



RAPIDES PARISH LIBRARY

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**



**Rozier Harrington
& McKay** | CERTIFIED PUBLIC
ACCOUNTANTS

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**Rozier Harrington
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ACCOUNTANTS

May 17, 2018

Independent Auditors' Report

To the Board of Control
Rapides Parish Library

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Library, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the 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

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 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 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, each major fund, and the aggregate remaining fund information of the Rapides Parish Library, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplemental Information

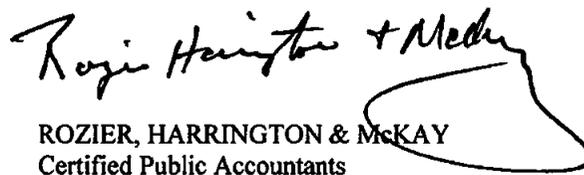
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress described in the table of contents be presented to supplement the basic financial statements. Such information, 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. 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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is other supplemental information presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2018, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

RAPIDES PARISH LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

This section of the annual financial report presents our discussion and analysis of the Rapides Parish Library's financial performance during the fiscal year ended December 31, 2017.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Rapides Parish Library's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Rapides Parish Library as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Rapides Parish Library's assets and all of its liabilities. All of the Library's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes, grants, and investment income.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Rapides Parish Library's most significant activities and are not intended to provide information for the Library as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Rapides Parish Library's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Rapides Parish Library's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF THE RAPIDES PARISH LIBRARY AS A WHOLE

An analysis of the government-wide Statement of Net Position is presented as follows:

RAPIDES PARISH LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

	December 31,	
	2017	2016
<u>Assets:</u>		
Cash and Cash Equivalents	\$ 4,176,276	\$ 4,508,317
Receivables	5,532,954	5,547,091
Other Assets	2,500	---
Capital Assets	8,413,531	7,407,543
Total Assets	<u>18,125,261</u>	<u>17,462,951</u>
Deferred Outflow of Resources	<u>948,031</u>	<u>1,345,389</u>
<u>Liabilities:</u>		
Accounts Payable	186,817	152,899
Accrued Interest	16,783	12,076
Delayed Revenue	9,120	14,670
Accrued Leave	112,836	104,971
Net Other Post Employment Benefits	1,172,953	2,844,769
Net Pension Liability	706,819	948,658
Long Term Debt		
Due Within One Year	330,000	320,000
Due In More Than One Year	2,045,000	2,375,000
Total Liabilities	<u>4,580,328</u>	<u>6,773,043</u>
Deferred Inflow of Resources	<u>124,616</u>	<u>151,197</u>
<u>Net Position:</u>		
Invested in Capital Assets	6,038,531	4,712,543
Restricted For:		
Permanent Endowment Fund	69,069	67,568
Library Collection Acquisition	16,231	15,793
Facility Improvements	47,992	870,078
Unrestricted	8,196,525	6,218,118
Total Net Position	<u>\$ 14,368,348</u>	<u>\$ 11,884,100</u>

As the presentation appearing above demonstrates, a substantial portion of the Rapides Parish Library's net position (57.0%) is unrestricted and may be used to meet the Rapides Parish Library's ongoing obligations. In addition, a large portion of the net position (42.0%) is invested in capital assets. The remaining net position is restricted as described below:

Permanent Endowment Fund:

A portion of the Library's net position (0.5%), is subject to permanent restrictions imposed by the donors that provided the resources. The permanently restricted net position is held in an endowment fund. The original contributions to the endowment fund must be maintained perpetually and only the investment income from the endowment fund is available for expenditures. Investment income from the endowment is used to finance the acquisition of library collection items.

RAPIDES PARISH LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

Library Collection Acquisition:

A portion of the net position (0.1%) is attributable to investment income earned by the endowment fund. These resources are available for the future acquisition of library collection items.

Facility Improvements:

A portion of the net position (0.4%) consist of bond proceeds that must be used for making improvements to the Library's buildings and facilities.

An analysis of the government-wide Statement of Activities is presented as follows:

	For the Year Ended December 31,	
	2017	2016
<u>Revenues:</u>		
Program Revenue:		
Charges for Services	\$ 108,145	\$ 115,396
Operating Grants and Contributions	108,659	134,600
Capital Grants and Contributions	----	----
General Revenue:		
Property Taxes	5,586,819	5,548,299
Revenue Sharing	185,167	184,010
Investment Income	57,922	30,443
Total Revenue	<u>6,046,712</u>	<u>6,012,748</u>
<u>Program Expenses:</u>		
Library Services	3,507,840	5,640,768
Interest on Long Term Debt	54,624	36,205
Total Expenses	<u>3,562,464</u>	<u>5,676,973</u>
Change in Net Position	2,484,248	335,775
Net Position Beginning	<u>11,884,100</u>	<u>11,548,325</u>
Net Position Ending	<u>\$ 14,368,348</u>	<u>\$ 11,884,100</u>

As the accompanying presentation demonstrates, the Library has experienced favorable financial trends. Net Position has increased by \$2,484,248 representing an improvement of 20.9% over the net position for the previous year. A portion of the increase totaling \$1,816,786 was attributable to securing favorable health insurance premiums for retirees that reduced actuarial valuations associated with providing post retirement benefits.

FINANCIAL ANALYSIS OF THE RAPIDES PARISH LIBRARY'S FUNDS

For the year ended December 31, 2017, governmental fund balances decreased by \$372,046. The decrease is attributable to \$1,192,086 in activity associated with completing capital projects. Differences between the change in fund balances and the change in government-wide net position are attributable to excluding capital assets and long-term liabilities from the fund financial statements. A

RAPIDES PARISH LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

significant component of this difference resulted from borrowing an additional \$1,000,000 to expand facilities.

