

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

**A COMPONENT UNIT OF THE  
POINTE COUPEE PARISH POLICE JURY**

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

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**POINTE COUPEE PARISH LIBRARY  
NEW ROADS, LOUISIANA  
ANNUAL FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

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## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Pointe Coupee Parish Library, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### Management's Responsibility

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pointe Coupee Parish Library, a component unit of the Pointe Coupee Parish Police Jury, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and on page 32 be presented to supplement the basic financial statements. Such information, including the health care and pension information on pages 33 through 36, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

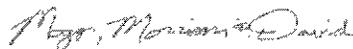
### *Other Information*

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

The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of the Pointe Coupee Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pointe Coupee Parish Library's internal control over financial reporting and compliance.



Major, Morrison & David  
New Roads, Louisiana  
June 27, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**POINTE COUPEE PARISH LIBRARY  
NEW ROADS, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2017**

The Management's Discussion and Analysis (MD&A) of the Pointe Coupee Parish Library (Library) provides an overview and overall review of the Library's financial activities for the fiscal year ended December 31, 2017. The intent of the MD&A is to look at the Library's financial performance as a whole. It should, therefore, be read in conjunction with the Library's financial statements found in the financial section starting on page 9, and the notes thereto. MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

**FINANCIAL HIGHLIGHTS**

- The Library's total net position increased by \$459,325 over the course of this year's operations.
- During the year, the Library's expenses were \$1,483,424 more than the \$36,984 generated in charges for services and operating grants for governmental programs.
- The total cost of the Library's programs was \$1,520,408, a decrease of approximately \$3,542 or .23 percent.
- Total revenues including general revenues decreased by \$52,493 or 2.5 percent.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**Government-wide Statements**

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

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

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

**POINTE COUPEE PARISH LIBRARY  
NEW ROADS, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2017**

**Fund Financial Statements**

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

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

**FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE**

**Net position.** The Library's combined net position changed slightly between fiscal years 2016 and 2017, increasing by \$495,325 to approximately \$8.44 million. (See Table 1 below)

**Table 1  
Library's Net Position**

	<b>Governmental Activities 2016</b>	<b>Governmental Activities 2017</b>
Assets:		
Current and other assets	\$ 4,931,359	\$ 5,320,489
Capital assets	3,156,301	3,182,623
<b>Total assets</b>	<b>\$ 8,087,660</b>	<b>\$ 8,503,112</b>
Deferred Outflows:		
Resources related to pensions	239,041	181,636
<b>Total deferred outflows</b>	<b>\$ 239,041</b>	<b>\$ 181,636</b>
Liabilities:		
Current liabilities	136,626	64,016
Noncurrent liabilities	178,662	152,283
<b>Total liabilities</b>	<b>\$ 315,288</b>	<b>\$ 216,299</b>
Deferred Inflows:		
Resources related to pensions	26,167	23,878
<b>Total deferred inflows</b>	<b>\$ 26,167</b>	<b>\$ 23,878</b>
Net Position:		
Invested in capital assets, net of related debt	3,156,301	3,182,623
Restricted for Capital Projects	0	2,249,718
Restricted for Prepaid Expenses	0	7,126
Unrestricted	4,828,945	3,005,104
<b>Total net position</b>	<b>\$ 7,985,246</b>	<b>\$ 8,444,571</b>

Net position of the Library's governmental activities increased by 6.2 percent to \$8.44 million.

**POINTE COUPEE PARISH LIBRARY  
NEW ROADS, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2017**

**Changes in net position.** The Library's total revenues decreased by 2.5 percent to \$1,979,733 (See Table 2), due to a decrease in property tax revenue. Approximately 96 percent of the Library's revenue comes from a general property tax assessed on the property owners in the parish.

The total cost of all programs and services decreased approximately \$3,542 or .23 percent. The Library's expenses cover all services, which it offers to the public.

