

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2018
With Supplemental Information Schedules

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of the Bienville Parish Library, a component unit of the Bienville Parish Police Jury, as of December 31, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and major fund information of the Bienville Parish Library as of December 31, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana
Independent Auditor's Report,
December 31, 2018

Emphasis of a Matter

As described in Note 1M to the financial statements, the Library adopted Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions, which resulted in a cumulative effect of change in accounting principal of \$191,727. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bienville Parish Library's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 42 is presented for the purpose of additional analysis and is not a required part of the financial statements.

This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated June 13, 2019, on my consideration of the Bienville Parish Library's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana
Independent Auditor's Report,
December 31, 2018

Government Auditing Standards in considering the Bienville Parish Library's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated June 13, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
June 13, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Management's Discussion and Analysis
December 31, 2018

As management of the Bienville Parish Library, I offer readers of the Bienville Parish Library's financial statements this narrative overview and analysis of the financial activities of the Bienville Parish Library for the year ended December 31, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Bienville Parish Library exceeded liabilities by \$6,627,752. Approximately 39% of the Bienville Parish Library's Net Position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

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

STATEMENT OF NET POSITION

ASSETS	2018	2017
Cash and cash equivalents	\$3,079,008	\$3,078,197
Receivables	1,413,560	1,421,561
Prepays	4,714	6,817
Net pension asset	43,536	
Capital assets (not depreciated)	14,350	42,557
Capital assets (net of accumulated depreciation)	<u>2,567,011</u>	<u>2,366,953</u>
TOTAL ASSETS	<u>7,122,179</u>	<u>6,916,085</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>98,497</u>	<u>166,764</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$7,220,676</u>	<u>\$7,082,849</u>
LIABILITIES		
Accounts payable	\$64,140	\$57,974
Withholdings payable	16,935	
Payroll payable	17,702	14,529
Compensated absences payable	7,484	7,982
Net pension liability		123,019
Net OPEB obligation	<u>313,149</u>	<u>149,710</u>
TOTAL LIABILITIES	<u>419,410</u>	<u>353,214</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related	173,514	24,320
NET POSITION		
Invested in capital assets, net of related debt	2,581,361	2,409,510
Unrestricted	<u>4,046,391</u>	<u>4,295,805</u>
TOTAL NET POSITION	<u>6,627,752</u>	<u>6,705,315</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$7,220,676</u>	<u>\$7,082,849</u>

STATEMENT OF ACTIVITIES

	2018	2017
Culture and recreation:		
Personal services	\$675,837	\$667,383
Operating services	223,890	182,645
Materials and supplies	56,180	36,836
Travel	13,419	10,251
Intergovernmental	42,511	43,392
Depreciation expense	<u>299,738</u>	<u>280,764</u>
Total Program Expenses	<u>1,311,575</u>	<u>1,221,271</u>
Program revenues:		
Fines and forfeitures	<u>20,475</u>	<u>21,128</u>
Net Program Expenses	<u>(1,291,100)</u>	<u>(1,200,143)</u>
General revenues		
Taxes - ad valorem	1,335,857	1,381,453
Intergovernmental:		
State revenue sharing	21,761	23,592
Other state grants	2,209	2,209
Interest earned	38,578	29,149
Other revenue	6,787	7,099
Gain (loss) on disposal of assets	<u>1,938</u>	<u></u>

Total general revenues	\$1,407,130	\$1,443,502
Change in Net Position	116,030	243,359
Net Position - Beginning of year as restated	<u>6,511,722</u>	<u>6,461,956</u>
Net Position - End of year	<u>\$6,627,752</u>	<u>\$6,705,315</u>

Financial Analysis of the Government's Funds

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

As of December 31, 2018, the General Fund unreserved, undesignated fund balance of \$4,398,505 showed a decrease of \$35,567 over December 31, 2017.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget were due primarily to an increase in other revenues and a decrease in use of money and property. The major differences between expenditures in the original budget and the final budget were due to an increase in travel and other charges, debt service and capital outlay.