BUDGET HIGHLIGHTS

For the year ended December 31, 2017, budget variances were favorable. The budget was amended to implement minor realignments that were not anticipated when the original budget was adopted.

CAPITAL ASSET ADMINISTRATION

Capital asset acquisitions were limited primarily to ordinary additions to and replacement of library collection items and completing construction of the new Libuse Branch.

DEBT ADMINISTRATION

Long term debt activity was limited to payment of installments due on existing obligations.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, no factors have been identified that are expected to have a significant effect on future operations.

Rapides Parish Library

Statement of Net Position

December 31, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 4,176,276
Receivables (net)	5,532,954
Other	2,500
Capital Assets	
Land	630,361
Depreciable Capital Assets	7,783,170
Total Assets	<u>18,125,261</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Funding Deferrals	<u>948,031</u>
<u>LIABILITIES</u>	
Accounts Payable	186,817
Accrued Interest	16,783
Delayed Revenues	9,120
Long-Term Liabilities	
Accrued Leave	112,836
Net Other Post Employment Benefits	1,172,953
Net Pension Liability	706,819
Long-Term Debt	
Due Within One Year	330,000
Due In More Than One Year	2,045,000
Total Liabilities	<u>4,580,328</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Funding Deferrals	<u>124,616</u>
<u>NET POSITION</u>	
Investment in Capital Assets, Net of Related Debt	6,038,531
Restricted for:	
Permanent Endowment Fund (Nonexpendable)	69,069
Library Collection Acquisitions (Expendable)	16,231
Facility Improvements (Expendable)	47,992
Unrestricted (deficit)	8,196,525
Total Net Position	<u>\$ 14,368,348</u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Library

Statement of Activities

December 31, 2017

	<u>Governmental Activities</u>
Expenses:	
Library Services	
Payroll and Benefits	\$ 1,781,800
Insurance	34,344
Materials and Supplies	306,572
Rent and Lease Expense	23,490
Repairs and Maintenance	295,651
Utilities and Telephone	257,220
Depreciation	648,199
Other Expenses	160,564
Interest on Long Term Debt	<u>54,624</u>
Total Expenses	3,562,464
 Program Revenues:	
Charges for Services	108,145
Operating Grants and Contributions	108,659
Capital Grants and Contributions	-
Net Expenses	<u>3,345,660</u>
 General Revenues:	
Property Taxes (net)	5,586,819
Revenue Sharing	185,167
Other Income	<u>57,922</u>
Total General Revenues	<u>5,829,908</u>
 Change in Net Position	2,484,248
Net Position - Beginning	<u>11,884,100</u>
 Net Position - Ending	<u>\$ 14,368,348</u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Library

Balance Sheet - Governmental Funds

December 31, 2017

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 3,962,663	\$ 130,010	\$ 83,603	\$ 4,176,276
Receivables (net)	5,531,257	-	1,697	5,532,954
Other Assets	2,500	-	-	2,500
Total assets	\$ 9,496,420	\$ 130,010	\$ 85,300	\$ 9,711,730
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 104,799	\$ 82,018	\$ -	\$ 186,817
Delayed Revenues	9,120	-	-	9,120
Total liabilities	113,919	82,018	-	195,937
<u>Fund Balance</u>				
Non Spendable	-	-	69,069	69,069
Restricted For Facility Improvements	-	47,992	-	47,992
Restricted For Acquisition of Library Collection	-	-	16,231	16,231
Committed To:				
HVAC Replacement	47,423	-	-	47,423
Vehicle Replacement	125,106	-	-	125,106
Automation	590,571	-	-	590,571
Unassigned	8,619,401	-	-	8,619,401
Total Fund Balances	9,382,501	47,992	85,300	9,515,793
Total Liabilities and Fund Balance	\$ 9,496,420	\$ 130,010	\$ 85,300	\$ 9,711,730

The accompanying notes are an integral part of the financial statements.

Rapides Parish Library

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position

Year Ended December 31, 2017

Total Fund Balances - Governmental Funds	\$ 9,515,793
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore the following amounts are not reported in the funds.	
Land	630,361
Depreciable Capital Assets	7,783,170
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	948,031
Long term debt and related accruals are not due and payable in the current period and are not reported in the funds.	(4,384,391)
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>(124,616)</u>
Net Position of Governmental Activities	<u>\$ 14,368,348</u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Library

Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds For the Year Ended December 31, 2017

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes (net)	\$ 5,586,819	\$ -	\$ -	\$ 5,586,819
Revenue Sharing	185,167	-	-	185,167
Investment Income	44,528	3,890	439	48,857
Other	224,369	-	1,500	225,869
	<u>6,040,883</u>	<u>3,890</u>	<u>1,939</u>	<u>6,046,712</u>
<u>Expenditures:</u>				
Library Services (Current)				
Payroll	2,385,620	-	-	2,385,620
Benefits	931,194	-	-	931,194
Insurance	34,344	-	-	34,344
Materials and Supplies	306,572	-	-	306,572
Rent and Lease Expense	23,490	-	-	23,490
Repairs and Maintenance	295,651	-	-	295,651
Utilities and Telephone	257,220	-	-	257,220
Other Expenses	130,126	8,169	-	138,295
Capital Expenditures				
Land, Buildings and Equipment	73,252	1,187,807	-	1,261,059
Library Collection	415,397	-	-	415,397
Debt Service	369,916	-	-	369,916
	<u>5,222,782</u>	<u>1,195,976</u>	<u>-</u>	<u>6,418,758</u>
Excess (Deficiency) of Revenues Over Expenditures				
	818,101	(1,192,086)	1,939	(372,046)
<u>Other Sources (Uses):</u>				
Operating Transfers	(370,000)	370,000	-	-
Net Change in Fund Balance	448,101	(822,086)	1,939	(372,046)
Fund balance - Beginning of Year	<u>8,934,400</u>	<u>870,078</u>	<u>83,361</u>	<u>9,887,839</u>
Fund balance - End of Year	<u>\$ 9,382,501</u>	<u>\$ 47,992</u>	<u>\$ 85,300</u>	<u>\$ 9,515,793</u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Library

