u>1,460,218</u>
<b>EXPENDITURES</b>	
Culture and recreation:	
Current:	
Personal services	624,969
Operating services	182,645
Materials and supplies	36,836
Travel and other charges	10,251
Capital outlay	115,210
Intergovernmental	43,392
Total expenditures	<u>1,013,303</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	446,915
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>3,987,157</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$4,434,072</u></u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2017

Total net change in fund balances - governmental funds (Statement D)	\$446,915
Amounts reported for governmental activities in the Statement of Activities are different because:	
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(15,665)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(165,554)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	556
Non-employer contributions to cost-sharing pension plan	4,412
Pension expense	<u>(27,305)</u>
Change in net position of governmental activities (Statement B)	<u>\$243,359</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended December 31, 2017

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Bienville Parish Library was established by the Bienville Parish Police Jury, under the provisions of Louisiana Revised Statute 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 which is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation.

The accompanying financial statements of the Bienville Parish Library have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have 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.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the library board of control and the library provides services to all residents of Bienville Parish, the Bienville Parish Library was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. BASIC FINANCIAL STATEMENTS-  
GOVERNMENT-WIDE STATEMENTS**

The library's basic financial statements include both government-wide (reporting the library as a whole) and fund financial statements (reporting the library's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the library are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the library.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net Position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The library first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the library's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the library's general revenues.

**Allocation of Indirect Expenses** - The library reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the library are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The library's current operations require only the use of governmental funds (General Fund). Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are

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filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees, fines, and forfeitures are recorded when the library is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, state revenue sharing, and fees, fines, and forfeitures have been treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. CASH AND CASH EQUIVALENTS**

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the library has cash and cash equivalents (book balances) totaling \$3,078,197.

Petty cash	\$250
Demand deposits	574,809
Time deposits	<u>2,503,138</u>
Total	<u><u>\$3,078,197</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2017, are secured as follows:

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Bank balances	<u>\$3,103,577</u>
Federal deposit insurance	\$1,100,000
Pledged securities (uncollateralized)	<u>3,682,180</u>
Total	<u>\$4,782,180</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the library, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the library's name.

**F. 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.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the library, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

**G. ANNUAL AND SICK LEAVE**

Employees receive from ten to twenty days of vacation leave each year, depending on length of service and professional status. Sick leave is earned at the rate of twelve days each year and employees may accumulate sick leave. There is no maximum number of sick days that can be accumulated. Upon separation of service, employees are compensated for accumulated vacation leave earned, but are not compensated for sick leave. In the case of

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retirement by a member of the staff who is qualified to draw retirement funds based on Library service within the Library Service System, the unused accumulation of sick time may be counted toward service time.

At December 31, 2017, employees of the library have accumulated and vested \$8,658 of employee leave benefits, computed in accordance with GASB Codification Section C60.

## **H. RISK MANAGEMENT**

The library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2017.

## **I. PENSION PLANS**

The Bienville Parish Library is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

## **2. LEVIED TAXES**

The ad valorem tax millage levied by the library was 3.96 mills for the year ended December 31, 2017. The authorized millage for the year ended December 31, 2017, was 3.52 mills. The current tax expires in 2023. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2017 assessed valuation (amounts expressed in thousands):

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	2017 Assessed Valuation	Per cent of Total Assessed Valuation
ETC Tiger Pipeline, LLC	\$58,771	15.58%
Gulf South Pipeline Company	35,090	9.30%
Regency Intrastate	28,237	7.49%
Bear Creek Storage Company	17,794	4.72%
QEP Energy Company	13,707	3.63%
Enable Gas Transmission	13,654	3.62%
Wildhorse Resources II, LLC	9,452	2.51%
Tanos Exploration II	9,431	2.50%
Haynesville Oil & Gas	8,670	2.30%
Arcadia Gas Storage, LLC	8,040	2.13%
Total	<u>\$202,846</u>	<u>53.79%</u>

**3. RECEIVABLES**

The General Fund receivables of \$1,421,561 at December 31, 2017, are as follows:

