

**CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia
Parish Police Jury)
FERRIDAY, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2018**

**WITH
INDEPENDENT AUDITOR'S REPORT**



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

Annual Financial Statements
as of and for the Year Ended December 31, 2018
with Supplementary Information Schedules

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CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

Annual Financial Statements
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INDEPENDENT AUDITOR'S REPORT

Board of Control
Concordia Parish Library
Ferriday, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Parish Library, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2018, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Parish Library as of December 31, 2018, 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, budgetary comparison information, the schedule of the Library's proportionate share of the net pension liability, and the schedule of the Library's contributions, on pages 4 through 6 and pages 23 through 26, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Concordia Parish Library's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head or Chief Executive Officer, described in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

This report is intended for the information of the Members of the Library Board, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
March 26, 2019

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTION

This Management's Discussion and Analysis of Concordia Parish Library's financial performance provides an overall narrative view of the Library's financial activities for the year ended December 31, 2018, as compared to 2017. The intent of this discussion and analysis is to look at the Library's performance as a whole; readers should also review the notes to the financial statements to enhance their understanding of the Library's financial performance.

Concordia Parish Library's main office is located on 3rd Street in Ferriday, Louisiana in Concordia Parish. The Library provides library services to approximately 20,000 customers and is a component of the Concordia Parish Police Jury.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$8,753,824 and \$8,457,002 at December 31, 2018 and 2017, respectively.
- Total revenues exceeded expenditures by \$296,822 and \$282,908 at December 31, 2018 and 2017, respectively.
- The Library had net investment in capital assets of \$3,631,644 and \$3,270,186 at December 31, 2018 and 2017, respectively.
- The total payroll was \$366,787 and \$367,151 for 2018 and 2017, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Concordia Parish Library's basic financial statements. The Library's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the Library's net assets changed during the most recent year.

The government-wide financial statements can be found on pages 7 through 8 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 9 through 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 13 through 22 of this report.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

FUND FINANCIAL ANALYSIS

Net position for the period ending December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets	\$ 5,122,146	\$ 5,178,079
Noncurrent assets	<u>3,667,385</u>	<u>3,270,186</u>
Total assets	<u>\$ 8,789,531</u>	<u>\$ 8,448,265</u>
Deferred outflows of resources	<u>\$ 79,004</u>	<u>\$ 134,884</u>
Liabilities and Net Position		
Current liabilities	\$ 664	\$ 6,812
Noncurrent liabilities	<u>7,594</u>	<u>100,706</u>
Total liabilities	<u>\$ 8,258</u>	<u>\$ 107,518</u>
Deferred inflows of resources	<u>\$ 106,453</u>	<u>\$ 18,629</u>
Net Position		
Investment in capital assets, net of related debt	\$ 3,631,644	\$ 3,270,186
Unrestricted	<u>5,122,180</u>	<u>5,186,816</u>
Total net position	<u>\$ 8,753,824</u>	<u>\$ 8,457,002</u>

The following is a summary of the statement of activities:

	<u>2018</u>	<u>2017</u>
Revenues		
Ad valorem taxes	\$ 1,130,750	\$ 1,140,548
General revenues	95,925	98,922
Other	<u>343</u>	<u>432</u>
Total revenues	<u>\$ 1,227,018</u>	<u>\$ 1,239,902</u>
Expenses		
Operating expenses	<u>\$ 930,196</u>	<u>\$ 956,994</u>
Total expenses	<u>\$ 930,196</u>	<u>\$ 956,994</u>
Increase in net position	\$ 296,822	\$ 282,908
Net position, beginning of year	<u>8,457,002</u>	<u>8,174,094</u>
Net position, end of year	<u>\$ 8,753,824</u>	<u>\$ 8,457,002</u>

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

FUND FINANCIAL ANALYSIS (continued)

The notes to the financial statements should be read to have a full understanding of the data in the government-wide financial statements.

CAPITAL ASSETS AND DEBT

As of December 31, 2018, the Library had \$3,631,644 invested in capital assets net of accumulated depreciation of \$1,172,660. During the year, expenditures of \$485,646 were made to acquire capital assets.

As of December 31, 2018, the Library had no outstanding long-term debt.

During the year, the Library acquired the following capital assets:

Clayton furniture and fixtures	\$	142,238
Clayton construction		<u>343,408</u>
	\$	<u><u>485,646</u></u>

COMMENT ON THE BUDGET

The Library budgeted revenues of \$1,099,418 and expenditures of \$1,563,200 during the year. Actual revenues (budget basis) were \$1,257,317 and actual expenditures (budget basis) were \$1,282,953. The budget was amended once during the year, on October 12, 2018.