Capital Asset and Debt Administration

Capital assets. The Bienville Parish Library's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$2,581,361 (net of accumulated depreciation). This investment includes furniture and equipment, automation and library materials. The increase in capital assets for the year was \$864,720, and there were decreases of \$439,095 for the year, which included completion of construction in progress.

Long-term debt. At the end of the fiscal year, Bienville Parish Library had \$7,484 debt outstanding for compensated absences. The Bienville Parish Library also contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the library's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2018 is \$313,149.

Requests for Information

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

June 13, 2019

BASIC FINANCIAL STATEMENTS

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

STATEMENT OF NET POSITION
December 31, 2018

ASSETS	
Cash and cash equivalents	\$3,079,008
Receivables	1,413,560
Prepays	4,714
Net pension asset	43,536
Capital assets (not depreciated)	14,350
Capital assets (net of accumulated depreciation)	<u>2,567,011</u>
TOTAL ASSETS	<u>7,122,179</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>98,497</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u><u>\$7,220,676</u></u>
LIABILITIES	
Accounts payable	\$64,140
Payroll payable	17,702
Payroll withholdings payable	16,935
Compensated absences payable	7,484
Net OPEB obligation	<u>313,149</u>
TOTAL LIABILITIES	<u>419,410</u>
DEFERRED INFLOWS OF RESOURCES	
Pension and OPEB related	173,514
NET POSITION	
Invested in capital assets, net of related debt	2,581,361
Unrestricted	<u>4,046,391</u>
TOTAL NET POSITION	<u>6,627,752</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$7,220,676</u></u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2018

Culture and recreation:	
Personal services	\$675,837
Operating services	223,890
Materials and supplies	56,180
Travel	13,419
Intergovernmental	42,511
Depreciation expense	299,738
Total Program Expenses	<u>1,311,575</u>
Program revenues:	
Fines and forfeitures	20,475
Net Program Expenses	<u>(1,291,100)</u>
General revenues	
Taxes - ad valorem	1,335,857
Intergovernmental:	
State revenue sharing	21,761
Other state funds	2,209
Interest earned	38,578
Other revenue	6,787
Special item - gain on disposal of assets	1,938
Total general revenues	<u>1,407,130</u>
Change in Net Position	116,030
Net Position - Beginning of year as restated	<u>6,511,722</u>
Net Position - End of year	<u><u>\$6,627,752</u></u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2018

ASSETS

Cash and cash equivalents	\$3,079,008
Receivables	1,413,560
Prepays	<u>4,714</u>
TOTAL ASSETS	<u><u>\$4,497,282</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$64,140
Payroll payable	17,702
Payroll withholdings payable	<u>16,935</u>
TOTAL LIABILITIES	98,777
Fund Equity - fund balances -unassigned	<u>4,398,505</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$4,497,282</u></u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

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

For the Year Ended December 31, 2018

Total Fund Balances - Governmental Funds (Statement C)		\$4,398,505
Deferred outflows of resources		98,497
Net pension asset		43,536
Cost of capital assets	\$6,440,236	
Less: Accumulated depreciation	<u>(3,858,875)</u>	2,581,361
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable		(7,484)
Net OPEB obligation		(313,149)
Deferred inflows of resources		<u>(173,514)</u>
Net Position (Statement A)		<u>\$6,627,752</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended December 31, 2018

REVENUES

Taxes - ad valorem	\$1,335,857
Intergovernmental revenues:	
State revenue sharing	21,761
Other state funds	2,209
Fines and forfeitures	20,475
Use of money and property - interest earnings	38,578
Other revenues	2,426
Total revenues	<u>1,421,306</u>

EXPENDITURES

Culture and recreation:	
Current:	
Personal services	651,222
Operating services	223,890
Materials and supplies	56,180
Travel and other charges	13,419
Capital outlay	471,589
Intergovernmental	42,511
Total expenditures	<u>1,458,811</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES (37,505)