Class of receivables:

Taxes - ad valorem	\$1,406,228
Intergovernmental revenues - state revenue sharing (net)	15,333
Total	<u>\$1,421,561</u>

**4. CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets for the year ended December 31, 2017, follows:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Land	\$14,350			\$14,350
Construction in Progress	NONE	\$28,207		28,207
Buildings and improvements	3,657,120			3,657,120
Equipment	664,285	25,147	(\$18,833)	670,599
Books	1,577,875	61,856	(50,636)	1,589,095
Vehicles	55,240			55,240
Total	<u>5,968,870</u>	<u>115,210</u>	<u>(69,469)</u>	<u>6,014,611</u>
Less accumulated depreciation	<u>(3,393,806)</u>	<u>(280,764)</u>	<u>69,469</u>	<u>(3,605,101)</u>
Net capital assets	<u>\$2,575,064</u>	<u>(\$165,554)</u>	<u>NONE</u>	<u>\$2,409,510</u>

**5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description** – The Bienville Parish Library’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

**Contribution Rates** – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy** – Until 2011, the Bienville Parish Library recognized the cost of providing post-employment medical benefits (the Bienville Parish Library’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Bienville Parish Library’s portion of health care funding cost for retired employees totaled \$11,976 and \$13,969, respectively.

Effective January 1, 2011, the Bienville Parish Library implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

**Annual Required Contribution** – The Bienville Parish Library’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 9,725	\$ 10,125
30-year UAL amortization amount	20,306	21,678
Annual required contribution (ARC)	<u>\$ 30,031</u>	<u>\$ 30,580</u>

**Net Post-employment Benefit Obligation (Asset)** – The table below shows the Bienville Parish Library’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

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	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$134,045	\$118,320
Annual required contribution	30,031	31,803
Interest on Net OPEB Obligation	5,362	4,733
ARC Adjustment	<u>(7,752)</u>	<u>(6,842)</u>
OPEB Cost	27,641	29,694
Current year retiree premium	<u>(11,976)</u>	<u>(13,969)</u>
Change in Net OPEB Obligation	<u>15,665</u>	<u>15,725</u>
Ending Net OPEB Obligation	<u>\$149,710</u>	<u>\$134,045</u>

The following table shows the Bienville Parish Library's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2017	<u>\$ 27,641</u>	<u>43.33%</u>	<u>\$ 149,710</u>
December 31, 2016	<u>\$ 29,694</u>	<u>47.04%</u>	<u>\$ 134,045</u>

**Funded Status and Funding Progress** – In 2017 and 2016, the Bienville Parish Library made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2017 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$365,169 which is defined as that portion, as determined by a particular actuarial cost method (the Bienville Parish Library uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 365,169	\$ 389,850
Actuarial Value of Plan Assets (AVP)	<u>-</u>	<u>-</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 365,169</u>	<u>\$ 389,850</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	<u>\$ 515,291</u>	<u>\$ 491,781</u>
UAAL as a percentage of covered payroll	<u>70.87%</u>	<u>79.27%</u>

**Actuarial Methods and Assumptions** – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially

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determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Bienville Parish Library and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Bienville Parish Library and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Bienville Parish Library and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method** – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

**Actuarial Value of Plan Assets** – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

**Turnover Rate** – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 3%.

**Post employment Benefit Plan Eligibility Requirements** – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P. as described above under “Plan Description”. The three years represents the three years in the D.R.O.P. Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate)** – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate** – The expected rate of increase in medical cost is based a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later

**Mortality Rate** - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a recently published mortality table which has been used in determining the value of accrued benefits

in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits** – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retirees (not dependents), but only after Medicare eligibility at age 65.

**Inflation Rate** - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

**Projected Salary Increases** - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-retirement Benefit Increases** - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

## 6. RETIREMENT SYSTEMS

### Parochial Employees' Retirement System of Louisiana (System)

#### *Plan Description*

The Bienville Parish Library contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Library are members of Plan A.