LIBRARY INFORMATION

Concordia Parish Library Board is in the planning stage of renovating its buildings. The Vidalia Library's renovation and expansion is complete. The Clayton Library is complete now, so the savings is designated for the Ferriday Library. The Library administration has saved funds for the renovation and a new bookmobile. The Ferriday project is estimated at \$1,700,000, plus \$200,000 for furniture. The project could cost more because of the need for maintenance work to the 1950 structure, such as window replacement and caulking, exterior paint, and other costs, as well as the moving of a wall and adding additional spaces. The architect from Dallas will be the lead architect and the discussion of the Library patrons' needs and ease of use is in the forefront.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Amanda Taylor, Director of Library, at (318) 757-3550.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2018

ASSETS	
Cash and cash equivalents	\$ 4,148,415
Receivables	973,731
Capital assets, net	3,631,644
Net pension asset	<u>35,741</u>
Total assets	<u>\$ 8,789,531</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 79,004</u>
LIABILITIES	
Accounts payable	\$ 664
Accrued compensated absences	<u>7,594</u>
Total liabilities	<u>\$ 8,258</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 106,453</u>
NET POSITION	
Invested in capital assets	\$ 3,631,644
Unrestricted	<u>5,122,180</u>
Total net position	<u>\$ 8,753,824</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

EXPENDITURES/EXPENSES	
Library services	\$ 930,196
PROGRAM REVENUES	
Fees, fines, and other charges for services	<u>343</u>
Net program expense	<u>\$ 929,853</u>
GENERAL REVENUES	
Ad valorem taxes	\$ 1,130,750
Federal revenue sharing	1,618
State revenue sharing	39,430
Interest earned	43,174
Other revenue	<u>11,703</u>
Total general revenues	<u>\$ 1,226,675</u>
Changes in net position	\$ 296,822
NET POSITION	
Beginning of year	<u>8,457,002</u>
End of year	<u>\$ 8,753,824</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUND

DECEMBER 31, 2018

ASSETS

Cash and cash equivalents	\$	4,148,415
Receivables (net of allowances for uncollectibles)		<u>973,731</u>
Total assets	\$	<u><u>5,122,146</u></u>

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts payable	\$	664
Total liabilities	\$	<u>664</u>
Fund balance		
Unassigned	\$	<u>5,121,482</u>
Total liabilities and fund balances	\$	<u><u>5,122,146</u></u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION**

DECEMBER 31, 2018

Total fund balance - governmental fund (Statement C)	\$		5,121,482
<p>Amounts reported for governmental activities in the statement of net position (government-wide financial statements) are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>			
Capital assets	\$	4,804,304	
Less accumulated depreciation		<u>(1,172,660)</u>	3,631,644
<p>Deferred outflows and inflows are not financial resources or currently payable</p>			
Deferred outflows	\$	79,004	
Deferred inflows		<u>(106,453)</u>	(27,449)
<p>Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:</p>			
Net pension asset	\$	35,741	
Accrued compensated absences liability		<u>(7,594)</u>	<u>28,147</u>
Total net position of governmental activities (Statement A)	\$		<u>8,753,824</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES

Ad valorem taxes	\$	1,130,750
Intergovernmental revenues:		
Federal revenue sharing		1,618
State revenue sharing		39,430
Fines		343
Interest earned		43,174
Other revenues		<u>11,705</u>
 Total revenues	 \$	 <u>1,227,020</u>

EXPENDITURES

General government	\$	797,956
Capital outlay		<u>485,646</u>
 Total expenditures	 \$	 <u>1,283,602</u>
 Excess of expenditures over revenues	 \$	 (56,582)
 Fund balance - beginning of year		 <u>5,178,064</u>
 Fund balance - end of year	 \$	 <u>5,121,482</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - total governmental fund (Statement E)	\$		(56,582)
Amounts reported for <i>governmental activities</i> in the statement of activities (government-wide financial statements) are different because:			
Increase in accrued compensated absences	\$	(797)	
Net changes in pension related items		<u>3,193</u>	2,396
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 exceeded depreciation expense in the period:			
Capital outlay	\$	485,646	
Depreciation expense		<u>(124,188)</u>	361,458
Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68:			
Pension expenses paid	\$	33,814	
Pension expenses per GASB 68		<u>(44,264)</u>	<u>(10,450)</u>
Change in net position of governmental activities (Statement B)	\$		<u>296,822</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTION

1. Concordia Parish Library has been a component unit of the Concordia Parish Police Jury since its inception in 1954. Administration and accounting functions for funds of the Library were transferred from the Concordia Parish Police Jury to the Concordia Parish Library Board of Control effective July 1, 2005, by R.S. 25:215(b)(15).
2. The purpose of Concordia Parish Library (the Library) is to provide Library services to the citizens of Concordia Parish.
3. The Library consists of eight board members appointed by the Concordia Parish Police Jury. Members serve five-year terms without pay.
4. The Library has four service outlets which include branches in Ferriday, Clayton, Vidalia, and one Bookmobile.
5. The Library serves approximately 20,000 people.
6. The Library has six full-time and nine part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of Concordia Parish Library have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Concordia Parish Police Jury, which holds the Library's corporate powers. For this reason, the Library is a component unit of the Concordia 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.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Library functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the Library's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Library. The following is a description of the Library's fund:

General Fund

The primary operating fund of the Library accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Library policy.

D. Measurement Focus/Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which are 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.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting (continued)

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the Library as a whole. These statements include all the financial activities of the Library. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

E. Budgets

The Library uses the following budget practices:

1. The Library Director prepares a proposed budget and submits same to the Library Board no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Library Board.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets are adopted on a cash basis. Budget amounts are as originally adopted, or as amended from time to time by the Library Board.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

CONCORDIA PARISH LIBRARY
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NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$1,000 or more for capitalizing capital assets. These financial statements include capital assets acquired subsequent to December 31, 2004. All capital assets owned prior to January 1, 2005, are accounted for by the Concordia Parish Police Jury.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, 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>
Furniture and fixtures	3-5 years
Vehicles	15 years

H. Compensated Absences

The Library has implemented GASB Statement 16, *Accounting for Compensated Absences*. Under GASB Statement 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources.

I. Use of Estimates

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

J. Net Position/Fund Balances

In the statements of net position, the difference between a government's assets and liabilities is recorded as net position. The two components of net position are as follows:

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Net Position/Fund Balances (continued)

Invested in Capital Assets, Net of Related Debt - This category records capital assets of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Unrestricted - This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

NOTE 2 - LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes	8.0	8.0	2028

The following is a summary of Concordia Parish Library's ad valorem taxes assessed and collected (cash basis) and the taxes receivable at December 31, 2018:

	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Uncollected December 31, 2018</u>
Parish-wide taxes	<u>\$ 1,117,553</u>	<u>\$ 184,360</u>	<u>\$ 933,193</u>

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2018, the Library had cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 272,073
Time deposits	<u>3,876,342</u>
Total	<u>\$ 4,148,415</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 in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2018, the Library has \$4,164,398 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$5,832,019 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial Bank to advertise and sell the pledged securities within ten days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The receivables at December 31, 2018, are as follows:

<u>Class of Receivable</u>	<u>Total</u>
Ad valorem taxes	\$ 933,193
State revenue sharing	26,410
Accrued interest	<u>14,128</u>
Total	<u>\$ 973,731</u>

These accounts receivable are considered to be 100% collectible and no provision for bad debts has been made by the Library.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/18</u>
Capital assets being depreciated					
Buildings	\$ 2,173,805	\$ 343,408	\$ 1,472,980	\$ -	\$ 3,990,193
Bookmobile	94,952	-	-	-	94,952
Equipment	576,921	142,238	-	-	719,159
Construction in progress	<u>1,472,980</u>	<u>-</u>	<u>(1,472,980)</u>	<u>-</u>	<u>-</u>
Total capital assets being depreciated	<u>\$ 4,318,658</u>	<u>\$ 485,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,804,304</u>
Less accumulated depreciation:					
Buildings	\$ (480,647)	\$ (88,181)	\$ -	\$ -	\$ (568,828)
Bookmobile	(81,805)	(6,330)	-	-	(88,135)
Equipment	<u>(486,020)</u>	<u>(29,677)</u>	<u>-</u>	<u>-</u>	<u>(515,697)</u>
Total accumulated depreciated	<u>\$ (1,048,472)</u>	<u>\$ (124,188)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,172,660)</u>
Total capital assets, net	<u>\$ 3,270,186</u>	<u>\$ 361,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,631,644</u>

NOTE 6 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The accounts, salaries, and other payables at December 31, 2018, are as follows:

Other payables	<u>\$ 664</u>
Total	<u>\$ 664</u>

NOTE 7 - PENSION PLAN

Plan Description. Substantially all employees of Concordia Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Library are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplementary plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplementary-plan-only service earned before January 1, 1980.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 7 - PENSION PLAN (continued)

Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary, and the Library is required to contribute at an actuarially determined rate. The current rate is 11.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan.

