

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2019
With Supplemental Information Schedules

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Franklin Parish Library, a component unit of the Franklin Parish Police Jury, as of December 31, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and major fund information of the Franklin Parish Library as of December 31, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Franklin Parish Library's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 38 is presented for the purpose of additional analysis and is not a required part of the financial statements.

This schedule is the responsibility of management and was 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated February 5, 2020, on my consideration of the Franklin Parish Library's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Library's internal control over financial reporting and compliance.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 2019

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated February 5, 2020, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
February 5, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Management's Discussion and Analysis
December 31, 2019

As management of the Franklin Parish Library, I offer readers of the Franklin Parish Library's financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Library for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Franklin Parish Library exceeded liabilities by \$3,892,302. Approximately 51% of the Franklin Parish Library's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

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

STATEMENT OF NET POSITION
Governmental Funds

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$1,190,753	\$1,091,161
Receivables	790,454	766,192
Net pension assets		33,524
Capital assets (not depreciated)	1,486,206	1,501,880
Capital assets (net of accumulated depreciation)	<u>485,700</u>	<u>392,618</u>
TOTAL ASSETS	<u>3,953,113</u>	<u>3,785,375</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>198,875</u>	<u>79,296</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$4,151,988</u>	<u>\$3,864,671</u>
LIABILITIES		
Accounts payable	\$507	\$575
Compensated absences payable	25,115	26,177
Net pension liability	<u>220,547</u>	
TOTAL LIABILITIES	<u>246,169</u>	<u>26,752</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	13,517	99,350
NET POSITION		
Invested in capital assets, net of related debt	1,971,906	1,894,498
Unrestricted	<u>1,920,396</u>	<u>1,844,071</u>
TOTAL NET POSITION	<u>3,892,302</u>	<u>3,738,569</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$4,151,988</u>	<u>\$3,864,671</u>

STATEMENT OF ACTIVITIES

	<u>2019</u>	<u>2018</u>
Culture and recreation:		
Personal services	\$508,425	\$478,053
Operating services	107,692	105,960
Materials and supplies	29,226	16,290
Travel	973	198
Intergovernmental	27,417	25,611
Depreciation expense	<u>29,387</u>	<u>28,667</u>
Total Program Expenses	<u>703,120</u>	<u>654,779</u>
Program revenues:		
Fees and charges for library services	6,416	5,570
Fines and forfeitures	3,198	3,759
Miscellaneous fees	<u>78,959</u>	<u>8,335</u>
Total program revenues	<u>88,573</u>	<u>17,664</u>
Net Program Expenses	<u>(614,547)</u>	<u>(637,115)</u>
General revenues		
Taxes - ad valorem	823,806	821,503
Intergovernmental:		
State revenue sharing	39,012	39,047
Interest earned	6,065	5,553
Special item - loss on disposal of assets	<u>(72,962)</u>	
Total general revenues	<u>795,921</u>	<u>866,103</u>
Change in Net Position	181,374	228,988
Net Position - Beginning of year as restated	<u>3,710,928</u>	<u>3,509,581</u>
Net Position - End of year	<u>\$3,892,302</u>	<u>\$3,738,569</u>

Financial Analysis of the Government's Funds

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

As of December 31, 2019, the General Fund unreserved, undesignated fund balance of \$1,980,700 showed an increase of approximately \$151,561 over December 31, 2018.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily to an increase in capital outlay. Differences between revenues of the original budget and the final budget were due primarily to an increase in anticipated revenues for other revenues.

Capital Asset and Debt Administration

Capital assets. The Franklin Parish Library's investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$1,971,906 (net of accumulated depreciation). This investment includes furniture and equipment, automation and library materials (which are not depreciated). The increase in capital assets for the year ended 2019 was \$179,757. There were deletions of \$72,962 in capital assets for the year.

Long-term debt. At the end of the fiscal year, Franklin Parish Library had \$245,662 debt outstanding, consisting of compensated absences of \$25,115 and net pension liability of \$220,547 at December 31, 2019.

Requests for Information

This financial report is designed to provide a general overview of the Franklin Parish Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Franklin Parish Library, 705 Prairie Street, Winnsboro, LA 71295.