OTHER FINANCING SOURCE-

Proceeds from disposal of assets 1,938

**EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE
OVER EXPENDITURES** (35,567)

FUND BALANCES AT BEGINNING OF YEAR 4,434,072

FUND BALANCES AT END OF YEAR \$4,398,505

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

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

For the Year Ended December 31, 2018

Total net change in fund balances - governmental funds (Statement D)	(\$35,567)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(15,098)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	171,851
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	1,174
Non-employer contributions to cost-sharing pension plan	4,361
Pension expense	<u>(10,691)</u>
Change in net position of governmental activities (Statement B)	<u>\$116,030</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

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

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

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

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

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

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

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

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

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

Revenues

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

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 Notes to the Financial Statements (Continued)

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

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

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

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the library has cash and cash equivalents (book balances) totaling \$3,079,008.

Petty cash	\$250
Demand deposits	72,835
Time deposits	<u>3,005,923</u>
Total	<u>\$3,079,008</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is

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mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Library's name. The Library does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at December 31, 2018, are secured as follows:

Bank balances	<u>\$3,083,127</u>
Federal deposit insurance	\$1,000,000
Pledged securities (uncollateralized)	<u>3,455,405</u>
Total	<u>\$4,455,405</u>

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

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

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

G. ANNUAL AND SICK LEAVE

Employees receive from ten to twenty days of vacation leave each year, depending on length of service and professional status. Sick leave is earned at the rate of twelve days each year and employees may accumulate sick leave. There is no maximum number of sick days that can be accumulated. Upon separation of service, employees are compensated for

BIENVILLE PARISH LIBRARY
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Notes to the Financial Statements (Continued)

accumulated vacation leave earned, but are not compensated for sick leave. In the case of retirement by a member of the staff who is qualified to draw retirement funds based on Library service within the Library Service System, the unused accumulation of sick time may be counted toward service time.

At December 31, 2018, employees of the library have accumulated and vested \$7,484 of employee leave benefits, computed in accordance with GASB Codification Section C60.

H. RISK MANAGEMENT

The library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2018.

I. PENSION PLANS

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

J. OPEB PLAN

The Library's defined benefit post employment health care plan provides OPEB to eligible retired employees. The plan provides OPEB for permanent full-time employees of the Library. The Library's OPEB plan is a single-employer defined benefit OPEB plan administered by the Library. Benefits are provided through the Parochial Employees' Retirement System of Louisiana. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trust That Meet Specified Criteria-Defined Benefit*. The authority to establish

and/or amend the obligation of the employer, employees and retirees rests with the Library.

K. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

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Notes to the Financial Statements (Continued)

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

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

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

The General Fund has an unassigned fund balance of \$4,398,505. If applicable, the Library would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

L. ESTIMATES

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

M. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS AND RESTATEMENT OF NET POSITION

The Bienville Parish Library's Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a restatement of Net Position. The net effect of the restatement to the Government-Wide Statement of Net Position of the Library increased net position by \$191,727.

As of July 1, 2014, the Library implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions-Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

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 Notes to the Financial Statements (Continued)

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to increase net position of the Library by \$1,190.

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, December 31, 2017, as previously stated	\$6,704,639
Net Change in OPEB & Net Pension Liability at December 31, 2018	<u>(192,917)</u>
Total Net Position, December 31, 2018, Restated	<u><u>\$6,511,722</u></u>

2. LEVIED TAXES

The ad valorem tax millage levied by the library was 3.96 mills for the year ended December 31, 2018. The authorized millage for the year ended December 31, 2018, was 3.52 mills. The current tax expires in 2023. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2018 assessed valuation (amounts expressed in thousands):