Any member of Plan A who was hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after seven years creditable service.

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Notes to the Financial Statements (Continued)

Eligibility for retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2016, the Bienville Parish Library's total payroll for all employees was \$515,291. Total covered payroll was \$361,031. Covered payroll refers to all compensation paid by the Bienville Parish Library to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website [www.persla.org](http://www.persla.org).

#### *Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 12.5% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Bienville Parish Library to the System monthly. The Bienville Parish Library's contributions to the System under Plan A for the year ending December 31, 2017 were \$45,129.

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

At December 31, 2017, the Employer reported a liability of \$123,019 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Bienville Parish Policy Jury's proportion of the Net Pension Liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Library's proportion was 0.059732%, which was a decrease of 0.0029% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Bienville Parish Library recognized pension expense of \$45,129 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$27,307. Total pension expense for the Bienville Parish Library for the year ended December 31, 2016 was \$27,305.

At December 31, 2017, the Bienville Parish 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
Beginning balance	\$236,112	\$28,857
Change in system deferred outflows and inflows	(68,848)	(4,686)
Changes in proportionate share	424	
Difference between actual contributions and proportionate share of contributions		149
Contributions for measurement period	(46,053)	
Contributions subsequent to the measurement date	45,129	
Total	\$166,764	\$24,320

The \$45,129 reported as deferred outflows of resources related to pensions resulting from the Bienville Parish Library contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

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 Notes to the Financial Statements (Continued)

Year ended December 31,	
2017	\$35,573
2018	\$38,122
2019	\$25,099
2020	(\$2,580)

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016, are as follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%, per annum
Salary increases	5.25% (2.75% merit, 2.5% inflation)
Inflation rate	2.5%, per annum
Mortality rates	RP-2000 Employees Sex Distinct Table for Employees RP-2000 Healthy Annuitant Sex Distinct Table annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	4 years for Plan A
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 long-term expected rate of return on pension plan investments was determined using a triangulation method 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 ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of

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return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Totals	100%	5.66%
Inflation		2.00%
Expected arithmetic nominal return		7.66%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

*Sensitivity of the Bienville Parish Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Bienville Parish Library's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

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	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$367,999	\$123,019	(\$84,119)

*Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Audit Report at [www.persla.org](http://www.persla.org).

**7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS - COMPENSATED ABSENCES PAYABLE**

Long-term obligations at January 1, 2017	\$8,538
Additions	28,137
Deletions	(29,519)
Adjustments <sup>1</sup>	<u>826</u>
Long-term obligations at December 31, 2017	<u>\$7,982</u>

<sup>1</sup>As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay.

**8. LITIGATION AND CLAIMS**

The Bienville Parish Library is not involved in any litigation at December 31, 2017, nor is it aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

BIENVILLE PARISH LIBRARY  
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BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2017

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes - ad valorem	\$1,350,000	\$1,381,453	\$31,453
Intergovernmental revenues:			
State revenue sharing	23,783	23,592	(191)
Other state grants	2,000	2,209	209
Fines and forfeitures	20,000	21,128	1,128
Use of money and property - interest earnings	15,000	29,149	14,149
Other revenues	8,000	2,687	(5,313)
Total revenues	<u>1,418,783</u>	<u>1,460,218</u>	<u>41,435</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Current			
Personal services and related benefits	648,177	624,969	23,208
Operating services	240,000	182,645	57,355
Materials and supplies	60,000	36,836	23,164
Travel and other charges	15,000	10,251	4,749
Debt service	1,000		1,000
Capital outlay	399,606	115,210	284,396
Intergovernmental	55,000	43,392	11,608
Total expenditures	<u>1,418,783</u>	<u>1,013,303</u>	<u>405,480</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	NONE	446,915	446,915
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>2,500,000</u>	<u>3,987,157</u>	<u>1,487,157</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>2,500,000</u></u>	<u><u>\$4,434,072</u></u>	<u><u>\$1,934,072</u></u>

See accompanying note to budgetary comparison schedule.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended December 31, 2017

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Bienville Parish Library during the month of December for comments from taxpayers. The budget is then legally adopted by the board and amended during the year, as necessary. The budget is established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts.