BASIC FINANCIAL STATEMENTS

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

STATEMENT OF NET POSITION
December 31, 2019

ASSETS	
Cash and cash equivalents	\$1,190,753
Receivables	790,454
Capital assets (not depreciated)	1,486,206
Capital assets (net of accumulated depreciation)	<u>485,700</u>
TOTAL ASSETS	<u>3,953,113</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>198,875</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u><u>\$4,151,988</u></u>
LIABILITIES	
Accounts payable	\$507
Compensated absences payable	25,115
Net Pension Liability	<u>220,547</u>
TOTAL LIABILITIES	<u>246,169</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	13,517
NET POSITION	
Invested in capital assets, net of related debt	1,971,906
Unrestricted	<u>1,920,396</u>
TOTAL NET POSITION	<u>3,892,302</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$4,151,988</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2019

Culture and recreation:	
Personal services	\$508,425
Operating services	107,692
Materials and supplies	29,226
Travel	973
Intergovernmental	27,417
Depreciation expense	29,387
Total Program Expenses	<u>703,120</u>
Program revenues:	
Fees and charges for library services	6,416
Fines and forfeitures	3,198
Miscellaneous fees	78,959
Total program revenues	<u>88,573</u>
Net Program Expenses	<u>(614,547)</u>
General revenues	
Taxes - ad valorem	823,806
Intergovernmental -	
State revenue sharing	39,012
Interest earned	6,065
Special item - gain (loss) on disposal of assets	(72,962)
Total general revenues	<u>795,921</u>
Change in Net Position	181,374
Net Position - Beginning of year	<u>3,710,928</u>
Net Position - End of year	<u><u>\$3,892,302</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2019

ASSETS

Cash and cash equivalents	\$1,190,753
Receivables	<u>790,454</u>
TOTAL ASSETS	<u><u>\$1,981,207</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	<u>\$507</u>
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TOTAL LIABILITIES	507
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Fund balance - unassigned	<u>1,980,700</u>
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TOTAL FUND BALANCE	<u><u>1,980,700</u></u>
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TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$1,981,207</u></u>
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The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

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

For the Year Ended December 31, 2019

Total Fund Balances at December 31, 2019 - Governmental Funds (Statement C)		<u>\$1,980,700</u>
Deferred outflows of resources		198,875
Cost of capital assets at December 31, 2019	\$2,638,551	
Less: Accumulated depreciation as of December 31, 2019	<u>(666,645)</u>	1,971,906
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable		(25,115)
Net Pension Liability		(220,547)
Deferred inflows of resources		<u>(13,517)</u>
Net Position at December 31, 2019 (Statement A)		<u><u>\$3,892,302</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended December 31, 2019

REVENUES	
Taxes - ad valorem	\$823,806
Intergovernmental revenues:	
State revenue sharing	39,012
Fees and charges for library services	6,416
Fines and forfeitures	3,198
Use of money and property - interest earnings	6,065
Other revenues	75,162
Total revenues	<u>953,659</u>
EXPENDITURES	
Culture and recreation:	
Current:	
Personal services	457,033
Operating services	107,692
Materials and supplies	29,226
Travel and other charges	973
Capital outlay	179,757
Intergovernmental	27,417
Total expenditures	<u>802,098</u>
EXCESS OF REVENUES OVER EXPENDITURES	151,561
FUND BALANCES AT BEGINNING OF YEAR	<u>1,829,139</u>
FUND BALANCES AT END OF YEAR	<u>\$1,980,700</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

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

For the Year Ended December 31, 2019

Total net change in fund balances - governmental funds (Statement D)	\$151,561
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	150,370
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	1,062
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(72,962)
Non-employer contributions to cost-sharing pension plan	3,797
Pension expense	<u>(52,454)</u>
Change in net position of governmental activities (Statement B)	<u>\$181,374</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Franklin Parish Library was established by the Franklin Parish Police Jury, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films. The library is governed by a board of control which is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation.

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

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

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

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses,

FRANKLIN PARISH LIBRARY

Winnboro, Louisiana

Notes to the Financial Statements (Continued)

assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The library's current operations require only the use of governmental funds (General Fund). Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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

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

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the library has cash and cash equivalents (book balances) totaling \$1,190,753.

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Demand deposits	\$611,758
Time deposits	<u>578,995</u>
Total	<u>\$1,190,753</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Library's name. The Library does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at December 31, 2019, are secured as follows:

Bank balances	<u>\$1,207,188</u>
Federal deposit insurance	\$649,053
Pledged securities (uncollateralized)	<u>1,347,649</u>
Total	<u>\$1,996,702</u>

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The library maintains a threshold level of \$1000 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

Employees receive from four to twenty-two days of vacation leave each year, depending on length of service and professional status. Sick leave is earned at the rate of twelve days each year and employees may accumulate sick leave not to exceed thirty-six days. Upon separation of service, employees are compensated for accumulated vacation leave up to a maximum of five days, but are not compensated for sick leave. Full-time employees receive one day per quarter for personal leave.

At December 31, 2019, employees of the library have accumulated and vested \$25,115 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a general long-term obligation in the accompanying financial statements.

H. RISK MANAGEMENT

The library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2019.

I. PENSION PLANS

The Franklin Parish Library is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

J. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

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

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Library's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Library's highest level of decision-making authority.