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

Year Ended December 31, 2017

Net change in fund balances of Governmental Funds	\$ (372,046)
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 estimated useful lives and reported as depreciation expense.	
Capital Expenditures	1,676,456
Depreciation	(648,199)
Loss on Disposal	(22,269)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	320,000
Governmental funds report pension expense based on contributions required for the current year; however, pension expense reported on the government wide basis is influenced by actuarial considerations	(128,937)
Governmental fund report the cost on post retirement benefits based on amounts paid in the current year; however, expenses reported on the government wide basis is influenced by actuarial considerations	1,671,816
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.	<u>(12,573)</u>
Change in net position of governmental activities	<u>\$ 2,484,248</u>

The accompanying notes are an integral part of the financial statements.

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rapides Parish Library has been established under Louisiana Law in order to maintain a collection of books, periodicals, audio recordings, video recordings, and other media for the benefit of the Parish's citizens. The collection is made available to the public at branches located throughout Rapides Parish. In addition, bookmobile and red carpet services are provided for patrons that do not have convenient access to the branch network. The Rapides Parish Library is governed by the Board of Control, which is appointed by the Rapides Parish Police Jury.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
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.

Based on the previous criteria, the Rapides Parish Library is a component unit of the Rapides Parish Police Jury. The accompanying component unit financial statements present information only on the funds maintained by the Rapides Parish Library and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Rapides Parish Library's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

The government-wide and fund financial statements present the Rapides Parish Library's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Rapides Parish Library as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, contributions to specific programs, and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Rapides Parish Library's major funds include the general fund and a fund established to account for capital projects. The general fund is the primary operating fund and it is used to account for all resources, except those required to be accounted for in other funds.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is generally considered available if it is collected within 60 days of year end or may otherwise be available to finance current expenditures. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing sources and repayment of long-term debt is reported as an expenditure.

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget Practices

The Board of Control adopts annual budgets for the general fund and each special revenue fund in the manner prescribed by State Law. These budgets present revenue and expenditures on a basis consistent with generally accepted accounting principles.

Capital Assets

Capital assets include buildings, equipment, vehicles and portions of the Library's collection that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives range from 5 to 40 years depending on the nature of the capital asset.

Cash

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Delayed Revenues

Amounts received from grants and other sources that do not currently meet criteria for recognition as revenue are reported as delayed revenues. These amounts remain in delayed revenues until revenue recognition criteria are met or the funds are returned to the source.

Accrued Leave

The Library's employees earn from 80 to 160 hours of vacation pay annually depending upon job classification and length of employment. Unused vacation time that an employee may carry forward to the next year is limited to the amount that the employee is eligible to earn in a single year.

Internal Balances

Internal balances arise from transactions between funds. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded. Internal balances are eliminated in preparing government-wide financial statements.

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

Fund Balance Classifications

Commitment or assignment of fund balances requires approval of a majority of the Library's Governing Board based on a vote conducted in an open meeting. When expenditures comply with the necessary provisions restricted, committed or assigned amounts are generally consumed rather than utilizing unassigned funds.

NOTE 2 – PROPERTY TAXES

Property taxes are assessed based on values determined by the Rapides Parish Tax Assessor. These taxes are billed and collected on behalf of the Library by the Rapides Parish Sheriff's Office. For the year ended December 31, 2017, the Library has levied property taxes as follows:

	<u>Millage</u>	<u>Expiration</u>
Parish-wide Tax for improving, constructing, maintaining and operating public libraries in the Parish	7.08	2023

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

NOTE 3 - CASH AND CASH EQUIVALENTS

The Rapides Parish Library's cash balances at December 31, 2017 are summaries as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Funds</u>	<u>Total</u>
Petty Cash	\$ 610	\$ ----	\$ ----	\$ 610
Demand Deposits	3,198,953	130,010	14,534	3,343,497
Certificates of Deposit	763,100	----	69,069	832,169
Total	<u>\$ 3,962,663</u>	<u>\$ 130,010</u>	<u>\$ 83,603</u>	<u>\$ 4,176,276</u>

Deposits in financial institutions totaled \$4,224,247 (collected bank balance). These deposits are secured from risk by \$582,466 in Federal Deposit Insurance, pledged securities with a market value of \$388,906, and an irrevocable standby letter of credit from the Federal Home Loan Bank of Dallas in the amount of \$5,750,000. The pledged securities are held by a custodial bank in the name of the pledging institution (fiscal agent). However, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

The Rapides Parish Library limits credit risk by requiring pledged securities in the manner described above. In addition, interest rate risk is minimized by acquiring only those certificates of deposit that have an original maturity of two years or less.