	2018 Assessed Valuation	Per cent of Total Assessed Valuation
ETC Tiger Pipeline, LLC	\$47,233	12.80%
Gulf South Pipeline Company	38,679	10.48%
Regency Intrastate	26,923	7.30%
Bear Creek Storage Company	17,592	4.77%
QEP Energy Company	16,987	4.60%
Enable Gas Transmission	12,973	3.52%
Tanos Exploration II	8,430	2.29%
Arcadia Gas Storage, LLC	8,249	2.24%
Haynesville Oil & Gas	8,184	2.22%
Tanos Exploration II (WH)	<u>8,082</u>	<u>2.19%</u>
Total	<u><u>\$193,332</u></u>	<u><u>52.41%</u></u>

3. RECEIVABLES

The General Fund receivables of \$1,413,560 at December 31, 2018, are as follows:

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 Notes to the Financial Statements (Continued)

<u>Class of receivables:</u>	
Taxes - ad valorem	\$1,391,799
Intergovernmental revenues - state revenue sharing (net)	<u>21,761</u>
Total	<u><u>\$1,413,560</u></u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2018, follows:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Land	\$14,350			\$14,350
Construction in Progress	28,207	\$364,925	(\$393,132)	NONE
Buildings and improvements	3,657,120	393,132		4,050,252
Equipment	670,599	36,885	(13,638)	693,846
Books	1,589,095	69,778	(32,325)	1,626,548
Vehicles	55,240			55,240
Total	<u>6,014,611</u>	<u>864,720</u>	<u>(439,095)</u>	<u>6,440,236</u>
Less accumulated depreciation	<u>(3,605,883)</u>	<u>(298,958)</u>	<u>45,966</u>	<u>(3,858,875)</u>
Net capital assets	<u><u>\$2,408,728</u></u>	<u><u>\$565,762</u></u>	<u><u>(\$393,129)</u></u>	<u><u>\$2,581,361</u></u>

5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

Benefits Provided - Medical benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (DR.O.P. entry) provisions are as follows: Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

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 Notes to the Financial Statements (Continued)

Life insurance coverage is not considered in this valuation.

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

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>7</u>
Total employees	<u><u>10</u></u>

Total OPEB Liability

The Library's total OPEB liability of \$313,149 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

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

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

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

Changes in the Total OPEB Liability

Balance at December 31, 2017	\$341,437
Changes for the year:	
Service cost	17,234
Interest	12,042
Differences between expected and actual experience	(13,440)
Changes in assumptions	(36,144)

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 Notes to the Financial Statements (Continued)

Benefit payments and net transfers	(\$7,980)
Net Changes	(28,288)
Balance at December 31, 2018	<u>\$313,149</u>

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1.0% Decrease (3.10%)	Current Discount Rate (4.10%)	1.0% Increase (5.10%)
<u>Total OPEB liability</u>	<u>\$370,799</u>	<u>\$313,149</u>	<u>\$267,033</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
<u>Total OPEB liability</u>	<u>\$266,036</u>	<u>\$313,149</u>	<u>\$371,859</u>

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

For the year ended December 31, 2018, the Library recognized OPEB expense of \$23,078. At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditures		\$11,760
Changes in assumptions		31,626
Total	NONE	<u>\$43,386</u>

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

BIENVILLE PARISH LIBRARY
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 Notes to the Financial Statements (Continued)

Year ended December 31:	
2019	(\$6,198)
2020	(\$6,198)
2021	(\$6,198)
2022	(\$6,198)
2023	(\$6,198)
Thereafter	(\$12,396)

6. RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

The Bienville Parish Library contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

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

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

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

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

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

BIENVILLE PARISH LIBRARY
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Notes to the Financial Statements (Continued)

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

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

For the year ended December 31, 2018, the Bienville Parish Library's total payroll for all employees was \$520,866. Total covered payroll was \$378,679. Covered payroll refers to all compensation paid by the Bienville Parish Library to active employees covered by the Plan.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 12.5% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Bienville Parish Library to the System monthly. The Bienville Parish Library's contributions to the System under Plan A for the year ending December 31, 2018 were \$43,548.