**Governmental Activities**

Revenues for the Library's governmental activities decreased by 2.5 percent, while total expenses decreased by .23 percent.

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

	<b>Governmental Activities 2016</b>	<b>Governmental Activities 2017</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 14,001	\$ 12,082
Operating grants and contributions	19,809	24,902
Other revenues	1,998,416	1,942,749
<b>Total revenues</b>	<b>\$ 2,032,226</b>	<b>\$ 1,979,733</b>
<b>Expenses</b>		
General government	1,523,950	1,520,408
<b>Total expenses</b>	<b>\$ 1,523,950</b>	<b>\$ 1,520,408</b>
<b>Increase in net position</b>	<b>\$ 508,276</b>	<b>\$ 495,325</b>

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

	<b>Total Cost of Services 2017</b>	<b>Net Cost of Services 2017</b>
Library Services	\$ 1,520,408	\$ 1,483,424

**FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS**

As the Library completed the year, its governmental funds reported a combined fund balance of \$5,256,473, reflecting an increase over the prior year of \$461,740. Of the combined fund balance total, \$2,999,629 is unassigned indicating availability for continuing the library's activities, \$2,249,718 is committed for capital projects, and \$7,126 is nonspendable for prepaid expenses. Even with a slight decrease in property tax revenues and operating expenses for the year, the library has consistently maintained an annual surplus, operating within the revenues generated. The library has maintained a healthy fund balance and continues to operate within its budget restrictions.

**POINTE COUPEE PARISH LIBRARY  
NEW ROADS, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2017**

**General Fund Budgetary Highlights**

During the year, the library operated well within its budget and found no need to amend it. Revenues received during the year were greater than expected and expenditures were less than expected due to lower salaries and related benefits and utilities costs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the year, the Library had invested \$3,182,623 in capital assets. (See Table 4).

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

	<b>Governmental Activities 2017</b>
Land	\$ 170,265
Buildings and improvements	2,456,866
Vehicles	5,076
Furniture and equipment	143,688
Books and periodicals	344,397
Recordings and cassettes	57,031
Filmstrips and videos	5,300
	_____
<b>Total</b>	<b>\$ 3,182,623</b>

**Debt**

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Approximately 96 percent of the Library's revenues are derived from an ad valorem tax on the voters of the parish. The Pointe Coupee Parish Police Jury must approve the Library's millage rates for collection of the ad valorem taxes each year. The economy is not expected to generate any significant growth in assessment values. Neither library fees nor grant income is expected to increase; therefore, future revenues are expected to remain consistent with the current year. Staff levels are not expected to increase, although retirement costs and health costs have continued to rise. Measures taken by the library to offset these increases include increasing the employee contribution for health costs and reducing expenses in other areas. The budget for the year 2018 should be comparable to the year's 2017 budget.

**CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

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

**Statement of Net Position**

**December 31, 2017**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,408,019
Investments	144,693
Accounts receivable	295
Taxes receivable	1,760,356
Prepaid expenses	7,126
Land	170,265
Capital assets, net of depreciation	<u>3,012,358</u>
Total Assets	<u>8,503,112</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Resources related to pensions	<u>181,636</u>
Total deferred outflows of resources	<u>181,636</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	64,016
Non-current liabilities:	
Net pension liability	135,757
Other post-employment benefits	<u>16,526</u>
Total Liabilities	<u>216,299</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Resources related to pensions	<u>23,878</u>
Total deferred inflows of resources	<u>23,878</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	3,182,623
Restricted for:	
Capital projects	2,249,718
Prepaid expenses	7,126
Unrestricted (deficit)	<u>3,005,104</u>
Total net position	<u><u>\$ 8,444,571</u></u>

The accompanying notes are an integral part of this statement.

