

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**A COMPONENT UNIT OF THE
POINTE COUPEE PARISH COUNCIL**

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

**MAJOR, MORRISON & DAVID
Certified Public Accountants
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**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

Table of Contents

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	4-7
Basic Financial Statements:	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	15-29
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	31
Schedule of Library's Proportionate Share of Net Pension Liability – Parochial Employees' Retirement System of Louisiana	32
Schedule of Library's Contributions to Parochial Employees' Retirement System of Louisiana	33
Schedule of Changes in Total OPEB Liability and Related Ratios	34
Notes to Required Supplementary Information	35
Supplemental Information	
Budgetary Comparison Schedule – Schedule of Expenses	37
Schedule of Compensation, Benefits, and Other Payments to Agency Head	38
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39-40
Summary Schedule of Findings and Responses	41
Summary Schedule of Prior Audit Findings	42
Corrective Action Plan for Current Year Audit Findings	43
Independent Accountants' Report on Applying Agreed-Upon Procedures	45-53

Independent Auditors' Report

To the Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Pointe Coupee Parish Library, a component unit of the Pointe Coupee Parish Council, 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

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.

Auditors' 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 and each major fund of Pointe Coupee Parish Library, a component unit of the Pointe Coupee Parish Council, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and on page 31 be presented to supplement the basic financial statements. Such information, including the pension and other post-employment benefits information on pages 32 through 35, 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.

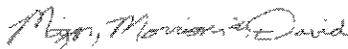
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pointe Coupee Parish Library's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 June 28, 2019, on our consideration of the Pointe Coupee Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Pointe Coupee Parish Library's internal control over financial reporting and compliance.



Major, Morrison & David
New Roads, Louisiana
June 28, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

The Management's Discussion and Analysis (MD&A) of the Pointe Coupee Parish Library (Library) provides an overview and overall review of the Library's financial activities for the fiscal year ended December 31, 2018. The intent of the MD&A is to look at the Library's financial performance as a whole. It should, therefore, be read in conjunction with the Library's financial statements found in the financial section starting on page 9, and the notes thereto. MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

FINANCIAL HIGHLIGHTS

- The Library's total net position increased by \$371,004 over the course of this year's operations.
- During the year, the Library's expenses were \$1,641,013 more than the \$33,402 generated in charges for services and operating grants for governmental programs.
- The total cost of the Library's programs was \$1,674,415, an increase of approximately \$154,007 or 10.1 percent.
- Total revenues including general revenues increased by \$65,686 or 3.3 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Library:

- The first two statements on pages 9 and 10 are government-wide financial statements that provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.
- The remaining statements starting on page 11 are fund financial statements that focus on individual parts of the Library's government, reporting the Library's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services, such as library services, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide additional detailed data. The notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements as well as providing budgetary comparison data. The last section of the report contains additional supplemental information regarding the governmental fund-general fund. The rest of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the Library as a whole using the accrual basis of accounting, which is similar to that which is used by private sector companies. The statement of net position on page 9 includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities on page 10, regardless of when cash is received or paid.

These two statements report the Library's net position and changes in them. Net position – the difference between the Library's assets and liabilities – is one way to measure the Library's financial health, or financial position. Over time, increases and decreases in the Library's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will also need to be considered to assess the overall health of the Library.

The government-wide financial statements of the Library report only one type of activity – governmental activities. All of the Library's basic services are included here, such as library services and general administration.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Fund Financial Statements

The fund financial statements, beginning on page 11, provide more detail about the Library's most significant funds – not the Library as a whole. State laws require the establishment of some funds. Funds are accounting devices that the Library uses to keep track of specific sources of funding and spending for particular purposes.

The Library uses only the governmental type of fund with the following accounting approach. Most of the Library's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash, flow in and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements therefore provide a detailed short-term view of the Library's general government operations and the basic services it provides, and helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Since this information does not include the additional long-term focus of government-wide statements, we provide reconciliations on the subsequent pages that explain the relationship (or differences) between the two different type statements.

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Net position. The Library's combined net position changed slightly between fiscal years 2017 and 2018, increasing by \$272,848 to approximately \$8.72 million. This change includes an adjustment for GASB 75 in the amount of (\$98,156). (See Table 1 below)

**Table 1
Library's Net Position**

	Governmental Activities 2017	Governmental Activities 2018
Assets:		
Current and other assets	\$ 5,320,489	\$ 5,647,368
Capital assets	3,182,623	3,278,243
Total assets	\$ 8,503,112	\$ 8,925,611
Deferred Outflows:		
Resources related to pensions	181,636	105,847
Total deferred outflows	\$ 181,636	\$ 105,847
Liabilities:		
Current liabilities	64,016	53,671
Noncurrent liabilities	152,283	106,672
Total liabilities	\$ 216,299	\$ 160,343
Deferred Inflows:		
Resources related to pensions and OPEB	23,878	153,696
Total deferred inflows	\$ 23,878	\$ 153,696
Net Position:		
Invested in capital assets, net of related debt	3,182,623	3,278,243
Restricted for Capital Projects	2,249,718	2,579,505
Restricted for Prepaid Expenses	7,126	8,954
Unrestricted	3,005,104	2,850,717
Total net position	\$ 8,444,571	\$ 8,717,419

Net position of the Library's governmental activities increased by 3.2 percent to \$8.72 million.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Changes in net position. The Library's total revenues increased by 3.3 percent to \$2,045,419 (See Table 2), due to an increase in property tax revenue. Approximately 97 percent of the Library's revenue comes from a general property tax assessed on the property owners in the parish.