The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the year ending December 31, 2018, were \$33,814, equal to the required contributions for the year.

NOTE 8 - PLAN DESCRIPTION AND BENEFITS

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

At December 31, 2018, the Library reported an asset of (\$35,741) for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2017, the Library's proportion was .048153 percent.

For the year ended December 31, 2018, the Library recognized pension expense of \$44,792, less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$528. At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 23,136
Changes of assumptions	45,111	-
Net difference between projected and actual earnings on pension plan investments	-	82,573
Changes in proportion and differences between Library contributions and proportionate share of contributions	79	744
Library contributions subsequent to the measurement date	33,814	-
Total	<u>\$ 79,004</u>	<u>\$ 106,453</u>

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$45,190 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	4,838
2019		(5,493)
2020		(27,878)
2021		(32,730)
Total	\$	<u>(61,263)</u>

Actuarial assumptions. The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2017
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	7.75%, net of investment expense, including inflation
Expected remaining service lives	4 years
Projected salary increase	5.25% (2.75% merit/2.50% inflation)
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.
Mortality	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation rate	2.50%

The long-term expected real 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 rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62%. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017, are summarized in the following table:

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected arithmetic nominal return		7.62%

Sensitivity to Changes in Discount Rate. The following presents the net pension (asset) liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

	<u>Changes in Discount Rate 2017</u>		
	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net pension liability	\$ 176,218	\$ (35,741)	\$ (214,614)

NOTE 9 - RISK MANAGEMENT

The Library is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The Library minimizes its losses by purchase of commercial insurance. The Library's exposure over the amount of insurance is considered to be immaterial.

SECTION III
REQUIRED SUPPLEMENTARY INFORMATION

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budget Basis</u>	<u>Differences Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$ 1,099,790	\$ 1,030,000	\$ 1,178,702	\$ 148,702
Federal revenue sharing	2,000	1,618	1,618	-
State revenue sharing	40,000	26,500	26,410	(90)
Fines	400	350	343	(7)
Interest earned	25,000	30,000	38,539	8,539
Other revenue	<u>11,350</u>	<u>10,950</u>	<u>11,705</u>	<u>755</u>
Total revenues	<u>\$ 1,178,540</u>	<u>\$ 1,099,418</u>	<u>\$ 1,257,317</u>	<u>\$ 157,899</u>
EXPENDITURES				
General government	\$ 1,128,540	\$ 1,013,200	\$ 797,307	\$ 215,893
Capital outlay	<u>2,180,000</u>	<u>550,000</u>	<u>485,646</u>	<u>64,354</u>
Total expenditures	<u>\$ 3,308,540</u>	<u>\$ 1,563,200</u>	<u>\$ 1,282,953</u>	<u>\$ 280,247</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$ (2,130,000)	\$ (463,782)	\$ (25,636)	\$ 438,146
Fund balance (cash basis) - beginning of year	<u>4,174,051</u>	<u>4,174,051</u>	<u>4,174,051</u>	<u>-</u>
Fund balance (cash basis) - end of year	<u>\$ 2,044,051</u>	<u>\$ 3,710,269</u>	<u>\$ 4,148,415</u>	<u>\$ 438,146</u>

See Independent Auditor's Report.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

Net change in fund balance – budget basis	\$	(25,636)
Decrease		
Net adjustments for revenue accruals		(30,297)
Net adjustments for expenditure accruals		(647)
		<hr/>
Net change in fund balance – GAAP basis	\$	<u>(56,580)</u>

See Independent Auditor's Report.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Library's proportion of the net pension liability (asset)	.034378%	.046040%	.048898%	.048153%
Library's proportionate share of the net pension liability (asset)	\$ 9,399	\$ 121,191	\$ 100,706	\$ (35,741)
Library's covered-employee payroll	\$ 194,536	\$ 263,972	\$ 286,693	\$ 286,693
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.31%	45.91%	35.13%	13.54%
Plan fiduciary net position as a percentage of the total pension liability	99.15%	92.23%	94.15%	101.98%

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

See Independent Auditor's Report.

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

SCHEDULE OF THE LIBRARY'S CONTRIBUTIONS
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 38,276	\$ 37,270	\$ 37,478	\$ 33,814
Contributions in relation to the contractually required contribution	<u>(38,276)</u>	<u>(37,270)</u>	<u>(37,478)</u>	<u>(33,814)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	\$ 263,972	\$ 286,693	\$ 296,390	\$ 294,036
Contributions as a percentage of covered-employee payroll	14.50%	13.00%	13.00%	11.50%

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

See Independent Auditor's Report.