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

**Statement of Activities**

**For the Year Ended December 31, 2017**

<b>FUNCTIONS/PROGRAMS</b>	Expenses	<u>Program Revenues</u>		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government - Library services	\$ 1,520,408	\$ 12,082	\$ 24,902	\$ (1,483,424)
Total governmental activities:				<u>(1,483,424)</u>
General revenues:				
Property Taxes - levied for general purposes				1,904,641
State revenue sharing				30,371
Miscellaneous revenue				2,292
Unrestricted investment earnings				<u>5,445</u>
Total general revenues				<u>1,942,749</u>
Change in net position				459,325
Net position - beginning of the year				<u>7,985,246</u>
Net position - end of the year				<u><u>\$ 8,444,571</u></u>

The accompanying notes are an integral part of this statement.

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

**Balance Sheet**

**December 31, 2017**

	<b>GENERAL FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>TOTALS (Memorandum Only) 2016</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,158,301	\$ 2,249,718	\$ 3,408,019	\$ 2,856,626
Investments	144,693	-	144,693	143,268
Receivables	1,760,651	-	1,760,651	1,931,465
Prepaid expenses	7,126	-	7,126	-
<b>Total Assets</b>	<b>\$ 3,070,771</b>	<b>\$ 2,249,718</b>	<b>\$ 5,320,489</b>	<b>\$ 4,931,359</b>
<b>LIABILITIES &amp; FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 42,594	\$ -	\$ 42,594	\$ 31,274
Payroll deductions payable	21,422	-	21,422	23,251
Other liabilities	-	-	-	82,101
<b>Total Liabilities</b>	<b>64,016</b>	<b>-</b>	<b>64,016</b>	<b>136,626</b>
Fund Balances:				
Nonspendable:				
Prepaid expenses	7,126	-	7,126	-
Committed for:				
Capital projects	-	2,249,718	2,249,718	-
Assigned for:				
Budget stabilization	-	-	-	223,727
Unassigned	2,999,629	-	2,999,629	4,571,006
<b>Total Fund Balance</b>	<b>3,006,755</b>	<b>2,249,718</b>	<b>5,256,473</b>	<b>4,794,733</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 3,070,771</b>	<b>\$ 2,249,718</b>	<b>\$ 5,320,489</b>	<b>\$ 4,931,359</b>

The accompanying notes are an integral part of this statement.

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

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

**December 31, 2017**

Total fund balance - governmental funds	\$ 5,256,473
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet -	3,182,623
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - governmental funds.	
Other postemployment benefits	(16,526)
Net pension liability	(135,757)
Deferred outflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	181,636
Deferred inflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	<u>(23,878)</u>
Total net position of governmental activities	<u>\$ 8,444,571</u>

The accompanying notes are an integral part of this statement.

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

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended December 31, 2017**

	<b>GENERAL FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>TOTALS (Memorandum Only) 2016</b>
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,904,641	\$ -	\$ 1,904,641	\$ 1,961,501
Intergovernmental revenues:				
Federal grants	14,006	-	14,006	12,105
State revenue sharing	30,371	-	30,371	29,361
Other state revenue	-	-	-	174
Interest earnings	5,445	-	5,445	5,056
Other revenues:				
Fees & charges for services	11,774	-	11,774	13,910
Fines & lost book collections	308	-	308	90
Gifts, donations, misc revenue	8,319	-	8,319	5,519
Total revenues	<u>1,974,864</u>	<u>-</u>	<u>1,974,864</u>	<u>2,027,716</u>
<b>EXPENDITURES</b>				
Salaries and related benefits	701,280	-	701,280	662,441
Legal & accounting	44,813	-	44,813	62,538
Insurance	53,110	-	53,110	49,565
Material and supplies	71,288	-	71,288	94,786
Repairs & maintenance	187,665	-	187,665	181,128
Utilities and communications	81,356	-	81,356	90,623
Capital outlay	260,163	-	260,163	128,036
Intergovernmental	80,455	-	80,455	82,100
Other operating services	32,994	-	32,994	33,512
Total expenditures	<u>1,513,124</u>	<u>-</u>	<u>1,513,124</u>	<u>1,384,729</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>461,740</u>	<u>-</u>	<u>461,740</u>	<u>642,987</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	2,249,718	2,249,718	-
Operating transfers out	(2,249,718)	-	(2,249,718)	-
Total other financing sources (uses)	<u>(2,249,718)</u>	<u>2,249,718</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>				
	(1,787,978)	2,249,718	461,740	642,987
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
	<u>4,794,733</u>	<u>-</u>	<u>4,794,733</u>	<u>4,151,746</u>
<b>FUND BALANCE AT END OF YEAR</b>				
	<u>\$ 3,006,755</u>	<u>\$ 2,249,718</u>	<u>\$ 5,256,473</u>	<u>\$ 4,794,733</u>