The total cost of all programs and services increased approximately \$154,007 or 10.1 percent. The Library's expenses cover all services, which it offers to the public.

Governmental Activities

Revenues for the Library's governmental activities increased by 3.3 percent, while total expenses increased by 10.1 percent.

**Table 2
Changes in Library's Net Position**

	Governmental Activities 2017	Governmental Activities 2018
Revenues		
Program revenues		
Charges for services	\$ 12,082	\$ 14,720
Operating grants and contributions	24,902	18,682
Other revenues	1,942,749	2,012,017
Total revenues	\$ 1,979,733	\$ 2,045,419
Expenses		
General government	1,520,408	1,674,415
Total expenses	\$ 1,520,408	\$ 1,674,415
Increase in net position	\$ 495,325	\$ 371,004

**Table 3
Net Cost of Library's Governmental Activities**

	Total Cost of Services 2018	Net Cost of Services 2018
Library Services	\$ 1,674,415	\$ 1,641,013

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year, its governmental funds reported a combined fund balance of \$5,545,982, reflecting an increase over the prior year of \$289,509. Of the combined fund balance total, \$2,883,392 is unassigned indicating availability for continuing the library's activities, \$74,131 is assigned for subsequent year budget stabilization, \$2,579,505 is committed for capital projects, and \$8,954 is nonspendable for prepaid expenses. Even with a slight increase of operating expenses for the year, the library has consistently maintained an annual surplus, operating within the revenues generated. The library has maintained a healthy fund balance and continues to operate within its budget restrictions.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

General Fund Budgetary Highlights

During the year, the library operated within its budget with the exception of transfers to the Capital Projects Fund and amended it once. Revenues received during the year were greater than expected and expenditures were less than expected due to lower salaries and related benefits and utilities costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the Library had invested \$3,278,243 in capital assets. (See Table 4).

**Table 4
Library's Capital Assets
(net of accumulated depreciation)**

	Governmental Activities 2018
Land	\$ 170,265
Buildings and improvements	2,556,278
Furniture and equipment	147,677
Books and periodicals	332,689
Recordings and cassettes	64,415
Filmstrips and videos	6,919
Total	\$ 3,278,243

Debt

At year-end, the Library had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 97 percent of the Library's revenues are derived from an ad valorem tax on the voters of the parish. The Pointe Coupee Parish Council must approve the Library's millage rates for collection of the ad valorem taxes each year. The economy is not expected to generate any significant growth in assessment values. Neither library fees nor grant income is expected to increase; therefore, future revenues are expected to remain consistent with the current year. Staff levels are not expected to increase, although retirement costs and health costs have continued to rise. Measures taken by the library to offset these increases include increasing the employee contribution for health costs and reducing expenses in other areas. The budget for the year 2019 should be comparable to the year's 2018 budget.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our parishioners, taxpayers, customers, investors and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Melissa Hymel, Library Director, 201 Claiborne Street New Roads, Louisiana 70760.

BASIC FINANCIAL STATEMENTS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Net Position

December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,752,348
Investments	146,314
Accounts receivable	520
Taxes receivable	1,691,517
Prepaid expenses	8,954
Net pension asset	47,715
Land	170,265
Capital assets, net of depreciation	<u>3,107,978</u>
Total assets	<u>8,925,611</u>
DEFERRED OUTFLOWS OF RESOURCES	
Resources related to pensions	<u>105,847</u>
Total deferred outflows of resources	<u>105,847</u>
LIABILITIES	
Accounts payable and accrued expenses	53,671
Non-current liabilities:	
Other post-employment benefits	<u>106,672</u>
Total liabilities	<u>160,343</u>
DEFERRED INFLOWS OF RESOURCES	
Resources related to pensions	141,649
Resources related to other post-employment benefits	<u>12,047</u>
Total deferred inflows of resources	<u>153,696</u>
NET POSITION	
Invested in capital assets, net of related debt	3,278,243
Restricted for:	
Capital projects	2,579,505
Prepaid expenses	8,954
Unrestricted (deficit)	<u>2,850,717</u>
Total net position	<u><u>\$ 8,717,419</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Activities

For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government - Library services	\$ 1,674,415	\$ 14,720	\$ 18,682	\$ (1,641,013)
Total governmental activities:				<u>(1,641,013)</u>
General revenues:				
Property taxes - levied for general purposes				1,978,386
State revenue sharing				30,139
Gain (loss) on sale of assets				(708)
Unrestricted investment earnings				<u>4,200</u>
Total general revenues				<u>2,012,017</u>
Change in net position				371,004
Net position - beginning of the year				8,444,571
GASB No. 75 adjustment - see Note 1(K)				<u>(98,156)</u>
Net position - beginning of year as restated				8,346,415
Net position - end of the year				<u>\$ 8,717,419</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

Balance Sheet

December 31, 2018

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	TOTALS (Memorandum Only) 2017
ASSETS				
Cash and cash equivalents	\$ 1,145,899	\$ 2,606,449	\$ 3,752,348	\$ 3,408,019
Investments	146,314	-	146,314	144,693
Receivables	1,692,037	-	1,692,037	1,760,651
Prepaid expenses	8,954	-	8,954	7,126
Total Assets	\$ 2,993,204	\$ 2,606,449	\$ 5,599,653	\$ 5,320,489
LIABILITIES & FUND BALANCE				
Liabilities:				
Accounts payable	\$ 24,372	\$ 26,944	\$ 51,316	\$ 42,594
Payroll deductions payable	2,355	-	2,355	21,422
Total Liabilities	26,727	26,944	53,671	64,016
Fund Balances:				
Nonspendable:				
Prepaid expenses	8,954	-	8,954	7,126
Committed for:				
Capital projects	-	2,579,505	2,579,505	2,249,718
Assigned for:				
Budget stabilization	74,131	-	74,131	-
Unassigned	2,883,392	-	2,883,392	2,999,629
Total Fund Balance	2,966,477	2,579,505	5,545,982	5,256,473
TOTAL LIABILITIES & FUND BALANCE	\$ 2,993,204	\$ 2,606,449	\$ 5,599,653	\$ 5,320,489