NOTE 4 - RECEIVABLES

Receivables are reported net of fees and other statutory amounts withheld by agencies responsible for collecting taxes. In addition, property taxes receivable has been reported net of a reserve for uncollectible taxes. The reserve balance of \$100,000 was determined by management based on collection experience. Receivables at year end are summarized as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Property Taxes (Net)	\$ 5,407,794	\$ ----	\$ 5,407,794
Revenue Sharing	123,463	----	123,463
Total Due from Other Governmental Units	5,531,257	----	5,531,257
Other	----	1,697	1,697
Total	<u>\$ 5,531,257</u>	<u>\$ 1,697</u>	<u>\$ 5,532,954</u>

NOTE 5 – CAPITAL ASSETS

A summary of the Rapides Parish Library's capital assets is provided as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$ 645,361	\$ ----	\$ 15,000	\$ 630,361
<u>Capital Assets Subject to Depreciation:</u>				
Buildings and Improvements	6,466,214	1,233,150	171,547	7,527,817
Equipment	1,926,227	115,030	4,002	2,037,255
Vehicles	337,823	48,162	31,931	354,054
Library Collection	4,323,510	415,024	373,910	4,364,624
Construction in Progress	135,282	1,048,024	1,183,306	----
Less Accumulated Depreciation	(6,426,874)	(648,199)	(574,493)	(6,500,580)
Total Subject to Depreciation	<u>6,762,182</u>	<u>2,211,191</u>	<u>1,190,203</u>	<u>7,783,170</u>
Total Net of Depreciation	<u>\$ 7,407,543</u>	<u>\$ 2,211,191</u>	<u>\$ 1,205,203</u>	<u>\$ 8,413,531</u>

NOTE 6 – PAYABLES

Accounts payable at year end are summarized as follows:

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

Accounts Payable to Venders	\$ 58,854
Accrued Wages	45,861
Construction Payables	82,018
Other	84
	<hr/>
Total Payables	<u>\$ 186,817</u>

NOTE 7 – ACCRUED LEAVE

Resources provided by the general fund are used to liquidate the accrued leave balances. Accrued leave balances and activity are presented as follows:

Beginning Balance	\$ 104,971
Net Increase (Decrease)	<u>7,865</u>
Ending Balance	<u>\$ 112,836</u>

NOTE 8 – DONOR RESTRICTED ENDOWMENTS

The Rapides Parish Library has been awarded funds that are subject to permanent restrictions imposed by donors. Under these arrangements, the original contributions must be maintained perpetually and income earned from the investment of the endowment may be used to acquire library collection items. Accordingly, a permanent fund has been established to account for the original endowment and a special revenue fund has been established to account for investment income attributable to the endowment. Details related to each fund are provided as follows:

	<u>Endowment Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 69,069	\$ 14,534	\$ 83,603
Receivables (Accrued Interest)	----	1,697	1,697
Fund Balance	<u>\$ 69,069</u>	<u>\$ 16,231</u>	<u>\$ 85,300</u>

The endowment fund is invested in certificates of deposit and interest earned by the certificates is recorded as income by the special revenue fund.

NOTE 9 - RISK MANAGEMENT

The Rapides Parish Library is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Rapides Parish Library insures against these risks by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 10 – RETIREMENT PLAN

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from Library funds are eligible to participate in the System. Employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Funding Policy - Members are required by state statute to contribute 9.5% of their annual covered salary and the library is required to contribute at an actuarially determined rate. The current rate is 13.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (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 for the years ending 2017, 2016 and 2015 were \$265,073, \$264,595, and \$299,620, respectively. These contributions were equal to the required contributions for each year.

Financial Summary - The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details 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 at persla.org.

Plan As net pension liability was determined at December 31, 2016 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 205,951,318
Library's Proportionate Share (Percentage)	0.3432%
Library's Proportionate Share (Amount)	<u>\$ 706,819</u>

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

The net pension liability presented above was not affected by any special funding situations. Changes in the Library's proportionate share of Plan A's net pension liability during the measurement period ending December 31, 2016 are provided as follows:

Beginning Net Pension Liability	\$ 948,658
Employer Contributions	(265,742)
Pension Expense	394,157
Change in Deferred Outflows of Resources	(396,836)
Change in Deferred Inflows of Resources	<u>26,582</u>
Ending Net Pension Liability	<u>\$ 706,819</u>

There were no changes between December 31, 2017 and the Plan A's measurement date that are expected to have a significant effect on the Library's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total (Net)
Differences Between Expected and Actual Experience	\$ ----	\$ 123,687	\$ (123,687)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	548,518	----	548,518
Changes of Assumptions	134,194	----	134,194
Changes in Proportion	246	929	(683)
Employer Contributions Made After the Measurement Date	<u>265,073</u>	<u>----</u>	<u>265,073</u>
Total Deferrals	948,031	124,616	823,415
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>(265,073)</u>	<u>----</u>	<u>(265,073)</u>
Deferrals Subject to Amortization	<u>\$ 682,958</u>	<u>\$ 124,616</u>	<u>\$ 558,342</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
December 31, 2017	\$ 207,421
December 31, 2018	221,539
December 31, 2019	144,201
December 31, 2020	(14,819)
December 31, 2021	<u>----</u>
Total	<u>\$ 558,342</u>

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.00% (Net of Investment Expense)
Projected Salary Increases	5.25% (2.75% Merit, 2.50% Inflation)
Expected Remaining Service Lives	4 Years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for active 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.

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 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 Mortality 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 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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). Risk return and correlations

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

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, 2016 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%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Total	100%	5.66%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.66%

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 6.00% Discount Rate</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00% Discount</u>
Net Pension Liability	\$ 2,114,379	\$ 706,819	\$ (483,316)

NOTE 11 – POST EMPLOYMENT BENEFITS

Details regarding other post employment benefits that the Library provides for its workforce are provided as follows:

Plan Description

The Library's established policies and procedures include providing certain healthcare benefits for retirees. This policy amounts to a single-employer defined benefit healthcare plan (the Plan) administered by the Library. The Plan provides medical benefits through the Library's group health insurance plan which covers both active and retired members. Benefits under the plan are made available to employees upon actual retirement. The Plan does not issue a publicly available financial

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

report. Plan participants are typically eligible for healthcare benefits when they become eligible for benefits from the Parochial Employees' Retirement System of Louisiana.

Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. Until January 1, 2009, the Library recognized the cost of providing post-employment medical benefits (the Library's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. For the year ended December 31, 2017, the Library's portion of health care funding cost for retired employees totaled approximately \$25,536.

Effective with the Fiscal Year beginning January 1, 2009, the Library implemented Government Accounting Standards for Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions. The provisions have been implemented on a prospective basis.

Annual Required Contribution

The Library's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with Governmental Accounting Standards Board (GASB) Pronouncements. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level percentage of payroll, closed amortization period of 30 years (the maximum amortization period allowed) has been used for the post-employment benefits. The total ARC is \$85,163, as set forth below:

Normal Cost	\$ 85,163
30-year UAL amortization amount	-----
Annual required contribution (ARC)	<u>\$ 85,163</u>

Net Post Employment Benefit Obligation (Asset)

The table below shows the Library's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2017:

Annual required contribution	\$ 85,163
Interest on Net OPEB Obligation	85,343
Adjustment to annual required contribution	<u>(1,816,786)</u>
Annual OPEB Cost	(1,646,280)
Current year retiree premium	<u>(25,536)</u>
Change in Net OPEB Obligation	(1,671,816)
Beginning Net OPEB Obligation	<u>2,844,769</u>
Ending Net OPEB Obligation	<u>\$ 1,172,953</u>

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

The Library has selected a new health insurance carrier resulting in a substantial decline in premiums attributable to providing coverage for retirees. The decline in premiums has resulted in a decreased Actuarial Accrued Liability (AAL). Due to this decrease, it was necessary to adjust the annual required contribution to reduce the Net OPEB Obligation to an amount consistent with the current Actuarial Accrued Liability (AAL).

The following table shows the Library's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
December 31, 2015	\$ 523,620	18.6%	\$ 2,393,763
December 31, 2016	\$ 523,620	13.9%	\$ 2,844,769
December 31, 2017	\$ (1,646,280)	-1.6%	\$ 1,172,953

Funded Status and Funding Progress

In the fiscal year ending December 31, 2017, contributions to the post employment benefits plan were limited to paying premiums for existing retirees eligible for benefits under the plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of December 31, 2017, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$1,172,953, which is defined as that portion, as determined by a particular actuarial cost method (the Library uses the Alternative Measurement Method in accordance with GASB methodology), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2017, the entire actuarial accrued liability of \$1,172.953 was unfunded.

Actuarial Accrued Liability (AAL)	\$ 1,172.953
Actuarial Value of Plan Assets	---
<hr/>	
Unfunded Act. Accrued Liability (UAAL)	\$1,172.953
Funded Ratio	0%
<hr/>	
Covered Payroll (active plan members)	\$ 2,378,072
UAAL as a percentage of covered payroll	49.3%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

Actuarial Cost Method

The ARC is determined using the Age Entry Method in accordance with GASB methodology. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets

The plan has not been funded accordingly there are no plan assets.

Turnover Rate

Actuarial assumptions are based on standard turnover assumptions published by GASB.

Post employment Benefit Plan Eligibility Requirements

Employees that retire with twenty years of service are eligible for benefits that begin at retirement and entitlement to benefits continues through to death.

Investment Return Assumption (Discount Rate)

Generally Accepted Accounting Principles state that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 3% annual discount rate has been used in this valuation. This discount rate is consistent with the Library's typical return on short term investments.

Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on trends that are expected to evolve over time. The initial rate and the ultimate rate expected take effect within ten years are presented as follows:

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

	<u>Initial Rate</u>	<u>Ultimate Rate</u>
Health	8.00%	8.00%
Pharmacy	9.00%	4.70%
Dental	4.00%	3.00%
Vision	3.00%	3.00%

Mortality Rate

The expected rate of mortality is based on published rate tables (RP2000 Mortality Table for males and females projected 10 years).

NOTE 12 – LONG-TERM DEBT

The following is a summary of transactions involving long-term debt for the year ended December 31, 2017:

Bonds payable, January 1, 2017	\$ 2,695,000
New issues	----
Retirements	<u>320,000</u>
Bonds payable, December 31, 2017	2,375,000
Due within one year	<u>330,000</u>
Due in more than one year	<u>\$ 2,045,000</u>

Details regarding long-term debt issues outstanding at year end are provided as follows:

Limited Tax Certificates, Series 2013 issued in the original amount of \$1,000,000. The certificates feature interest computed at a rates ranging from 0.6% to 3.5%. The bonds mature serially with the initial principal payment due March 1, 2015 and the final payment due March 1, 2023. The certificates are secured by and payable from an irrevocable pledge and dedication of the Libraries property tax revenue. \$ 690,000

Limited Tax Certificates, Series 2015 issued in the original amount of \$1,000,000. The certificates feature interest computed at a rates ranging from 0.25% to 3.40%. The bonds mature serially with the initial principal payment due March 1, 2016 and the final payment due March 1, 2024. The certificates are secured by and payable from an irrevocable pledge and dedication of the Libraries property tax revenue. 800,000

Limited Tax Certificates, Series 2016 issued in the original amount of \$1,000,000. The certificates feature interest computed at a rates ranging from 0.1% to 2.75%. The bonds mature serially with the initial principal payment due March 1, 2017 and the final payment due March 1, 2024. The certificates are secured by and payable from an irrevocable pledge and dedication of the Libraries property tax revenue. 885,000

Total \$ 2,375,000

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

A schedule of maturities for these bonds is presented as follows:

<u>Year Ended December 31st</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 330,000	\$ 48,453
2019	340,000	44,095
2020	350,000	38,722
2021	355,000	32,116
2022	365,000	23,780
2023 - 2027	635,000	17,531
Total	<u>\$ 2,375,000</u>	<u>\$ 204,697</u>

All interest incurred during the year was reported as an expense and no capitalizations were necessary.