The accompanying notes are an integral part of this statement.

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

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

**For the Year Ended December 31, 2017**

Net change in fund balances - total governmental funds	\$ 461,740
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlays	260,163
Depreciation	(233,841)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(Increase) decrease in other post-employment benefits	(984)
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Governmental funds report current year pension contributions as expenditures. However, in the statement of activities it is an actuarially calculated expense. This represents the difference between pension contributions and actuarially calculated expense.

	(32,622)
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The assessor's proportionate share of non-employer contributions to the pension plan do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

	<u>4,869</u>
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Change in net position of governmental activities	<u><u>\$ 459,325</u></u>
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The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY**  
**NEW ROADS, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of and For the Year Ending December 31, 2017**

## **INTRODUCTION**

The Pointe Coupee Parish Library, New Roads, Louisiana was established by the parish governing authority, under the provisions of Louisiana Revised Statute 25:211. Louisiana Revised Statute 25:214 provides for public governance through a Library board of control. The Pointe Coupee Parish Police Jury appoints the board of control, which consists of seven non-compensated board members. The mission of the Pointe Coupee Parish Library is to provide resources and services to fulfill individual informational needs for day-to-day living and pleasure, and for cultural, educational, and leisurely pursuits. The Library serves the entire parish of Pointe Coupee, consisting roughly of 22,802 residents. The Library employs approximately 24 workers located at their main branch in New Roads and outlying branches in Morganza, Innis, Livonia, and Rougon, Louisiana.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. BASIS OF PRESENTATION**

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

### **B. REPORTING ENTITY**

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

### **C. FUND ACCOUNTING**

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

#### **Governmental Funds**

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

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

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

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**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Government-Wide Financial Statements (GWFS)**

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

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

**Fund Financial Statements (FFS)**

The amounts reflected in the FFS of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Library’s operations (See the reconciliation statements).

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

**Revenues –**

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Taxes are generally collected in December of the current year and January and February of the following year.

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

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

Substantially all other revenues are recorded when received.

**Expenditures –**

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

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**Other Financing Sources (Uses)**

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

**E. BUDGETS**

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

The proposed budget was published and made available for public inspection on October 20, 2016, in accordance with Louisiana Revised Statute (R.S.) 39:1306. The public hearing was held at the Library's main office in New Roads, LA on November 9, 2016, at which time the Board of Control formally adopted it. The Board of Control has the authority to make changes or amendments within various budget classifications. One amendment was proposed and adopted during the year.

**F. ENCUMBRANCES**

The Library does not use encumbrance accounting.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**H. INVESTMENTS**

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

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

**I. CAPITAL ASSETS**

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

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

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Land Improvements	20 years
Buildings & Improvements	10 – 40 years
Equipment & furniture	5 years
Vehicles	5 – 10 years
Library collection	5 – 7 years

**J. BAD DEBTS**

The Library uses the allowance method whereby uncollectible amounts due from other governmental entities are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which indicates the particular receivable is not collectible. No amounts were charged off in the year ended December 31, 2017.

**K. OTHER POSTEMPLOYMENT BENEFITS**

In November 2004, the GASB issued Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.” This statement requires the accrual of other postemployment benefits for retired employees. The Library has recorded a liability for other postemployment benefits as of December 31, 2017.