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

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

December 31, 2018

Total fund balance - governmental funds	\$ 5,545,982
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet -	3,278,243
Noncurrent assets are not due and receivable in the current period and, therefore, are not reported in the Balance Sheet - governmental funds.	
Net pension asset	47,715
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - governmental funds.	
Other postemployment benefits	(106,672)
Deferred outflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	105,847
Deferred inflows of resources related to pensions and other post-employment benefits do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	<u>(153,696)</u>
Total net position of governmental activities	<u><u>\$ 8,717,419</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2018**

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	TOTALS (Memorandum Only) 2017
REVENUES				
Ad valorem taxes	\$ 1,978,386	\$ -	\$ 1,978,386	\$ 1,904,641
Intergovernmental revenues:				
Federal grants	10,693	-	10,693	14,006
State revenue sharing	30,139	-	30,139	30,371
Interest earnings	4,200	-	4,200	5,445
Other revenues:				
Fees & charges for services	14,300	-	14,300	11,774
Fines & lost book collections	420	-	420	308
Gifts, donations, misc revenue	3,210	-	3,210	8,319
Total revenues	<u>2,041,348</u>	<u>-</u>	<u>2,041,348</u>	<u>1,974,864</u>
EXPENDITURES				
Salaries and related benefits	742,182	-	742,182	701,280
Legal & accounting	57,888	-	57,888	44,813
Insurance	58,536	-	58,536	53,110
Material and supplies	85,567	-	85,567	71,288
Repairs & maintenance	260,082	2,545	262,627	187,665
Utilities and communications	81,588	-	81,588	81,356
Capital outlay	142,418	192,318	334,736	260,163
Intergovernmental	83,880	-	83,880	80,455
Other operating services	44,835	-	44,835	32,994
Total expenditures	<u>1,556,976</u>	<u>194,863</u>	<u>1,751,839</u>	<u>1,513,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>484,372</u>	<u>(194,863)</u>	<u>289,509</u>	<u>461,740</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	75,350	600,000	675,350	2,249,718
Operating transfers out	(600,000)	(75,350)	(675,350)	(2,249,718)
Total other financing sources (uses)	<u>(524,650)</u>	<u>524,650</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(40,278)</u>	<u>329,787</u>	<u>289,509</u>	<u>461,740</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>3,006,755</u>	<u>2,249,718</u>	<u>5,256,473</u>	<u>4,794,733</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,966,477</u>	<u>\$ 2,579,505</u>	<u>\$ 5,545,982</u>	<u>\$ 5,256,473</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

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

For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds	\$	289,509
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

Capital Outlays		334,736
Depreciation		(238,408)

Governmental funds report the proceeds from the sale of capital assets as revenues. However in the statement of activities only gains and losses are reported:

Gain (loss) on the disposal of capital assets		(708)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(Increase) decrease in other post-employment benefits		(4,037)
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Governmental funds report current year pension contributions as expenditures. However, in the statement of activities it is an actuarially calculated expense. This represents the difference between pension contributions and actuarially calculated expense.

		(14,867)
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The assessor's proportionate share of non-employer contributions to the pension plan do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

		4,779
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Change in net position of governmental activities	\$	<u>371,004</u>
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The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and For the Year Ending December 31, 2018**

INTRODUCTION

The Pointe Coupee Parish Library, New Roads, Louisiana was established by the parish governing authority, under the provisions of Louisiana Revised Statute 25:211. Louisiana Revised Statute 25:214 provides for public governance through a Library board of control. The Pointe Coupee Parish Council appoints the board of control, which consists of seven non-compensated board members. The mission of the Pointe Coupee Parish Library is to provide resources and services to fulfill individual informational needs for day-to-day living and pleasure, and for cultural, educational, and leisurely pursuits. The Library serves the entire parish of Pointe Coupee, consisting roughly of 22,802 residents. The Library employs approximately 26 workers located at their main branch in New Roads and outlying branches in Morganza, Innis, Livonia, and Rougon, Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Pointe Coupee Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Pointe Coupee Parish Council, which holds the Library's corporate powers. For this reason, the Library is a component unit of the Pointe Coupee Parish Council, 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 Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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 which may be used to finance future period programs or operations of the Library. The following are the Library's governmental funds:

General Fund – the primary operating fund of the Library and it 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.

Capital Projects Fund – accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include all the financial activities of the Library. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Library’s general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the FFS of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. 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 is then reconciled, through adjustment, to a government-wide view of the Library’s operations (See the reconciliation statements).

The amounts reflected in the FFS 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 assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Taxes are generally collected in December of the current year and January and February of the following year.

Where grant revenue is dependent upon expenditures by the Library, revenue is recognized when the related expenditures are incurred.

Interest income on time deposits (certificates of deposit) is recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures –

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for accumulated vacation leave, which is not accrued.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Other Financing Sources (Uses)

The sale of fixed assets as well as transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses) and are recorded when incurred.