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

At December 31, 2018, the Employer reported an asset of \$43,536 for its proportionate share of the Net Pension Liability (Asset). The Net Pension (Asset) was measured as of December 31, 2017 and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The Bienville Parish Library's proportion of the Net Pension Asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Library's proportion was 0.0586%, which was an increase of 0.0011 from its proportion measured as of December 31, 2016.

BIENVILLE PARISH LIBRARY
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 Notes to the Financial Statements (Continued)

For the year ended December 31, 2018 the Bienville Parish Library recognized pension expense of \$10,691 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$28,182
Changes in assumptions	\$54,949	
Net difference between projected and actual earnings on pension plan		100,582
Changes in employer's proportion of beginning NPL		846
Differences between employer and proportionate share of contributions		518
Contributions subsequent to the measurement date	43,548	
Total	\$98,497	\$130,128

The \$43,548 reported as deferred outflows of resources related to pensions resulting from the Bienville Parish Library contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$5,539
2019	(6,863)
2020	(33,990)
2021	(39,865)
TOTAL	(75,179)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of December 31, 2017, are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, per annum
Salary increases	5.25% (2.75% merit, 2.5% inflation)
Inflation rate	2.5%, per annum

BIENVILLE PARISH LIBRARY
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 Notes to the Financial Statements (Continued)

Mortality rates	RP-2000 Employees Sex Distinct Table for Employees RP-2000 Healthy Annuitant Sex Distinct Table annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	4 years for Plan A
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2017 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate 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

BIENVILLE PARISH LIBRARY
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 Notes to the Financial Statements (Continued)

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 payment to determine the total pension liability (asset).

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

The following presents the Bienville Parish Library's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the Library's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability (Asset)	\$214,651	(\$43,536)	(\$273,435)

Plan Fiduciary Net Position

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

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

Long-term obligations at January 1, 2018	\$7,982
Additions	28,892
Deletions	(29,780)
Adjustments ¹	<u>390</u>
Long-term obligations at December 31, 2018	<u>\$7,484</u>

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

8. LITIGATION AND CLAIMS

The Bienville Parish Library is not involved in any litigation at December 31, 2018, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes - ad valorem	\$1,350,000	\$1,350,000	\$1,335,857	(\$14,143)
Intergovernmental revenues:				
State revenue sharing	23,083	23,083	21,761	(1,322)
Other state grants	2,000	2,000	2,209	209
Fines and forfeitures	20,000	20,000	20,475	475
Use of money and property - interest earnings	30,000	26,329	38,578	12,249
Other revenues	8,000	11,671	2,426	(9,245)
Total revenues	<u>1,433,083</u>	<u>1,433,083</u>	<u>1,421,306</u>	<u>(11,777)</u>
EXPENDITURES				
Culture and recreation:				
Current				
Personal services and related benefits	707,250	707,250	651,222	56,028
Operating services	242,500	242,500	223,890	18,610
Materials and supplies	45,000	45,000	56,180	(11,180)
Travel and other charges	11,500	14,600	13,419	1,181
Debt service	1,000	1,170		1,170
Capital outlay	370,833	486,563	471,589	14,974
Intergovernmental	55,000	55,000	42,511	12,489
Total expenditures	<u>1,433,083</u>	<u>1,552,083</u>	<u>1,458,811</u>	<u>93,272</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	(119,000)	(37,505)	81,495
OTHER FINANCING SOURCE-				
Proceeds from disposal of assets			1,938	1,938
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	NONE	(119,000)	(35,567)	83,433
FUND BALANCE AT BEGINNING OF YEAR	<u>2,500,000</u>	<u>2,500,000</u>	<u>4,434,072</u>	<u>1,934,072</u>
FUND BALANCE AT END OF YEAR	<u>\$2,500,000</u>	<u>\$2,381,000</u>	<u>\$4,398,505</u>	<u>\$2,100,938</u>

See accompanying note to budgetary comparison schedule.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

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

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

Bienville Parish Library
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE December 31, 2018