In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

**L. COMPENSATED ABSENCES**

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

The Library Director earns the following vacation:

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

Full-time professional staff earn the following vacation:

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

Full-time Library employees earn the following vacation:

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

Employees may not accumulate vacation time. Vacation time should be used during the calendar year in which it is granted. If this is impossible or creates an undue hardship on the employee or the Library, the Director may grant permission to use the unused vacation in the first quarter of the next year. Any unused vacation is forfeited after this fifteen-month period. Any

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employee resigning or retiring will be paid for any unused vacation, which was granted in that same calendar year. The liability for compensated absences at December 31, 2017 was \$72.

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

**M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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

**N. PENSIONS**

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

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

**O. RESTRICTED NET POSITION**

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

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

**P. FUND EQUITY**

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

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

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

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

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

*Unassigned* – the residual fund balance in the general fund.

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

**Q. USE OF ESTIMATES**

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

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2017:

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

**3. LEVIED TAXES**

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

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

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>	<u>Ad Valorem Tax Revenue for Library</u>
LA Generating, LLC	Electric	\$ 97,301,220	18.87%	\$ 392,124
American Comm. Lines	Transport	56,726,260	11.00%	228,607
Ingram Barge Company	Transport	39,191,540	7.60%	157,942
Entergy Louisiana, LLC	Electric	25,860,300	5.02%	104,217
Acadian Gas Pipeline	Oil & Gas	21,635,280	4.20%	87,190
Union Pacific Corp.	Railroad	17,060,430	3.31%	68,754
Heartland Barge Mgmt.	Transport	8,500,640	1.65%	34,258
Total		<u>\$ 266,275,670</u>	<u>51.65%</u>	<u>\$ 1,073,092</u>

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**4. DEPOSITS AND INVESTMENTS**

**A. Cash and Cash Equivalents**

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the Library’s deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or it’s trust department/agent but not in the name of the Library. The Library’s cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the Library as of December 31, 2017. Deposits are listed in terms of whether they are exposed to custodial credit risk.

<u>Bank Balances</u>					
	<u>Uninsured &amp; Uncollateralized</u>	<u>Uninsured &amp; Collateralized with Securities held by Pledging Institution or It’s Trust Department/Agent But Not in the Entity’s Name</u>	<u>Total Bank Balances – All Deposits</u>	<u>Total Carrying Value – All Deposits</u>	
Cash and Cash Equivalents	\$ -0-	\$ -0-	\$ 3,411,398	\$ 3,407,619	

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

**B. Investments**

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

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The Library’s investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the Library’s opinion that since these securities are governmental agencies, credit risk is not a factor. LAMP is rated AAAM by Standard & Poors.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Library will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty’s trust department or agent but not in the name of the Library. The following chart presents the investment position of the Library as of December 31, 2017. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

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	<u>Uninsured, Unregistered, and Held by the Counterparty</u>	<u>Uninsured, Unregistered, and Held by the Counterparty's Trust Department/Agent But not in the Entity's Name</u>	<u>All Investments – Reported Amount</u>	<u>All Investments – Fair Value</u>
Certificates of Deposit	\$ -0-	\$ -0-	\$ 144,693	\$ 144,693
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 144,693</u>	<u>\$ 144,693</u>

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Library's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 89 as of December 31, 2017. Investments classified by maturity dates at December 31, 2017 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>0-1 Years Before Maturity</u>	<u>1-5 Years Before Maturity</u>	<u>6 + Years Before Maturity</u>
Certificates of Deposit	\$ 144,693	\$ 144,693	\$ -0-	\$ -0-
Total	<u>\$ 144,693</u>	<u>\$ 144,693</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**5. RECEIVABLES**