**SECTION IV
OTHER INFORMATION**

CONCORDIA PARISH LIBRARY
 (A Component Unit of the Concordia Parish Police Jury)
 FERRIDAY, LOUISIANA

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND
 OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name:	Amanda Taylor
Salary	\$ 86,112
Benefits - retirement	<u>9,902</u>
Total	<u>\$ 96,014</u> -

See Independent Auditor's Report.

SECTION V
REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Control
Concordia Parish Library
Ferriday, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Parish Library as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Concordia Parish Library's basic financial statements, and have issued our report thereon dated March 26, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Silas Simmons, LLP

Natchez, Mississippi
March 26, 2019

SECTION VI
SCHEDULE OF FINDINGS

**CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA**

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2018

Section I: Summary of Auditor's Reports

- | | |
|--|------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to the primary government financial statements? | No |

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

None

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

None

Section III - Management Letter:

None

CONCORDIA PARISH LIBRARY
(A Component Unit of the Concordia Parish Police Jury)
FERRIDAY, LOUISIANA

CURRENT YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
-----------------	-------------------------------	--------------------------------------	---	--

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

None

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

None

Section III - Management Letter:

None

SCHEDULE VII
AGREED-UPON PROCEDURES REPORT



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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Concordia Parish Library
and the Louisiana Legislative Auditor

We have performed the procedures enumerated in the attached supplemental schedule, which were agreed to by Concordia Parish Library and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2018. The Library's management is responsible for those control and compliance 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, we 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 included in the attachment following this report.

We were 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 control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance 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.

Silas Simmons, LLP

Natchez, Mississippi
March 26, 2019

CONCORDIA PARISH LIBRARY
SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

Written Policies and Procedures

1. Procedures: Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *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.
 - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Board (or Finance Committee, if applicable)

2. Procedures: Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Bank Reconciliations

3. Procedures: Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: We obtained a list of bank accounts from the list management gave for bank confirmations and had management identify the main operating bank account. We selected the main operating bank account and randomly selected two bank accounts. We obtained the related bank statements and randomly selected one month from the fiscal period to review whether bank reconciliations had been prepared within two months of the related statement closing date, included evidence of a member of management unrelated to the cash collection/disbursement processes had reviewed each bank reconciliation, and included documentation that management has researched reconciling items that have been outstanding for more than 12 months from that statement closing date.

No exceptions were noted during the above procedures.

Collections

4. Procedures: Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. Procedures: For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Procedures: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Procedures: Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Nonpayroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Procedures: Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

Findings: We obtained a list of locations that process payments and management's representation that the listing is complete. The Library has one location for processing payments.

No exceptions were noted during the above procedure.

9. Procedures: For each location selected under Procedure 8, obtain a listing of those employees involved with nonpayroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: Using the Library's one location, we inquired of employees involved with nonpayroll purchasing and payment functions and obtained written policies and procedures.

No exceptions were noted during the above procedure.

10. Procedures: For each location selected under Procedure 8, obtain the entity's nonpayroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9, as applicable.

Findings: For each location from Procedure 8, we obtained the nonpayroll disbursement transaction population and management's representation that the population is complete. We randomly selected five disbursements and obtained the documentation that the disbursement matched the related original invoice and that the related documentation included evidence of segregation of duties tested under Procedure 9.

No exceptions were noted during the above procedure.

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

11. Procedures: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Procedures: Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Procedures: Using the monthly statements or combined statements selected under Procedure 12, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Travel and Expense Reimbursement

14. Procedures: Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration.
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (Procedure 1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and obtained management's representation that the listing is complete. We randomly selected five reimbursements and obtained the supporting documentation to observe how the reimbursement was determined, what the purpose was, and if the reimbursement was approved appropriately.

No exceptions were noted during the above procedures.

Contracts

15. Procedures: Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Payroll and Personnel

16. Procedures: Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Procedures: Randomly select one pay period during the fiscal period. For the five employees/officials selected under Procedure 16, obtain attendance records and leave documentation for the pay period and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Procedures: Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the listing is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees'/officials' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files.
19. Procedures: Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Ethics

20. Procedures: Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel," obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Debt Service

21. Procedures: Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Procedures: Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Other

23. Procedures: Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Procedures: Observe that the entity has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

CONCORDIA PARISH LIBRARY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

Summary of Findings

<u>Reference No.</u>	<u>Description of Finding</u>
None	