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$1,980,700. If applicable, the Library would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

K. ESTIMATES

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

2. LEVIED TAXES

The ad valorem tax millage levied by the library was 7.67 mills for the year ended December 31, 2019. The authorized millage for the year ended December 31, 2019, was 7.65 mills for the year. The current tax expires in 2020. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2019 assessed valuation:

	2019 Assessed Valuation	Per cent of Total Assessed Valuation
Tennessee Gas Pipeline Co	\$12,211	8.95 %
Perryville Gas Storage	11,131	8.16 %
Regency Intrastate	8,804	6.45 %
ETC Tiger Pipeline, LLC	4,251	3.12 %
Entergy Louisiana, LLC	3,039	2.23 %

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

	2019 Assessed Valuation	Per cent of Total Assessed Valuation
American Midstream, Inc.	\$2,140	1.57%
Columbia Gulf Transmission	2,022	1.48%
Northeast Louisiana Power Coop	1,656	1.21%
Winnsboro State Bank	1,631	1.20%
ANR Pipeline Company	<u>1,618</u>	<u>1.19%</u>
Total	<u>\$48,503</u>	<u>35.56%</u>

3. RECEIVABLES

The General Fund receivables of \$790,454 at December 31, 2019, are as follows:

<u>Class of receivables:</u>	
Taxes - ad valorem	\$751,443
Intergovernmental revenues - state revenue sharing (net)	<u>39,011</u>
Total	<u>\$790,454</u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2019, follows:

	<u>Balance at January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31,</u>
Buildings and Improvements	\$542,878	\$51,376		\$594,254
Construction in progress	NONE	67,302		67,302
Furniture and equipment	245,042	3,791		248,833
Library materials	1,501,880	57,288	(\$72,962)	1,486,206
Automation	<u>241,956</u>			<u>241,956</u>
Total Capital Assets	<u>2,531,756</u>	<u>179,757</u>	<u>(72,962)</u>	<u>2,638,551</u>
Less accumulated	<u>(637,258)</u>	<u>(29,387)</u>		<u>(666,645)</u>
Net Capital Assets	<u>\$1,894,498</u>	<u>\$150,370</u>	<u>(\$72,962)</u>	<u>\$1,971,906</u>

The library has elected not to depreciate library materials. The beginning library materials has been restated due to the library performing a physical inventory on library materials at the Winnsboro branch.

5. RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Substantially all employees of the Franklin Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. This 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.

Summary of Significant Accounting Policies.

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The System's employer pension schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2018.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description.

The 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. Title 11:1901 of the Louisiana Revised Statute (LRS).

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 not have their own retirement system and which elects to become members of the System.

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.

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.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's website, www.la.state.la.us.

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual result may differ from estimated amounts.

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

At December 31, 2019, the Library reported an liability of \$220,547 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Librarys’ proportion of the net pension liability was based on a projection of the Librarys’ long-term share of contributions to the pension plan relative to the projected contributions of all participating employers’, actuarially determined. At December, 31, 2018, the Librarys’ proportion was .0050 percent, which was a decrease of .00453 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Library recognized pension expense of \$87,049. At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$13,436
Changes in assumptions	\$55,144	
Net differences between projected and actual earnings on pension plan	105,576	
Changes in employers proportion of beginning NPL	3,560	
Differences between employer and proportionate share of contributions		81
Subsequent measurement contributions	34,595	
Total	\$198,875	\$13,517

\$34,595 reported as deferred outflows of resources related to pensions resulting from the Librarys’ 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 of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$52,070
2020	29,009
2021	23,045

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

2022	\$46,639
Total	\$150,763

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

Inflation	2.40%
Salary increases	4.75%
Investment rate of return	6.50%, net of investment expense

Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

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

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, 2018 are summarized in the following table:

Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternative Investments	11%	0.65%

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Real assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

Sensitivity of the Librarys’ proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension asset of the participating employers calculated using the discount rate of 6.50%, as well as what the employers’ net pension liability as of December 31, 2018, 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.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Librarys’ proportionate share of the net pension liability	\$468,382	\$220,547	\$13,378

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

Long-term obligations at January 1, 2019	\$26,177
Additions	18,888
Deletions	(15,995)
Adjustments ¹	(3,955)
Long-term obligations at December 31, 2019	<u>\$25,115</u>

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay. Sick leave added to the liability due to prior leave policy.