The following is a summary of receivables at December 31, 2017:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Total</u>
Ad Valorem Taxes	\$ 1,760,356	\$ 1,760,356
State Revenue Sharing	0	0
Accrued Interest Receivable	295	295
Total	<u>\$ 1,760,651</u>	<u>\$ 1,760,651</u>

**6. RISK MANAGEMENT**

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

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**7. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2017 are as follows:

	<u>Land, Bldgs &amp; Improvements</u>	<u>Library Collection</u>	<u>Furniture &amp; Equipment</u>	<u>Automobiles</u>	<u>Total</u>
Cost of capital assets, December 31, 2016	\$ 3,526,648	\$ 3,022,292	\$ 648,270	\$ 52,858	\$ 7,250,068
Additions	113,011	119,270	27,882	-0-	260,163
Deletions	-0-	(198,264)	-0-	-0-	(198,264)
Cost of capital assets, December 31, 2017	<u>3,639,659</u>	<u>2,943,298</u>	<u>676,152</u>	<u>52,858</u>	<u>7,311,967</u>
Accumulated depreciation, December 31, 2016	922,913	2,632,831	495,779	42,244	4,093,767
Additions	89,616	102,002	36,685	5,538	233,841
Deletions	-0-	(198,264)	-0-	-0-	(198,264)
Accumulated depreciation, December 31, 2017	<u>1,012,529</u>	<u>2,536,569</u>	<u>532,464</u>	<u>47,782</u>	<u>4,129,344</u>
Capital assets net of Accumulated depreciation, At December 31, 2017	<u>\$ 2,627,130</u>	<u>\$ 406,729</u>	<u>\$ 143,688</u>	<u>\$ 5,076</u>	<u>\$ 3,182,623</u>

Depreciation expense of \$233,841 for the year ended December 31, 2017, was charged to the general fund governmental function.

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

**8. OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description.** The Pointe Coupee Parish Library's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

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. Complete plan provisions are included in the official plan documents.

**Contribution Rates.** Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy.** Until 2009, the Pointe Coupee Parish Library recognized the cost of providing post-employment medical benefits (the Pointe Coupee Parish Library's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Library's portion of health care funding cost for retired employees totaled \$-0- and \$-0-, respectively.

Effective January 1, 2009, the Pointe Coupee Parish Library implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Obligation as shown in the following table.

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**Annual Required Contribution.** The Pointe Coupee Parish Library's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2017	2016
Normal cost	\$ 648	\$ 623
30-year UAAL amortization amount	613	589
Annual required contribution (ARC)	<u>\$ 1,260</u>	<u>\$ 1,212</u>

**Net Post-employment Benefit Obligation (Asset).** The table below shows the Pointe Coupee Parish Library's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31:

	2017	2016
Beginning Net OPEB Obligation	\$ 15,542	\$ 14,590
Annual required contribution	1,260	1,212
Interest on Net OPEB Obligation	623	584
ARC Adjustment	(899)	(844)
OPEB Cost	<u>984</u>	<u>952</u>
Contribution	-0-	-0-
Current year retiree premium	-0-	-0-
Change in Net OPEB Obligation	<u>984</u>	<u>952</u>
Ending Net OPEB Obligation	<u>\$ 16,526</u>	<u>\$ 15,542</u>

The following table shows the Pointe Coupee Parish Library's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post employment benefits (OPEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
December 31, 2017	\$984	0.00%	\$16,526
December 31, 2016	\$952	0.00%	\$15,542

**Funded Status and Funding Progress.** In 2017 and 2016, the Pointe Coupee Parish Library made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$11,011, which is defined as that portion, as determined by a particular actuarial cost method (the Pointe Coupee Parish Library uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2017	2016
Actuarial Accrued Liability (AAL)	\$ 11,011	\$ 10,587
Actuarial Value of Plan Assets (AVP)	-0-	-0-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 11,011</u>	<u>\$ 10,587</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 393,210	\$ 390,921
UAAL as a percentage of covered payroll	2.80%	2.71%

**Actuarial Methods and Assumptions.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4)

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mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

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

**Actuarial Value of Plan Assets.** There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

**Turnover Rate.** An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%. We have also assumed that 50% of retirees decline coverage because of the required retiree premiums.