E. BUDGETS

The Library adopts an annual appropriated budget for the General Fund. All annual appropriations lapse at fiscal year-end. The budget is prepared based on the modified accrual basis of accounting and is presented and adopted by the Board of Control.

The proposed budget was published and made available for public inspection on October 5, 2017, in accordance with Louisiana Revised Statute (R.S.) 39:1306. The public hearing was held at the Library's main office in New Roads, LA on November 8, 2017, at which time the Board of Control formally adopted it. The Board of Control has the authority to make changes or amendments within various budget classifications. One amendment was proposed and adopted during the year.

F. ENCUMBRANCES

The Library does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, 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.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Library's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No. 31 allows the Library to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at fair value which approximates cost.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing capital assets.

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:

Land Improvements	20 years
Buildings & Improvements	10 – 40 years

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Equipment & furniture	5 years
Vehicles	5 – 10 years
Library collection	5 – 7 years

J. BAD DEBTS

The Library uses the allowance method whereby uncollectible amounts due from other governmental entities are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which indicates the particular receivable is not collectible. No amounts were charged off in the year ended December 31, 2018.

K. CHANGE IN ACCOUNTING PRINCIPLE

During the year ending December 31, 2018, the Library adopted GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. The statement’s objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement replaces requirements of Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”. This resulted in a restatement of previously reported net position as follows:

Governmental funds net position as previously reported at December 31, 2017	\$ 8,444,571
Prior period adjustment:	
Net effect of recording total OPEB liability	<u>(98,156)</u>
Governmental funds net position as restated at December 31, 2017	<u>\$ 8,346,415</u>

L. OTHER POSTEMPLOYMENT BENEFITS

The Library follows GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, which requires the accrual of other postemployment benefits for retired employees. The Library has recorded a liability for other postemployment benefits (see Note 10). In government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

M. COMPENSATED ABSENCES

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

The Library Director earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year
2 years	15 days per year
3 or more years	20 days per year

Full-time professional staff earn the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year payable after six months
Each succeeding year of service after 10 years	10 days plus one additional day per year up to 20 days

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Full-time Library employees earn the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 - 10	10 days per year
11 or more	15 days per year

Employees may not accumulate vacation time. Vacation time should be used during the calendar year in which it is granted. If this is impossible or creates an undue hardship on the employee or the Library, the Director may grant permission to use the unused vacation in the first quarter of the next year. Any unused vacation is forfeited after this fifteen-month period. Any employee resigning or retiring will be paid for any unused vacation, which was granted in that same calendar year. The liability for compensated absences at December 31, 2018 was \$2,355.

All full-time employees earn 12 days of sick leave and 3 days of emergency leave per year after six months of continuous service. Sick leave may be accumulated up to a maximum of 90 days for retirement purposes only. Emergency leave does not accumulate. Employees are not compensated for accrued sick leave upon retirement or termination of employment.

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Library follows GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement provides guidance for reporting deferred outflows, deferred inflows and net position in a statement of financial position and related disclosures and applies to transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. The Library's deferred outflows/inflows of resources consist of resources related to pensions and other post-employment benefits (see Notes 9 & 10).

O. PENSIONS

Financial reporting information pertaining to the Library's participation in the Parochial Employees' Retirement System of Louisiana (PERS) is prepared in accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", as amended by GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", which have been adopted by the Library for the fiscal year ended December 31, 2015.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PERS have been determined on the same basis as they are reported by PERS. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Library's proportionate share of the plan's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

P. RESTRICTED NET POSITION

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) imposed by law through constitutional provisions or enabling legislation.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Q. FUND EQUITY

The Library has adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement established criteria for classifying fund balances into specifically defined classifications and clarified definitions for governmental fund types. The following describes the different classifications available for fund balances of governmental funds:

Nonspendable – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted – amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or amounts that are imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes determined by formal action of the Library Board of Control, who is the highest level of decision-making authority for the Pointe Coupee Parish Library. Commitments cannot be used for any other purpose unless the same action that established them decides to modify or remove them.

Assigned – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by the Library Board of Control or by a body or individual designated for that purpose.

Unassigned – the residual fund balance in the general fund.

When fund balance resources are available for a specific purpose, the Library considers the most restrictive funds to be used first. However, the Library reserves the right to spend unassigned resources first and to defer the use of more restrictive funds.

R. USE OF ESTIMATES

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

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2018:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None				

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Maximum Millage</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>
Library Maintenance Tax	4.03	4.03	4.03

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>	<u>Ad Valorem Tax Revenue for Library</u>
LA Generating, LLC	Electric	\$ 93,765,240	17.56%	\$ 377,874
American Comm. Lines	Transport	43,214,610	8.10%	174,155
Ingram Barge Company	Transport	40,677,690	7.62%	163,931
Entergy Louisiana, LLC	Electric	22,630,750	4.24%	91,202
Acadian Gas Pipeline	Oil & Gas	21,273,640	3.99%	85,733
Higman Barge Lines	Transport	19,701,860	3.69%	79,398
Union Pacific Corp.	Railroad	19,321,230	3.62%	77,865
Total		<u>\$ 260,585,020</u>	<u>48.82%</u>	<u>\$ 1,050,158</u>

4. DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the Library’s deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or it’s trust department/agent but not in the name of the Library. The Library’s cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the Library as of December 31, 2018. Deposits are listed in terms of whether they are exposed to custodial credit risk.