NOTE 13 – FUND BALANCES

Portions of the Governmental Fund Balances are subject to requirements that limit how the resources may be utilized. A detailed description of these limitations is presented as follows:

	Non Spendable	Restricted	Committed
As discussed in Note 8, the Library's endowment fund is subject to permanent restrictions imposed by donors.	\$ 69,069	\$ ----	\$ ----
Proceeds from issuing Series 2016 Limited Tax Certificates are restricted for the purpose of improving and enhancing the Library's facilities	----	47,992	----
Income from the Library's endowment fund is available only for additions to the Library collection.	----	16,231	----
The Governing Board has designated a portion of the general fund balance for improving heating, ventilation and air conditioning components.	----	----	47,423

RAPIDES PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

	Non Spendable	Restricted	Committed
The Governing Board has designated a portion of the general fund balance for the eventual replacement of vehicles in the Library's fleet.	----	----	125,106
The Governing Board has designated a portion of the general fund balance for automation of Library activities.	----	----	590,571
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 69,069</u>	<u>\$ 64,223</u>	<u>\$ 763,100</u>

NOTE 14 – OPERATING TRANSFERS

The general fund transferred \$370,000 to the capital projects fund to assist with constructing, furnishing and equipping a new library facility.

Rapides Parish Library

Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Budget and Actual For the Year Ended December 31, 2017

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$ 5,125,000	\$ 5,125,000	\$ 5,586,819	\$ 461,819
Revenue Sharing	167,800	167,800	185,167	17,367
Investment Income	14,000	14,000	44,528	30,528
Other	235,300	235,300	224,369	(10,931)
Total revenues	5,542,100	5,542,100	6,040,883	498,783
<u>Expenditures:</u>				
Library Services				
Payroll	2,475,000	2,475,000	2,385,620	89,380
Benefits	1,065,000	1,065,000	931,194	133,806
Insurance	34,000	34,000	34,344	(344)
Materials and Supplies	364,875	410,329	306,572	103,757
Rent and Lease Expense	27,600	27,600	23,490	4,110
Repairs and Maintenance	338,963	373,686	295,651	78,035
Utilities and Telephone	325,400	325,400	257,220	68,180
Other Expenses	291,845	211,668	130,126	81,542
Capital Expenditures				
Building and Equipment	20,000	20,000	73,252	(53,252)
Library Collection	427,450	427,450	415,397	12,053
Debt Service	369,917	369,917	369,917	-
Total expenditures	5,740,050	5,740,050	5,222,783	517,267
Excess (Deficiency) of Revenues Over Expenditures	(197,950)	(197,950)	818,100	1,016,050
<u>Other Sources (Uses):</u>				
Operating Transfers	-	-	(370,000)	(370,000)
Net Change in Fund Balance	(197,950)	(197,950)	448,100	646,050
Fund Balance - Beginning of Year	8,934,400	8,934,400	8,934,400	-
Fund Balance - End of Year	\$ 8,736,450	\$ 8,736,450	\$ 9,382,500	\$ 646,050

Rapides Parish Library

Other Post Employment Benefits Schedule of Funding Progress December 31, 2016

	Actuarial Valuation Date December 31, 2011	Actuarial Valuation Date December 31, 2014	Actuarial Valuation Date December 31, 2017
Actuarial Value of Assets	\$ -	\$ -	\$ -
Actuarial Accrued Liability	\$ 3,179,501	\$ 5,633,098	\$ 1,172,953
Unfunded Actuarial Accrued Liability	\$ 3,179,501	\$ 5,633,098	\$ 1,172,953
Funded Ratio	0.00%	0.00%	0.00%
Covered Payroll	\$ 2,009,391	\$ 1,928,572	\$ 2,378,072
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	158.2%	292.1%	49.3%

Supplemental Disclosures:

At December 31, 2017, management was not aware of any factors expected to significantly affect the identification of trends in the amounts reported

Rapides Parish Library

Schedule of Net Pension Liability Data **Cost Sharing Retirement Systems**

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Net Pension Liability				
	Percent	Amount			
Parochial Employees' Retirement System					
December 31, 2014	0.3633%	99,316	2,214,703	4.5%	99.1%
December 31, 2015	0.3604%	948,659	2,066,345	45.9%	92.2%
December 31, 2016	0.3432%	706,819	2,035,346	34.7%	94.1%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

Rapides Parish Library

Schedule of Employer Contributions **Cost Sharing Retirement Systems**

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Parochial Employees' Retirement System					
December 31, 2014	321,132	327,076	(5,944)	2,214,703	14.77%
December 31, 2015	299,620	301,759	(2,139)	2,066,345	14.60%
December 31, 2016	264,595	265,742	(1,147)	2,035,346	13.06%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

Rapides Parish Library

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

	Executive Director	
	Laura-Ellen Ayres	
<u>Purpose</u>		
Salary	\$	82,862
Benefits - Health Insurance		15,900
Benefits - Retirement Contributions		13,258

Louisiana Law requires reporting compensation, benefits and reimbursements provided for the Agency Head or Chief Executive Officer. The Director of the Rapides Parish Library serves as the Chief Executive Officer.



**Rozier Harrington
& McKay** | CERTIFIED PUBLIC
ACCOUNTANTS |

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*

May 17, 2018

To the Board of Control
Rapides Parish Library

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, each major fund, and the aggregate remaining fund information of the Rapides Parish Library, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Rapides Parish Library's basic financial statements, and have issued our report thereon dated May 17, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

**Post Office Box 12178 • Alexandria, Louisiana 71315-2178
www.CenlaCPAs.com • Voice 318.442.1608 • Fax 318.487.2027**

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.