**Post-employment Benefit Plan Eligibility Requirements.** Based on past experience, it has been assumed that entitlement to benefits will commence six years after eligibility to enter the D.R.O.P., as described above under "Plan Description". The six years represents three years in the D.R.O.P. plus an additional three years. Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate).** GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retirees (not dependents) until Medicare eligibility at age 65 (until death if the retiree had at least 30 years of service at retirement). We have used the unblended rates provided as mandated by GASB Codification Section P50.

**Inflation Rate.** Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

**POINTE COUPEE PARISH LIBRARY  
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NOTES TO THE FINANCIAL STATEMENTS**

**Projected Salary Increases.** This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-retirement Benefit Increases.** The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal years.

	2017	2016	2015
OPEB cost	\$ 984	\$ 952	\$ 5,755
Contribution	-0-	-0-	-0-
Retiree premium	-0-	-0-	-0-
Total contribution and premium	-0-	-0-	-0-
Change in net OPEB obligation	\$ 984	\$ 952	\$ 5,755
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	0.00%	0.00%	0.00%

**9. PENSION PLAN**

*Plan Description.* Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901. The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elects to become members of the System. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Library are members of Plan A. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

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

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three

**POINTE COUPEE PARISH LIBRARY  
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NOTES TO THE FINANCIAL STATEMENTS**

percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

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

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump-sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

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

Cost of Living Increases:

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 12.50 percent of annual covered

**POINTE COUPEE PARISH LIBRARY  
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payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the years ending December 31, 2017, 2016, and 2015 were \$49,151, \$50,820, and \$51,519, respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$4,869 for the year ended December 31, 2017.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2017, the Library reported a liability of \$135,757 for its proportionate share of net pension liability. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability 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, 2016, the Library's proportion was 0.065917%, which was an increase of 0.003948% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Library recognized pension expense of \$82,082. At December 31, 2017, the Library recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,756
Changes in assumptions	25,774	-
Net difference between projected and actual earnings on pension plan investments	105,352	-
Changes in proportion and differences between Library contributions and proportionate share of contributions	1,359	122
Library contributions subsequent to the measurement date	49,151	-
Total	<u>\$ 181,636</u>	<u>\$ 23,878</u>

The \$49,151 reported as deferred outflows of resources relating to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$ 41,035
2019	42,678
2020	27,742
2021	(2,848)
2022	-0-
Thereafter	-0-
Total	<u>\$ 108,607</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry age normal.
Investment Rate of Return:	7.00%, net of investment expense, including inflation
Projected Salary increases:	5.25% (2.50% inflation, 2.75% merit)

**POINTE COUPEE PARISH LIBRARY  
NEW ROADS, LOUISIANA  
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Mortality	RP-2000 Employee Sex Distinct Table was selected for active employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Expected Remaining Service Lives	4 years.

*Discount Rate.* The discount rate used to measure the total pension liability for Plan A was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long rate of return is 7.66% for the year ending December 31, 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Totals	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.66%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

**POINTE COUPEE PARISH LIBRARY  
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NOTES TO THE FINANCIAL STATEMENTS**

*Sensitivity to Changes in Discount Rate.* The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Library's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2016:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Library's proportionate share of the net pension liability (asset)	\$ 406,103	\$ 135,757	\$ (92,829)

The Parochial Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended December 31, 2016. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

**10. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$64,016 as of December 31, 2017, are as follows:

	General Fund	Total
Withholdings	\$ 21,422	\$ 21,422
Accounts	42,594	42,594
Other	0	0
Total	\$ 64,016	\$ 64,016

**11. LITIGATION**

At December 31, 2017, the Library was involved in one lawsuit. The Library's legal counsel feels the case will be resolved in the Library's favor or covered by its insurance carrier. However, the ultimate resolution of this lawsuit cannot be presently determined and no provision for any liability that may result from such claim has been made in the financial statements. The cost of litigation and claims incurred during the fiscal year was \$0.