Bank Balances

	<u>Uninsured & Uncollateralized</u>	<u>Uninsured & Collateralized with Securities held by Pledging Institution or It’s Trust Department/Agent But Not in the Entity’s Name</u>	<u>Total Bank Balances – All Deposits</u>	<u>Total Carrying Value – All Deposits</u>
Cash and Cash Equivalents	\$ -0-	\$ -0-	\$ 3,768,359	\$ 3,751,948

Total bank balances and total carrying amount of deposits do not include petty cash in the amount of \$400 on hand at year end.

B. Investments

Investments are stated at fair value. See also Note 1 (H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The Library’s investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the Library's opinion that since these securities are governmental agencies, credit risk is not a factor. LAMP is rated AAAM by Standard & Poors.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Library will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the Library. The following chart presents the investment position of the Library as of December 31, 2018. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

<u>Investments</u>				
	Uninsured, Unregistered, and Held by the <u>Counterparty</u>	Uninsured, Unregistered, and Held by the Counterparty's Trust Department/Agent But not in the <u>Entity's Name</u>	All Investments – Reported <u>Amount</u>	All Investments – <u>Fair Value</u>
Certificates of Deposit	\$ -0-	\$ -0-	\$ 146,314	\$ 146,314
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 146,314</u>	<u>\$ 146,314</u>

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Library's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 76 as of December 31, 2018. Investments classified by maturity dates at December 31, 2018 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	0-1 Years Before <u>Maturity</u>	1-5 Years Before <u>Maturity</u>	6 + Years Before <u>Maturity</u>
Certificates of Deposit	\$ 146,314	\$ 146,314	\$ -0-	\$ -0-
Total	<u>\$ 146,314</u>	<u>\$ 146,314</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

5. RECEIVABLES

The following is a summary of receivables at December 31, 2018:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Total</u>
Ad Valorem Taxes	\$ 1,691,517	\$ 1,691,517
Accrued Interest Receivable	520	520
Total	<u>\$ 1,692,037</u>	<u>\$ 1,692,037</u>

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

6. RISK MANAGEMENT

The Pointe Coupee Parish Library is exposed to various risks of loss including injuries to workers, criminal or property damage, theft and other possible related claims. The Library purchases commercial insurance to minimize this risk of loss from these types of occurrences. There were no significant reductions in insurance coverage from the prior year.

7. CAPITAL ASSETS

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

	<u>Land, Bldgs & Improvements</u>	<u>Library Collection</u>	<u>Furniture & Equipment</u>	<u>Automobiles</u>	<u>Total</u>
Cost of capital assets, December 31, 2017	\$ 3,639,660	\$ 2,943,297	\$ 676,152	\$ 52,858	\$ 7,311,967
Additions	192,318	100,762	41,656	-0-	334,736
Deletions	-0-	(291,586)	(1,250)	-0-	(292,836)
Cost of capital assets, December 31, 2018	<u>3,831,978</u>	<u>2,752,473</u>	<u>716,558</u>	<u>52,858</u>	<u>7,353,867</u>
Accumulated depreciation, December 31, 2017	1,012,529	2,536,569	532,464	47,782	4,129,344
Additions	92,906	103,467	36,959	5,076	238,408
Deletions	-0-	(291,586)	(542)	-0-	(292,128)
Accumulated depreciation, December 31, 2018	<u>1,105,435</u>	<u>2,348,450</u>	<u>568,881</u>	<u>52,858</u>	<u>4,075,624</u>
Capital assets net of Accumulated depreciation, At December 31, 2018	<u>\$ 2,726,543</u>	<u>\$ 404,023</u>	<u>\$ 147,677</u>	<u>\$ -0-</u>	<u>\$ 3,278,243</u>

Depreciation expense of \$238,408 for the year ended December 31, 2018, was charged to the general fund governmental function.

The Pointe Coupee Parish Library has not capitalized a certain collection (The Claiborne Collection) and a historical treasure (Mardi Gras Costume) due to the fact that they are held for public exhibition rather than financial gain, they are protected, cared for, and preserved, and that it is the policy of the Library that, if they are ever sold, proceeds from the sale must be used to acquire other items for collections.

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$53,671 as of December 31, 2018, are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Withholdings	\$ 2,355	\$ -0-	\$ 2,355
Accounts	<u>24,372</u>	<u>26,944</u>	<u>51,316</u>
Total	<u>\$ 26,727</u>	<u>\$ 26,944</u>	<u>\$ 53,671</u>

9. PENSION PLAN

Plan Description. Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901. The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

not have their own retirement system and which elects to become members of the System. 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. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justice of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of 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 member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump-sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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 of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 11.50 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 years ending December 31, 2018, 2017, and 2016 were \$45,795, \$49,151, and \$50,820, respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$4,779 for the year ended December 31, 2018.

Pension Assets, 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 \$47,715 for its proportionate share of 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 employers, actuarially determined. At December 31, 2017, the Library's proportion was 0.064284%, which was a decrease of 0.001633% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Library recognized pension expense of \$60,662. At December 31, 2018, the Library recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ 30,887
Changes in assumptions	60,223	-0-
Net difference between projected and actual earnings on pension plan investments	-0-	110,235
Changes in proportion and differences between Library contributions and proportionate share of contributions	(171)	527
Library contributions subsequent to the measurement date	<u>45,795</u>	<u>-0-</u>
Total	<u>\$ 105,847</u>	<u>\$ 141,649</u>

The \$45,795 reported as deferred outflows of resources relating to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2019	\$ 7,020
2020	(7,548)
2021	(37,379)
2022	(43,690)
2023	-0-
Thereafter	<u>-0-</u>
Total	<u>\$ (81,597)</u>

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

Actuarial Cost Method:	Entry age normal.
Investment Rate of Return:	6.75%, net of investment expense, including inflation
Projected Salary increases:	5.25% (2.50% inflation, 2.75% merit)
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
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 increase not yet authorized by the Board of Trustees.
Expected Remaining Service Lives	4 years.