Rozier Harrington & McKay
Rozier, Harrington & McKay
Certified Public Accountants 

RAPIDES PARISH LIBRARY

SCHEDULE OF FINDINGS AND QUESTIONED COST **For the Year Ended December 31, 2017**

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the basic financial statements of the Rapides Parish Library as of December 31, 2017 and for the year then ended expressed an unmodified opinion.
- The audit did not disclose any audit findings which are considered to be significant control deficiencies or material weaknesses.
- The results of the audit disclosed no instances of noncompliance required to be reported in the Schedule of Findings and Questioned Cost.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

There were no findings of this nature.

RAPIDES PARISH LIBRARY

MANAGEMENT'S CORRECTIVE ACTION PLAN For the Year Ended December 31, 2017

SECTION I Internal Control And Compliance Material To The Financial Statements.	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
SECTION II Internal Control and Compliance Material to Federal Awards	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
SECTION III Management Letter	
No management letter was issued with this report.	Response – N/A

RAPIDES PARISH LIBRARY

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST For the Year Ended December 31, 2017

SECTION I Internal Control And Compliance Material To The Financial Statements.	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
SECTION II Internal Control and Compliance Material to Federal Awards	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION III Management Letter	
No management letter was issued with the previous audit.	Response – N/A

APPENDIX A
Statewide Agreed-Upon Procedures



**Rozier Harrington
& McKay** | CERTIFIED PUBLIC
ACCOUNTANTS |

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Rapides Parish Library and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Rapides Parish Library (Entity) 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 fiscal period January 1, 2017 through December 31, 2017. The Entity's management 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 results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

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.

Rozier, Harrington and McKay
Certified Public Accountants
Alexandria, Louisiana
May 17, 2018

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>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:</p> <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt	<p>The Rapides Parish Library has adopted as set of comprehensive policies and procedures. Some limited items that were not addressed in the policies and procedures are listed as follows:</p> <ul style="list-style-type: none">• Disbursements – Polices do not address responsibility for signing checks.• Receipts – Polices do not define internal controls applied at branch locations.• Contracts – Processes for requiring, preparing, approving, and monitoring contracts are not addressed.	<p>Despite the limited absence of written details, the Library has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to provide more formal written details associated with our existing polices.</p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and review the board/committee minutes for the fiscal period, and:</p> <p>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</p> <p>b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis)</p> <p style="padding-left: 20px;">➤ If budgets are adopted that increase an existing deficit, is there a formal written plan to eliminate deficit spending and do the minutes indicate periodic monitoring of the plan?</p> <p>c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.</p>	<p>The governing board meet monthly with a quorum.</p> <p>The governing board reviewed and approved financial statements as part of the monthly activities. Budgets adopted and by the governing board did not increase existing deficits.</p> <p>Minutes addressed relevant non-budgetary financial information on a regular basis. .</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Bank Reconcillations		
Agreed-Upon Procedure	Results	Managements' Response
3 Obtain a listing of client bank accounts from management	The list was provided and confirmed with financial institutions.	<i>The results did not include findings or criticisms.</i>
4 Using the listing provided by management, select a minimum of five (5) bank accounts and report whether: a) Bank reconciliations have been prepared; b) Bank reconciliations include evidence that a member of management or a board member has reviewed each bank reconciliation c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.	The bank accounts have been reconciled monthly by the Business Manager. No evidence documenting a review by a member of management was available. Amounts outstanding more than six months are limited to a single transactions in the amount of \$21.40. No research has been conducted.	<i>The results did not include findings or criticisms.</i> In the future, reviews will be performed and documented as necessary. Due to the modest nature of outstanding amounts, no formal research has been considered necessary.