**Bienville Parish Library  
Employee Health Care Plan  
December 31, 2017**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2010	\$0	\$468,237	\$468,237	0.00%	\$279,913	167.28%
December 31, 2013	\$0	\$360,438	\$360,438	0.00%	\$469,530	76.77%
December 31, 2017	\$0	\$365,169	\$365,169	0.00%	\$515,291	70.87%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB Codification Section P50 were implemented starting with the year ended December 31, 2011, only two valuations are available. Additional information will be added after each of the next valuation. Subsequent to that, information will be presented for the latest three valuations.

**Bienville Parish Library**  
**Schedule of Employer's Share of Net Pension Liability**  
**December 31, 2017**

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2014	0.053019%	\$14,496	\$351,378	4.13%	99.15%
December 31, 2015	0.062659%	\$164,937	\$354,249	46.56%	92.23%
December 31, 2016	0.059732%	\$123,019	\$361,031	34.07%	94.15%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Bienville Parish Library**  
**Schedule of Employer Contributions**  
**December 31, 2017**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2014	\$50,950	\$50,950	\$0	\$351,378	14.50%
December 31, 2015	\$46,052	\$46,052	\$0	\$354,249	13.00%
December 31, 2016	\$45,129	\$45,129	\$0	\$361,031	12.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2017

PEGGY WALLS, DIRECTOR

PURPOSE	AMOUNT
Salary	\$69,969
Benefits-insurance	798
Benefits-retirement	15,394
Travel - mileage	315
Housing and lodging	1,251
Registration fees	1,083
Meals	677
Continuing education fees	893
Airplane ticket	516
Surety bond	100

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Member:  
American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

**MARY JO FINLEY, CPA, INC.**  
*A PROFESSIONAL ACCOUNTING CORPORATION*  
116 Professional Drive - West Monroe, LA 71291  
Phone (318) 329-8880 - Fax (318) 239-8883

Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

**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 *Government Auditing Standards***

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

I 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 Bienville Parish Library, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Bienville Parish Library's basic financial statements, and have issued my report thereon dated June 4, 2018.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exist 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.

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2017

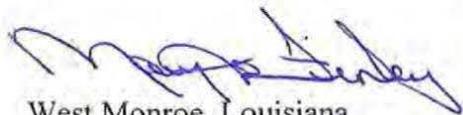
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bienville Parish Library's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that was required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bienville Parish Library'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 Bienville Parish Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana  
June 4, 2018

**BIENVILLE PARISH LIBRARY**  
Arcadia, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Bienville Parish Library.
2. No instances of noncompliance material to the financial statements of the Bienville Parish Library was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

BIENVILLE PARISH LIBRARY  
Arcadia, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2017

There were no audit findings reported in the audit for the year ended December 31, 2016.

# MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Bienville Parish Library  
2768 Maple Street  
Arcadia, LA 71001

To the Bienville Parish Library's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Bienville Parish Library's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. Management of Bienville Parish Library's Office is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### **AGREED-UPON PROCEDURES**

#### **1. WRITTEN POLICIES AND PROCEDURES**

- A. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

The librarian gave me a policy and procedures manual to test against the agreed upon procedures.

- B. Budgeting, including preparing, adopting, monitoring, and amending the budget.

The budgeting policy and procedure is in compliance with the agree upon procedures guidelines.

- C. 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.

The purchasing policies and procedures are not in compliance with the agree upon procedures guidelines. The librarian initiates and approves all purchases. The Library does not use purchase orders or requisitions. The policy and procedures outlines any purchases requiring compliance with the bid law.

- D. Disbursements, including processing, reviewing, and approving

The purchasing policies and procedures are not in compliance with the agree upon procedures guidelines. The librarian initiate all purchases, then the librarian writes the checks and signs them. The board is given a print out of all checks written for their review at each meeting. The librarian opens the bank statements each month and reviews for unusual items, and then reconciles the bank statement.