Discount Rate. The discount rate used to measure the total pension liability for Plan A was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

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 weighing 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 rate of return is 7.62% for the year ending December 31, 2017.

Best estimates of arithmetic 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:

<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%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

Sensitivity to Changes in Discount Rate. The following presents the Library's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the Library's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2017:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Library's proportionate share of the net pension liability (asset)	\$ 235,250	\$ (47,715)	\$ (299,676)

The Parochial Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended December 31, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Pointe Coupee Parish Library provides certain continuing health care and life insurance benefits for its retired employees. The Library's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Library. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the Library. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52, *Postemployment Benefits Other Than Pensions-Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows (ref. R.S. 11:1421): completion of 30 years of service at any age; or, attainment of age 55 and completion of 12 years of service. Benefits are

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

governed by applicable Louisiana Law (R.S. 16:516). Life insurance coverage is considered for the valuation.

Employees covered by benefit terms – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>10</u>
Total	<u>10</u>

Total OPEB Liability

The Library’s total OPEB liability of \$106,672 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC)
	4.10% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the Bond Buyer 20-Bond General Obligation Index. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. Mortality rates were based on the SOA RP-2000 Combined Mortality Table.

Changes in the Total OPEB Liability

Balance at December 31, 2017	\$ 114,682
Changes for the year:	
Service cost	1,077
Interest	3,964
Differences between expected and actual experience	(4,922)
Changes in assumptions	<u>(8,129)</u>
Net changes	<u>(8,010)</u>
Balance at December 31, 2018	<u>\$ 106,672</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.10%) or one percentage point higher (5.10%) than the current discount rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	<u>\$ 118,069</u>	<u>\$ 106,672</u>	<u>\$ 96,739</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a healthcare cost trend rates that are one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current trend rates:

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

	1% Decrease (4.5%)	Current Trend Rate (5.5%)	1% Increase (6.5%)
Total OPEB Liability	\$ 96,588	\$ 106,672	\$ 118,202

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Library recognized OPEB expense of \$4,037. At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ 4,543
Changes in assumptions	-0-	7,504
Total	\$ -0-	\$ 12,047

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2019	\$ 1,004
2020	1,004
2021	1,004
2022	1,004
2023	1,004
Thereafter	7,027
Total	\$ 12,047

11. LITIGATION

There is no litigation pending against the Library at December 31, 2018. No litigation costs were incurred for the year ended December 31, 2018.

12. COMPENSATION PAID TO BOARD MEMBERS

No compensation was paid to board members during the year ended December 31, 2018. The following is a list of board members and term expiration dates:

<u>Board Member</u>	<u>Term Expires</u>
Don Ewing	December 2019
Philomena Fontenot	December 2019
Grace Hebert	December 2019
Wylene Hurst	December 2020
Gayle Dixon	December 2021
Lucy Boley Thompson	December 2021
Mary Helen McCoy	December 2023

13. SUBSEQUENT EVENTS

Management has performed an evaluation of the Library's activities through June 28, 2019, and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on June 28, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				(UNFAVORABLE)
REVENUES				
Ad valorem taxes	\$ 1,855,958	\$ 1,752,967	\$ 1,978,386	\$ 225,419
Intergovernmental revenues:				
Federal grants	-	-	10,693	10,693
State revenue sharing	20,000	20,086	30,139	10,053
Interest earnings	2,000	2,700	4,200	1,500
Other revenues:				
Fees & charges for services	7,000	9,663	14,300	4,637
Fines & lost book collections	200	368	420	52
Gifts, donations, misc revenue	-	3,194	3,210	16
Total revenues	<u>1,885,158</u>	<u>1,788,978</u>	<u>2,041,348</u>	<u>252,370</u>
EXPENDITURES				
Salaries and related benefits	969,064	803,012	742,182	60,830
Legal & accounting	60,000	68,750	57,888	10,862
Insurance	60,000	68,000	58,536	9,464
Material and supplies	132,250	88,200	85,567	2,633
Repairs & maintenance	255,000	223,910	260,082	(36,172)
Utilities and communications	126,244	82,502	81,588	914
Capital outlay	140,000	163,540	142,418	21,122
Intergovernmental	82,000	82,000	83,880	(1,880)
Other operating services	60,600	48,938	44,835	4,103
Total expenditures	<u>1,885,158</u>	<u>1,628,852</u>	<u>1,556,976</u>	<u>71,876</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	160,126	484,372	324,246
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	75,350	75,350
Operating transfers out	-	-	(600,000)	(600,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(524,650)</u>	<u>(524,650)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	160,126	(40,278)	(200,404)
FUND BALANCE AT BEGINNING OF YEAR	-	-	3,006,755	3,006,755
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 160,126</u>	<u>\$ 2,966,477</u>	<u>\$ 2,806,351</u>

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

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

December 31, 2018

<u>Fiscal Year Ended December 31:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Library's proportion of the net pension liability (asset)	0.064284%	0.065917%	0.061969%	0.066542%	0.073369%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Library's proportionate share of the net pension liability (asset)	\$ (47,715)	\$ 135,757	\$ 163,120	\$ 18,193	\$ 5,244	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Library's covered-employee payroll	\$ 398,214	\$ 393,210	\$ 355,306	\$ 403,221	\$ 361,788	\$ 318,184	\$ 330,354	\$ 302,082	\$ 336,860	\$ 329,680
Library's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-11.98%	34.53%	45.91%	4.51%	1.45%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	101.98%	94.15%	92.23%	99.15%	99.77%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**SCHEDULE OF LIBRARY'S CONTRIBUTIONS -
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA**