7. LITIGATION AND CLAIMS

The Franklin Parish Library is not involved in any litigation at December 31, 2019, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes - ad valorem	\$795,000	\$795,000	\$823,806	\$28,806
Intergovernmental revenues:				
State revenue sharing	37,193	37,193	39,012	1,819
Fees and charges for library services	5,300	5,300	6,416	1,116
Fines and forfeitures	3,300	3,300	3,198	(102)
Use of money and property - interest earnings	3,100	3,100	6,065	2,965
Other revenues	3,100	68,100	75,162	7,062
Total revenues	<u>846,993</u>	<u>911,993</u>	<u>953,659</u>	<u>41,666</u>
EXPENDITURES				
Culture and recreation:				
Current:				
Personal services and related benefits	510,920	510,920	457,033	53,887
Operating services	117,459	117,459	107,692	9,767
Materials and supplies	21,000	21,000	29,226	(8,226)
Travel and other charges	1,000	1,000	973	27
Capital outlay	170,114	235,114	179,757	55,357
Intergovernmental	26,500	26,500	27,417	(917)
Total expenditures	<u>846,993</u>	<u>911,993</u>	<u>802,098</u>	<u>109,895</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	NONE	151,561	151,561
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	1,829,139	1,829,139
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>\$1,980,700</u>	<u>\$1,980,700</u>

See accompanying note to budgetary comparison schedule.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

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

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

Franklin Parish Library
Schedule of Employer's Share of Net Pension Liability
December 31, 2019

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.033181%	\$9,072	\$187,750	4.83%	99.15%
2015	0.034488%	\$90,782	\$197,737	45.91%	99.23%
2016	0.036925%	\$76,048	\$218,988	34.73%	94.15%
2017	0.451660%	(\$33,524)	\$278,000	(12.06%)	102.00%
2018	0.049691%	\$220,547	\$297,866	74.04%	88.86%

* Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Franklin Parish Library
Schedule of Employer Contributions
December 31, 2019

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$30,041	\$30,041	\$0	\$187,750	16.00%
2015	\$28,672	\$28,672	\$0	\$197,737	14.50%
2016	\$28,468	\$28,468	\$0	\$218,988	13.00%
2017	\$34,750	\$34,750	\$0	\$278,000	12.50%
2018	\$34,255	\$34,255	\$0	\$297,866	11.50%

* Amounts presented were determined as of the end of the fiscal year.

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

OTHER SUPPLEMENTARY INFORMATION

PART III

FRANKLIN PARISH LIBRARY
Winnsboro, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2019

ONIE PARKER, LIBRARY DIRECTOR

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$62,005
Benefits-retirement	7,130
Benefits-medicare	899
Registration fees	25
Other reimbursements	171

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

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

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

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

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

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

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

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Franklin Parish Library, a component unit of the Franklin Parish Police Jury, as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Franklin Parish Library's basic financial statements, and have issued my report thereon dated February 5, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, I do not express an opinion on the effectiveness of the Library's internal control.

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

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

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

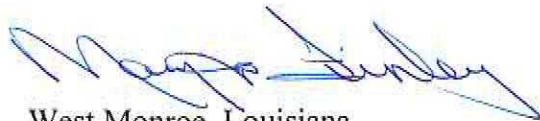
December 31, 2019

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin Parish Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana

February 5, 2020

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Schedule of Findings and Responses
For the Year Ended December 31, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Franklin Parish Library.
2. No instances of noncompliance material to the financial statements of the Franklin Parish Library were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

There were no findings reported in the audit report for the year ended December 31, 2018.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Franklin Parish Library
705 Prairie Street
Winnsboro, LA 71295

To the Franklin Parish Library's Office,

I have performed the procedures enumerated below, which were agreed to by the management of the Franklin Parish Library and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. Management of Franklin 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, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - C. Disbursements, including processing, reviewing, and approving
 - D. Receipts, including receiving, recording, and preparing deposits

- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- J. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification personnel, processes, and tools needed to recover operations after a critical event.

The Franklin Parish Library had policies and procedures in the prior year AUP, therefore this section was excluded from testing for the current period. The Disaster Recovery/Business Continuity policy and procedures was added as required.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

BANK RECONCILIATIONS

- 3. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

COLLECTIONS

- 4. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

5. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
6. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
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 statement 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.
 - B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,
 - C) Trace the deposit slip total to the actual deposit per the bank statement.
 - D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - E) Trace the actual deposit per the bank statement to the general ledger.

The Library does not use pre-numbered receipts, the system generates receipts when money is collected. Deposit documentation was traced to the bank statements for all accounts. The deposit slips selected were traced from the bank statements to the general ledger posting. The Library's Winnsboro branch makes daily deposits. The Library's Wisner branch does not collect more than \$100 daily, but they are deposited on a weekly basis.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
9. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
10. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

11. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
12. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
13. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

TRAVEL AND EXPENSE REIMBURSEMENT

14. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

CONTRACTS

15. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

PAYROLL AND PERSONNEL

16. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
17. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
18. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

ETHICS (EXCLUDING NONPROFITS)

20. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

DEBT SERVICE

21. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

22. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

OTHER

23. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

24. The Franklin Parish Library had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

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

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



Mary Jo Finley, CPA
February 5, 2020