- E. Receipts, including receiving, recording, and preparing deposits

The Library has a written policy and procedures for receipts, recording and preparing documents. The librarian receives all checks, opens them and prepares and makes the deposits. The librarian enters the deposit into the quickbooks accounting software. The librarian reconciles the account. The library is not in accordance with AUP guidelines.

- F. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The Library has policies and procedures pertaining to payroll/personnel. It addresses several areas such as leave time, holiday time, compensatory time. The librarian is responsible for tracking the leave time and other compensatory time. The Library is in compliance with the AUP guidelines.

- G. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The Library has written policies and procedures concerning contracting. The Library is in compliance with the AUP guidelines.

- H. 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, and (5) monitoring card usage.

The Library has a written polices and procedures addressing credit cards. The cards are in the name of the librarian and several other employees. The librarian attaches the backup to the statements. The librarian initiates the checks and signs the checks The library is not in compliance with the AUP guidelines.

- I. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The Library has policies and procedures in place to cover the above categories. The Library is in compliance with the AUP guidelines.

- J. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The Library has ethics policies and procedures in place. All employees are required to take the online ethics course. The Library is in compliance with the AUP guidelines.

- K. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Library has a written policies and procedures in place for debt service. At this time, the Library has no outstanding debt. The Library is in compliance with the AUP guidelines.

## **BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)**

### ***Board (or Finance Committee, if applicable)***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Board meets quarterly.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The librarian prepares the financial statements and presents budget to actual comparisons at each meeting.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Non-budgetary financial information is also presented at meetings.

## **BANK RECONCILIATIONS**

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

The agency provided me with a certified list of all bank accounts.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

The agency had a total of 10 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

- A) Bank reconciliations have been prepared;

For the 5 bank accounts selected above, all were reconciled each month for the period tested.

- B) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

For the 5 bank accounts selected above, it was determined that the 5 bank reconciliations are performed by the librarian.

- C) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

For the 5 bank accounts selected above, 4 of the 5 accounts had no outstanding reconciling items over six months. One account had outstanding items over 6 months old.

## COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Agency provided me with a certified list of collection locations and I verified that it was complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

The agency has 4 collection locations. All were selected for testing for the following:

- A) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The Library's office has surety bonds that cover the librarian and branch managers, all other employees are covered by employee theft endorsement on the commercial insurance policy. The agency has 6 cash drawers. The librarian receives the check payments and makes the deposits and then posts the receipts to the accounting software. Deposits for checks are taken to the bank on the day that

checks are received. At the end of the month the librarian reconciles the bank accounts. Fines and other cash receipts are received by all library employees and put in a cash drawer and entered on a cash receipt journal. The cash drawers are reconciled twice a month. The branch managers prepare the recap and bring to the main branch. The recaps are verified and deposits are prepared and made by the librarian. The librarian posts the deposits to the quickbooks software.

- B) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The checks are deposited when received. The library receives cash for fines, copies and book collections. The deposit is made by the librarian twice a month. The deposit is posted to the accounting system when deposit slip is received by the librarian.

- C) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was January 8, 2017 thru January 14, 2017, which was tested for the following:

- ▶ Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The only fund the agency has was tested for deposits of collections. For the week tested, daily deposits were not made. Cash received is deposited twice a month.

- ▶ Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

The only fund of the library was tested for deposits of collections. All collections for the week tested had proper documentation. Deposits are made when the checks are received. Cash receipts are made twice a month.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

The agency has a written policies or procedures to determine completeness of collections or revenue sources.

#### **DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/P-CARD PURCHASES OR PAYMENTS)**

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Agency provided a complete year to date general ledger for the operating fund and represented that the general ledger was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

A) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The Library does not use purchase orders or requisitions.

B) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The Library does not use purchase orders or requisitions. The librarian initiates and approves all purchases.

C) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Of the disbursements selected to be tested, all were processed with all of the required support. The Library did not use purchase orders or requisitions.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Bienville Parish Library uses Quickbooks software which does not allow them to restrict any user from adding vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The librarian initiates all checks and signs all checks. The librarian reconciles all of the bank accounts.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those person that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control

documentation) and report whether the persons with signatory authority have system access to print checks.

The unused checks are stored in a secure location, but are not restricted to the employees with signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The Bienville Parish Library does not use a signature check stamp.

#### **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS**

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

The Library provided a certified list of its active credit cards, fuel cards, etc.

15. Using the listing prepared by management, randomly select 10 cards, (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

From the list in #14, 3 cards were randomly selected to test the following:

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- A) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, 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.)]

The Library has 8 credit cards. The librarian reviews all credit card statements, then writes the checks and signs the checks. The librarian reconciles the bank accounts. The librarian and other employees are the authorized card holders.

- B) Report whether finance charges and/or late fees were assessed on the selected statements.

The Library has 8 credit cards, no finance charges or late fees were noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for the card selected (i.e. each of the cards should have one month of transactions subject to testing).

- A) For each transaction, report whether the transaction is supported by:

- ▶ An original itemized receipt (i.e., identifies precisely what was purchased)

The credit card statements tested had all original itemized receipts.

- ▶ Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

The Library's charges were for business purposes.

- ▶ Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There is no other documentation required for the credit card purchases.

- B) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

There were no charges on the credit card that meet the requirements for using the bid law.

- C) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The Library had no credit card transactions that violate Article 7, Section 14 of the Louisiana Constitution.

## **TRAVEL AND EXPENSE REIMBURSEMENT**

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

The agency provided me with a certified list of employees who received travel or related expense reimbursements during the testing period.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

Agency has written policy and procedures for travel. The 2 employees selected that were paid the highest amount for travel or related expenses during the test period were tested against the written policies and procedures. No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expense selected:

The 2 employees with the travel costs during the test period were selected and tested for the following:

The Library travel costs were tested against the written policies and procedures - no exceptions noted.

- A) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

The agency has written policies or procedures for travel and the 2 employees that received the highest reimbursements for travel and related were tested against the policy - no exceptions noted.

- B) Report whether each expense is supported by:

- ▶ An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

The 2 employees that received travel and related reimbursements during the test period were tested against the travel and related policies - no exceptions noted.

- ▶ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

The 2 employees that received travel and related reimbursements during the test period were tested against the agency policies and procedures - no exceptions noted.

- ▶ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No other documentation is required by the agency for travel reimbursements.

- C) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No violations of Article 7 Section 14 were noted during testing.

- D) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

All employees that received any travel or related expense reimbursements during the test period were approved by the librarian.

## **CONTRACTS**

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Agency provided a certified list of all contracts in effect during the test period.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices:

The 2 contracts that were paid the most money were selected from the list of contracts from #20 and tested for the following:

- A) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Agency has a formal/written contract for all selected to be tested.

B) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- ▶ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- ▶ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

For the contracts tested, none of them required compliance with the public bid law. The agency did solicit quotes to get the best deal for the Library.

C) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contracts selected was not amended.

D) Select the largest payment from each of the five contracts, obtain the supporting invoices, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The contract payments that were tested were in compliance with the contract terms and conditions.

E) Obtain/review contract documentation and board minutes and report whether there is a documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

This is not applicable to the Library.

## PAYROLL AND PERSONNEL

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Agency provided a certified list of all employees with their authorized salaries. Five employees were selected to test the following:

- A) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

The 5 employees of the Library that were chosen to be tested, were paid in accordance with the terms and conditions of their employment.

- B) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

All changes to the salaries of the 5 employees chosen were approved by the board in writing.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- A) Report whether all selected employees/official documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Of the 5 employees selected, all employees that are eligible to earn leave time documented their daily attendance. The agency tracks leave time earned and used, to make sure no excess leave time is taken. The employees are allowed to accumulate leave time and carry forward. They are allowed to be paid for any

leave time upon termination. This is tested at the long term debt audit workpapers.

- B) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Of the 5 employees that were selected, the librarian approved the employees attendance and leave time.