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Collections		
Agreed-Upon Procedure	Results	Managements' Response
<p>5 Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.</p> <p>6 Using the listing provided by management, select a minimum of five (5) cash collection locations, obtain written documentation and report whether:</p> <p>a) Each person responsible for collecting cash is:</p> <ul style="list-style-type: none"> • bonded, • not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account • not required to share the same cash register or drawer with another employee. <p>b) The entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.</p>	<p>The list was provided. 98.3% of revenue reported by the Library is collected by the Administrative Offices. The remaining 1.7% of collections is spread across the Library's 10 branches.</p> <ul style="list-style-type: none"> • Coverage for employee theft is maintained. • There is little segregation among responsibilities for collecting, preparing deposits and recording certain transactions. • Typically collections are held in a secure location that is accessible by multiple employees during operating hours. <p>Cash collections are limited to minimal amounts received in branch locations. There are no formal procedures associated with these branch collections.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because the vast majority of collections are in the form of a check.</p> <p>The absence of segregation is mitigated by a relatively small transaction volume and refraining from transactions involving currency.</p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections		
Agreed-Upon Procedure	Results	Managements' Response
<p>c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:</p> <ul style="list-style-type: none"> • Report whether the deposits were made within one day of collection. • Verify that daily cash collections are completely supported by documentation <p>7 Obtain existing written documentation and report whether the entity has a process specifically defined to determine completeness of all collections by a person who is not responsible for collections.</p>	<ul style="list-style-type: none"> • Collections by the Administrative Office (98.3%) are made daily and supported by documentation. • Collections by branch locations (1.3%) are made weekly and documentation is limited. <p>Management principally relies upon analysis of budget variances to verify completeness. Although the process is functional, the procedures have not been formally documented are committed to written form.</p>	<p>Due the size and nature of collections, daily deposits for branch locations are not considered necessary. Opportunities to enhance documentation for branch collections will be investigated.</p> <p>Since revenue conforms to predictable patterns reflected in operating budgets, arrives by check, from a limited number of routine sources, and can be easily verified with the remitting agency sophisticated procedures to determine completeness are not considered necessary.</p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
8 Obtain a listing of entity disbursements from management	Disbursement journals were provided.	<i>The results did not include findings or criticisms.</i>
9 Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that: a) Purchases were initiated using a requisition/purchase order system. b) Purchase orders were approved by a person who did not initiate the purchase. c) Payments for purchases were not processed without <ul style="list-style-type: none"> • An approved requisition and/or purchase order • A receiving report showing receipt of goods purchased, • An approved invoice. 	Purchase orders were not required for purchase below \$1,000 and routine reoccurring payments. All transactions were supported by invoices and receiving documentation where applicable.	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
10 Using entity documentation report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.	Responsibility for adding vendors is limited to employees that do not have authority for signing checks.	<i>The results did not include findings or criticisms.</i>
11 Using entity documentation report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.	Checks are signed by the Director and Assistant Director, who have little involvement associated with initiating or recording purchases.	<i>The results did not include findings or criticisms.</i>
12 Inquire of management and observe whether the supply of unused checks or blank check stock is maintained in a locked location, with access restricted to those persons that do not have signatory authority.	Check stock is maintained in a locked location in the business manager's office	<i>The results did not include findings or criticisms.</i>
13 If a signature stamp or signature machine is used, inquire of the signer whether his or her signature and any signed checks are maintained under his or her control or is used only with the knowledge and consent of the signer.	An administrative assistant has access to the Director's stamp and authority to use the stamp at their discretion. The administrative assistant has no other involvement in initiating, recording or reconciling transactions.	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
14 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards).	A list was furnished.	<i>The results did not include findings or criticisms.</i>
15 Select the monthly statement or combined statement with the largest dollar activity for each card and: a) Is there evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. b) Report whether finance charges and/or late fees were assessed on the selected statements	Reviewed and approved by the Business Manager The statement did not include any finance charges or late fees.	<i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i>
16 Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing). a) Obtain supporting documentation for all transactions for each of the 10 cards selected by: <ul style="list-style-type: none"> • An original itemized receipt • Documentation of the business/public purpose • Other documentation that may be required by written policy 	All of the transactions selected were adequately documented.	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
b) Compare the transaction's detail to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law	None of the purchases were subject to Public Bid Law requirements.	<i>The results did not include findings or criticisms.</i>
c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution	None of the purchases appeared to be a loan, pledge, or donation of funds, credit, property, or things of value	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>17 Obtain from management a listing of all travel and related expense reimbursements, by person.</p>	<p>Management provided a payment history generated by the general ledger software package.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>18 Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration and report any amounts that exceed GSA rates.</p>	<p>Payments evaluated were consistent with adopted policies.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>19 Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:</p> <p>a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.</p>	<p>Reimbursements were consistent with established policies.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>b) Report whether each expense is supported by:</p> <ul style="list-style-type: none"> • An original itemized receipt that identifies precisely what was purchased. • Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating). • Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance) 	<p>Transactions were supported by adequate documentation that demonstrated business purpose.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.</p>	<p>None of the reimbursement received represented a loan, pledge, or donation of funds, credit, property, or things of value</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>Reimbursement checks were signed by parties other than the recipient.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>20 Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments.</p>	<p>Management provide a list of vendor payments in an Excel format.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>21 Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:</p> <p>a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.</p> <p>b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:</p> <ul style="list-style-type: none"> • If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements. • If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice. <p>c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.</p>	<p>Formal written contracts existed for each arrangement with one exception when a formal document was not considered necessary.</p> <p>Only one of the arrangement was subject to the Public Bid Law and documentation supported compliance with the bid law. For the remaining arrangements quotes were solicited where applicable.</p> <p>The only amendment was a minor change order to a construction contract. The change order amounted less than a 1% increase in the overall cost to add items that were not anticipated in the initial solicitation.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.	Payments were consistent with terms.	<i>The results did not include findings or criticisms.</i>
e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).	Approval was documented where applicable.	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>22 Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:</p> <p>a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.</p> <p>b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.</p>	<p>The Library's personnel are not subject to employment contracts. Rates of pay were consistent with amounts specified by the personnel policy or other applicable sources of approval.</p> <p>Changes were approved in writing and signed by the Director.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>
<p>23 Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:</p>		

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>a) Report whether 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.)</p>	<p>Attendance and leave were documented on time sheets.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.</p>	<p>Attendance records included signatures demonstrating supervisor's approval.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.</p>	<p>Leave taken as reported on attendance records was deducted from the employees leave balance maintained on their leave worksheet.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>24 Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.</p>	<p>Payments were consistent with policy and properly approved.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
25 Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.	Payroll taxes and retirement contributions were remitted timely. In addition, reporting forms were submitted as required.	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
26 Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.	Each employee selected received the required ethics training.	<i>The results did not include findings or criticisms.</i>
27 Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.	According to management there were no alleged ethics violations.	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
28 If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.	Not applicable, no debt was issued.	<i>The results did not include findings or criticisms.</i>
29 If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.	The Library is current on all installments. The instruments are limited to obligations that do require reserves or impose covenants.	<i>The results did not include findings or criticisms.</i>
30 If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.	Not applicable, debt is not supported by tax millages.	<i>The results did not include findings or criticisms.</i>

Rapides Parish Library

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Other		
Agreed-Upon Procedure	Results	Managements' Response
31 Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were identified.	<i>The results did not include findings or criticisms.</i>
32 Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice was posted.	<i>The results did not include findings or criticisms.</i>
33 If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.	No exceptions were identified.	<i>The results did not include findings or criticisms.</i>