Schedule of Funding Progress

Total OPEB Liability

Service cost	\$17,234
Interest	12,042
Changes of benefits terms	NONE
Differences between expected and actual experience	(13,440)
Changes of assumptions	(36,144)
Benefit payments	<u>(7,980)</u>
Net change in total OPEB liability	(28,288)
Total OPEB liability - beginning	<u>341,437</u>
Total OPEB liability - ending	<u><u>\$313,149</u></u>
Covered employee payroll	\$358,542
Net OPEB liability as a percentage of covered-employee payroll	87.34%

Note:

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

Changes of Assumptions. There were no changes of assumptions for the year ended December 31, 2018.

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

Bienville Parish Library
Schedule of Employer's Share of Net Pension Liability
December 31, 2018

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.053030%	\$14,496	\$351,378	4.13%	87.34%
2016	0.062659%	\$164,937	\$354,249	46.56%	99.23%
2017	0.059732%	\$123,019	\$361,031	34.07%	82.10%
2018	0.058654%	(\$43,536)	\$378,679	(11.50%)	101.98%

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

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

Bienville Parish Library
Schedule of Employer Contributions
December 31, 2018

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$50,950	\$50,950	\$0	\$351,378	14.50%
2016	\$46,052	\$46,052	\$0	\$354,249	13.00%
2017	\$45,129	\$45,129	\$0	\$361,031	12.50%
2018	\$43,548	\$43,548	\$0	\$378,679	11.50%

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

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

OTHER SUPPLEMENTARY INFORMATION

PART III

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2018

PEGGY WALLS, DIRECTOR

PURPOSE	AMOUNT
Salary	\$73,468
Benefits-insurance	695
Benefits-retirement	15,426
Benefits-medicare	1,066
Travel - mileage	224
Housing and lodging	4,869
Registration fees	199
Meals	191
Membership fees	262
Airplane ticket	623
Other	262

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

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

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

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

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

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

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

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Bienville Parish Library, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Bienville Parish Library's basic financial statements, and have issued my report thereon dated June 13, 2019.

Internal Control Over Financial Reporting

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

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

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

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

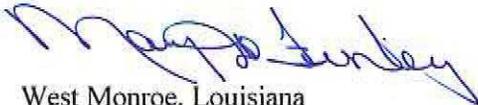
December 31, 2018

Compliance and Other Matters

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

Purpose of this Report

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



West Monroe, Louisiana

June 13, 2019

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Schedule of Findings and Responses
For the Year Ended December 31, 2018

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

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

There were no audit findings reported in the audit for the year ended December 31, 2017.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Bienville Parish Library
2768 Maple Street
Arcadia, LA 71001

To the Bienville Parish Library's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Bienville Parish Library and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. Management of Bienville Parish Library is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

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

- D. Receipts, including receiving, recording, and preparing deposits
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- J. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the function noted above.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - ▶ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- 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.

The library meets quarterly in accordance with the agency by-laws. The librarian prepares the financial statements and presents budget to actual comparisons at each meeting. Non-budgetary financial information is also presented at meetings.

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

- B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation(e.g., initialed and dated, electronically logged);

- C) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. October, 2018 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that the bank reconciliations were performed by the librarian and assistant librarian. There was evidence that the reconciliations are performed within 60 days of the bank statement date. None of the accounts selected to test had outstanding reconciling items over 12 months.

COLLECTIONS

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

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

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

- A) Employees that are responsible for cash collections do not share cash drawers/registers.
- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 4 collection locations with two cash drawers at the main branch and one cash drawer at each of the other 3 locations. The librarian and assistant librarian receive the check payments and make the deposits and then post the receipts to the accounting software. Deposits for checks are taken to the bank on the day that checks are received. At the end of the month the librarian and assistant librarian reconcile the bank accounts. Fines and other cash receipts are received by all library employees and put in a cash drawer and entered on a cash receipt journal. The cash drawers are reconciled twice a month. The branch managers prepare the recap and bring to the main branch. The recaps are verified and deposits are prepared and made by the librarian and assistant librarian. The librarian and assistant librarian post the deposits to the quickbooks software.