- C) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The agency tracks leave time manually on an excel spreadsheet.

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

The agency provided a certified list of employees terminated during the test period. There was no employees terminated during the test period.

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

During testing of the agency it was determined that the Bienville Parish Library is submitting payroll tax, retirement contributions and required forms by the required deadlines.

## **ETHICS (EXCLUDING NONPROFITS)**

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Agency provided support for ethics training for the 5 randomly selected employees above.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

There were no ethics violations reported to the Library during the test period.

## **DEBT SERVICE (EXCLUDING NONPROFIT)**

The Library has no debt outstanding, therefore this section is not applicable.

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

The Bienville Parish Library had no debt outstanding during the test period that required bond commission approval.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Bienville Parish Library has no debt outstanding during the test period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The Bienville Parish Library has no debt outstanding, therefore, this does not apply.

## OTHER

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Library's office has no known misappropriation of funds during the test period.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

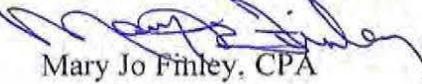
I observed the fraud hotline notice posted on the premises and a link to the notice was posted on the website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

There were no other exceptions noted during procedures.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is 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.

  
Mary Jo Finley, CPA

June 3, 2018

# BIENVILLE PARISH LIBRARY

2768 Maple Street • Arcadia, LA 71001

June 4, 2018

RE: In Response to Independent Accountant's Report on Applying Agreed-Upon Procedures.

## Written Policies and Procedures

1. C.) Due to the size of the library system the Director is responsible for all purchases. As of now the Assistant Director shares duties with Director so one can make purchases and the other approves. One prints checks and the other signs the checks.  
  
D.) Due to the size of the library system the Director is responsible for all disbursements. As of now the Assistant Director shares duties with Director so one is responsible for disbursements and the other approves.  
  
E.) Due to the size of the library system and the amount of money received, the Director makes deposits twice a month. Records are kept and reconciled to make sure all money is deposited.  
  
H.) Due to the size of the library system it is not feasible for the Director to not be one of the credit card holders. As of now the Assistant Director to review all checks/expenditures.

## Bank Reconciliations

4. B.) Due to the size of the library system the Director is responsible for all bank reconciliations. As of now the Assistant Director can review all bank reconciliations.  
  
C). Currently in the process of reviewing old items to review or reissue.

## Collections

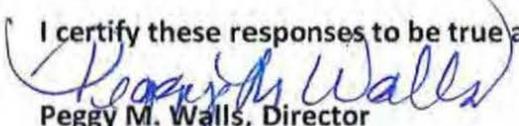
### 6. A.), B), & C)

Due to the small number of employees and the infrastructure of each branch library, it is not feasible for each employee to have a cash drawer. The main branch and each of the three branch libraries have branch managers who work out of the cash drawers daily supervising the collection and recording of monies. Each library has part time staff who work out of the drawers when work schedule permits. A report is maintained daily that breakdowns each drawer by user and account. The report is reconciled daily by the branch manager or appointed staff if the branch manager is unavailable.

## Disbursements

9. B.) Purchase orders are not used by the Bienville Parish Library. The Director is an appointed position who is ultimately responsible for the library system. The Director approves all purchases as well as reviews and initials each invoice prior to payment. The Assistant Director now reviews and approves disbursements.
10. QuickBooks software does not allow for the restriction of users adding vendors, however, all vendors are approved by the Director. The written policies and procedures adopted on June 2017 prohibit another employee from adding vendors.
11. The Library Director is an appointed position with ultimate responsibility for each library branch and therefore has final approval on all purchases as well a signatory authority. Financial duties are divided between the Director and the Assistant Director. Both individuals have the authority to issue payments to vendors and reconcile the bank statement.
12. Unused checks are stored in a locked location, but are not restricted from the Director. The Director has the ultimate responsibility for the library system and must have access to oversee and review all operations of the system.

I certify these responses to be true and correct.

  
Peggy M. Walls, Director

Bienville Parish Library