December 31, 2018

<u>Fiscal Year Ended December 31:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 45,795	\$ 49,151	\$ 51,519	\$ 64,515	\$ 60,599	\$ 48,282	\$ 50,114	\$ 52,031	\$ 37,005	\$ 42,950
Contributions in relation to the contractually required contribution	\$ 45,795	\$ 49,151	\$ 51,519	\$ 64,515	\$ 60,599	\$ 48,282	\$ 50,114	\$ 52,031	\$ 37,005	\$ 42,950
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's covered-employee payroll	\$ 398,214	\$ 393,210	\$ 355,306	\$ 403,221	\$ 361,788	\$ 306,554	\$ 318,184	\$ 330,354	\$ 302,082	\$ 336,860
Contribution as a percentage of covered-employee payroll	11.50%	12.50%	14.50%	16.00%	16.75%	15.75%	15.75%	15.75%	12.25%	12.75%

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS**

December 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total OPEB liability										
Service cost	\$ 1,077	N/A								
Interest	3,964	N/A								
Changes in benefit terms	-	N/A								
Effect of economic/demographic gains or losses	(4,922)	N/A								
Changes of assumptions	(8,129)	N/A								
Benefit payments	-	N/A								
Net change in total OPEB liability	<u>(8,010)</u>	N/A								
Total OPEB liability - beginning	<u>114,682</u>	N/A								
Total OPEB liability - ending	\$ 106,672	N/A								
Covered-employee payroll	\$ 398,214	N/A								
Total OPEB liability as a percentage of covered-employee payroll	26.79%	N/A								

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

OPEB Plan

Changes in Benefit Terms. There were no changes of benefit terms for the year ended December 31, 2018.

Changes in Assumptions. The discount rate as of December 31, 2017 was 3.44% and it changed to 4.10% as of December 31, 2018.

Assets. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Parochial Employees' Retirement System of Louisiana

Changes in Assumptions or Other Inputs. Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion. Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

SUPPLEMENTAL INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
Schedule of Expenditures
For the Year Ended December 31, 2018**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Salaries and related benefits -				
Salaries and wages	\$ 817,564	\$ 657,762	\$ 573,128	\$ 84,634
Employee benefits:				
Retirement contributions	45,000	45,000	45,795	(795)
Group insurance	86,500	80,250	104,651	(24,401)
Payroll taxes	20,000	20,000	18,608	1,392
Total salaries & related benefits	<u>\$ 969,064</u>	<u>\$ 803,012</u>	<u>\$ 742,182</u>	<u>\$ 60,830</u>
Materials and supplies -				
Rentals - other	\$ 200	\$ 9,000	\$ 8,062	\$ 938
Materials & supplies	76,250	79,200	77,505	1,695
Total materials & supplies	<u>\$ 76,450</u>	<u>\$ 88,200</u>	<u>\$ 85,567</u>	<u>\$ 2,633</u>
Operating services -				
Legal and accounting	\$ 60,000	\$ 68,750	\$ 57,888	\$ 10,862
Insurance	60,000	68,000	58,536	9,464
Repairs and maintenance	255,000	223,910	260,082	(36,172)
Utilities and telephone	126,244	82,502	81,588	914
Travel, dues, other prof services	60,600	48,938	44,835	4,103
Intergovernmental	82,000	82,000	83,880	(1,880)
Total operating services	<u>\$ 643,844</u>	<u>\$ 574,100</u>	<u>\$ 586,809</u>	<u>\$ (12,709)</u>
Capital outlay -				
Acquisition of building, fixtures, & equip	\$ 51,000	\$ 64,040	\$ 41,656	\$ 22,384
Books, etc.	69,000	80,000	77,126	2,874
Audio & visuals	20,000	19,500	23,636	(4,136)
Total capital outlay	<u>\$ 140,000</u>	<u>\$ 163,540</u>	<u>\$ 142,418</u>	<u>\$ 21,122</u>

POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2018

AGENCY HEAD NAME: Melissa K. Hymel

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 89,762
Benefits - Insurance	6,269
Benefits - Retirement	10,323
Membership Dues	100
Conference Travel	4,906
Continuing Education	326
Telephone	1,966
	<hr/>
TOTAL	\$ 113,652
	<hr/> <hr/>

**INDEPENDENT AUDITORS' 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
Pointe Coupee Parish Library
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pointe Coupee Parish Library, a component unit of the Pointe Coupee Parish Council, 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 and have issued our report thereon dated June 28, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

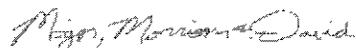
As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described on the accompanying schedule of findings and responses as item 18-1.

Pointe Coupee Parish Library's Response to Finding

The Pointe Coupee Parish Library's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Major, Morrison & David
New Roads, Louisiana
June 28, 2019

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana
Schedule of Findings and Responses
As of and for the Year Ended December 31, 2018

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Deficiency(s) in internal control identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 18-1

Criteria: Louisiana Revised Statute 39:1311(A)(2) states that total expenditures and other uses for the remainder of the year, within a fund, shall not exceed the total budgeted expenditures and other uses by 5% or more.