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

The Library has surety bonds that cover the librarian and branch managers, all other employees are covered by employee theft endorsement on the commercial insurance policy.

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

- A) Observe that receipts are sequentially pre-numbered.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,
- C) Trace the deposit slip total to the actual deposit per the bank statement.

D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

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

The Library uses pre-numbered receipts. Deposit documentation was traced to the supporting documentation for the deposits. The deposit slips selected were traced to the bank statement. The deposits were traced to the posting in the Quickbooks accounting software by the librarian and assistant librarian. Deposits from cash drawers are made twice a month.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Agency provided a complete list of locations that process payments and represented that the list was complete.

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

A) At least two employees are involved in initialing a purchase request, approving a purchase, and placing an order/making the purchase.

B) At least two employees are involved in processing and approving payments to vendors.

C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Library does not use a purchase order system or purchase requisitions. The employees initiate all purchases and the librarian and assistant librarian approve all purchases. The librarian and assistant librarian add all new vendors. The librarian and assistant librarian review and approve all invoices before checks are written. The librarian and assistant librarian initiate all checks and sign all checks. The librarian and assistant librarian mail all check payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that

the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

All disbursements selected to be tested had the proper support documentation. The librarian and assistant librarian review and approve all invoices before checks are written. The librarian and assistant librarian initiate the disbursement checks and the librarian and assistant librarian sign all checks. The librarian and assistant librarian reconcile all bank statements.

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

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

- 12. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- A) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- B) Observe that finance charges and late fees were not assessed on the selected statements.

The librarian and assistant librarian review and approve all credit card statements. The librarian and assistant librarian prepare the checks and sign all checks. For the cards tested, there were no interest charges on the credit card statement.

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

All transactions tested had the proper documentation. The librarian and assigned employees are the card holders and initiate all purchases. The librarian and assistant librarian review and approve all purchases. No meal charges were noted during test period.

TRAVEL AND EXPENSE REIMBURSEMENT

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

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete.

- A) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- B) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- C) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- D) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The agency is using the established rate and that is being paid to the employees. Amounts tested for reimbursement at per diem rates had the proper documentation. It was noted the expenditures were for business purposes. All reimbursements were supported by proper documentation. No meal charges were tested. The librarian and assistant librarian review and approve all travel reimbursements.

CONTRACTS

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

PAYROLL AND PERSONNEL

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

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

ETHICS (EXCLUDING NONPROFITS)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:
 - A) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - B) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

The agency provided support for ethics training for the 3 of the 5 employees randomly selected. The agency did not have written documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

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

OTHER

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

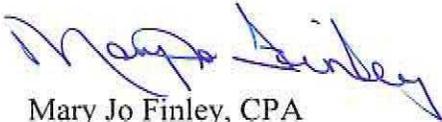
The Library has no known misappropriation of funds during the test period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

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

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



Mary Jo Finley, CPA
June 14, 2019

BIENVILLE PARISH LIBRARY

2768 Maple Street • Arcadia, LA 71001

June 14, 2019

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

Collections

5. A.), B), C) & D)

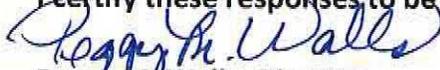
Due to the small number of employees and the infrastructure of each branch library, it is not feasible for each employee to have a cash drawer. The main branch and each of the three branch libraries have branch managers who work out of the cash drawers daily supervising the collection and recording of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

7. D) Due to the location and size of the branches, it is not feasible to make weekly deposits. Also, the branches collect small amounts. Collections are brought to the main branch every two weeks.

Ethics

20. A.) & B.) Due to the construction project we failed to have everyone complete the online class. We will make sure the classes are completed by each staff member as well as documentation of reading library ethics policy.

I certify these responses to be true and correct.



Peggy M. Walls, Director

Bienville Parish Library