Condition: The Library’s actual expenditures and other uses within the General Fund exceeded budgeted expenditures and other uses by 5% or more.

Effect: It results in the Library to be in violation of Louisiana Revised Statute 39:1311(A)(2) regarding budgetary authority and control.

Cause: Upon preparation of the budget, management underestimated expected transfers out from the General Fund to the Capital Projects Fund. Actual expenditures and other uses totaled \$2,156,976 and budgeted expenditures and other uses totaled \$1,628,852 which is a difference of \$528,124 and represents a 32.42% difference.

Recommendation: Management should monitor actual revenues and expenditures and compare to budgeted amounts more frequently including closer to the fiscal year end and amend the budget if necessary.

Management’s Response: Management has indicated this was an isolated event resulting from underestimating the amount of transfers out to be incurred through the end of the year from the General Fund to the Capital Projects Fund and will be more conservative in the budgeting of transfers going forward.

**POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana**

**Summary Schedule of Prior Audit Findings
For The Year Ended December 31, 2018**

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

No findings.

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

Not applicable.

Section III – Management Letter:

No management letter issued.

**POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana**

**Corrective Action Plan for
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 of Contact Person</u>	<u>Anticipated Completed</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
18-1	Violation of Louisiana Revised Statute 39:1311(A)(2) regarding budgetary authority & control for the General Fund.	Additional steps will be taken to better analyze budget vs. actual revenues and expenditures to ensure compliance with state statute.	M. Hymel	06/2019

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III – Management Letter:

No management letter issued.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Pointe Coupee Parish Library, Louisiana and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2018. Management of the Pointe Coupee Parish Library 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, 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 as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and address the functions noted above.
 - 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.
Written policies and procedures were obtained and address the functions noted above.
 - c) **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the functions noted above.
 - 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).
Written policies and procedures were obtained and address the functions noted above.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address the functions noted above.

- 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.
Written policies and procedures were obtained and address the functions noted above.
- 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).
Written policies and procedures were obtained and address the functions noted above.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and address the functions noted above.
- 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.
Written policies and procedures were obtained and address the functions noted above.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable – the Library does not have any debt.

Board (or Finance Committee, if applicable)

- 2. Obtain and review 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) 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.
Obtained board minutes and noted that the Board of Control met during their regular scheduled quarterly meetings in accordance with the Board's policy (unless cancelled).
 - 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.
The minutes referenced budget to actual comparisons and discussions on the budget at each scheduled meeting.
 - 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.
Deficit spending was not noted during the fiscal period nor does the Library have any funds with a deficit fund balance.
 - 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 Library does not have any funds with a deficit fund balance.

Bank Reconciliations

3. 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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained listing of client bank accounts from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 4 additional accounts (only 3 accounts total) for one random month during the period.

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

Reconciliations have been prepared within 2 months of statement closing date for each account.

- 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

The bank reconciliations prepared for all accounts examined had evidence of management review.

- 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.

For all bank reconciliations selected, no account had items outstanding for more than 12 months.

Collections

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

Obtained listing of deposit sites (only 1 site) and management's representation that listing is complete.

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

Obtained listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.

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

Two cash collection locations have multiple employees who collect cash and share a cash drawer.

- 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. prenumbered receipts) to the deposit.

The employee responsible for collecting cash is not responsible for preparing/making bank deposits.

- 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 posting to each other and to the deposit.

The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash.

- 6) Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All employees who have access to cash are covered by a bond or insurance policy for theft.

- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Receipts were sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Pre-numbered receipts, system reports, and other related collection documentation agreed to the deposit slips.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Deposit slip totals agreed with the actual deposits 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).

Deposits are made within one business day of receipt or within one week if the collection location is more than 10 miles from depository or is less than \$100.

- e) Trace the actual deposit per the bank statement to the general ledger.

Deposits per the bank statement agreed to the general ledger.

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

Non-Payroll Disbursements were not tested at December 31, 2018 (Year 2) due to the fact that there were no exceptions noted in prior year (Year 1).

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- 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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe 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 #9, as applicable.

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards were not tested at December 31, 2018 (Year 2) due to the fact that there were no exceptions noted in prior year (Year 1).

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe 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. [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.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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).

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

Travel and Travel-Related Expense Reimbursements were not tested at December 31, 2018 (Year 2) due to the fact that there were no exceptions noted in prior year (Year 1).

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- 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.

Contracts

Contracts were not tested at December 31, 2018 (Year 2) due to the fact that there were no exceptions noted in prior year (Year 1).

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe 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 5 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.

Payroll and Personnel

Payroll and Personnel were not tested at December 31, 2018 (Year 2) due to the fact that there were no exceptions noted in prior year (Year 1).

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, 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). (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.)
 - 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. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list 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 employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. 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.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.

Examined the five randomly selected employee's ethics compliance documentation maintained in personnel files with no exceptions.

- 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.

Each employee attested in writing that they have read the entity's ethics policy.

Debt Service

21. 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.

Not applicable.

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

Not applicable.

Other

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

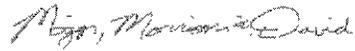
Management has asserted to us that the Library did not have any misappropriation of public funds or assets during the fiscal year.

24. 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 required notice was posted on the Library's premises and website.

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

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.



Major, Morrison & David
New Roads, Louisiana
June 28, 2019

POINTE COUPEE PARISH LIBRARY, LOUISIANA
New Roads, Louisiana

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2018

Management Response to Item:

- 5a. Management feels that internal controls in place regarding cash collections highly reduce the risk of fraud or misappropriation with regards to employees using one shared cash drawer.