**12. COMPENSATION PAID TO BOARD MEMBERS**

No compensation was paid to board members during the year ended December 31, 2017. The following is a list of board members and term expiration dates:

Board Member	Term Expires
Don Ewing	December 2017
Mary Helen McCoy	December 2018
Philomena Fontenot	December 2019
Grace Hebert	December 2019
Wylene Hurst	December 2020
Gayle Dixon	December 2021
Lucy Boley Thompson	December 2021

**13. SUBSEQUENT EVENTS**

Management has performed an evaluation of the Library's activities through June 27, 2018, and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on June 27, 2018.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**BUDGETARY COMPARISON SCHEDULE  
For the Year Ended December 31, 2017**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>FAVORABLE</b>
				<b>(UNFAVORABLE)</b>
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,438,000	\$ 1,913,958	\$ 1,904,641	\$ (9,317)
Intergovernmental revenues:				
Federal grants	-	-	14,006	14,006
State revenue sharing	20,000	20,328	30,371	10,043
Interest earnings	1,000	3,700	5,445	1,745
Other revenues:				
Fees & charges for services	5,000	7,600	11,774	4,174
Fines & lost book collections	200	100	308	208
Gifts, donations, misc revenue	-	-	8,319	8,319
Total revenues	<u>1,464,200</u>	<u>1,945,686</u>	<u>1,974,864</u>	<u>29,178</u>
<b>EXPENDITURES</b>				
Salaries and related benefits	858,377	825,566	701,280	124,286
Legal & accounting	60,000	60,000	44,813	15,187
Insurance	60,500	60,500	53,110	7,390
Material and supplies	87,250	136,250	71,288	64,962
Repairs & maintenance	220,000	240,000	187,665	52,335
Utilities and communications	128,300	129,500	81,356	48,144
Capital outlay	140,000	181,500	260,163	(78,663)
Intergovernmental	77,000	82,100	80,455	1,645
Other operating services	56,500	59,550	32,994	26,556
Total expenditures	<u>1,687,927</u>	<u>1,774,966</u>	<u>1,513,124</u>	<u>261,842</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(223,727)	170,720	461,740	291,020
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(3,249,234)	(2,249,718)	999,516
Total other financing sources (uses)	<u>-</u>	<u>(3,249,234)</u>	<u>(2,249,718)</u>	<u>999,516</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(223,727)	(3,078,514)	(1,787,978)	1,290,536
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>223,727</u>	<u>3,078,514</u>	<u>4,794,733</u>	<u>1,716,219</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,006,755</u>	<u>\$ 3,006,755</u>

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

**EMPLOYEE HEALTH CARE PLAN  
DECEMBER 31, 2017**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2009	\$-0-	\$113,389	\$113,389	0%	\$302,082	37.5%
January 1, 2010	\$-0-	\$117,925	\$117,925	0%	\$336,860	35.0%
January 1, 2011	\$-0-	\$127,548	\$127,548	0%	\$318,184	40.1%
January 1, 2012	\$-0-	\$41,255	\$41,255	0%	\$306,554	13.5%
January 1, 2013	\$-0-	\$42,905	\$42,905	0%	\$361,788	11.9%
January 1, 2014	\$-0-	\$44,621	\$44,621	0%	\$403,221	11.1%
January 1, 2015	\$-0-	\$46,406	\$46,406	0%	\$355,306	13.1%
January 1, 2016	\$-0-	\$10,587	\$10,587	0%	\$390,921	2.7%
January 1, 2017	\$-0-	\$11,011	\$11,011	0%	\$393,210	2.8%

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

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

December 31, 2017

<u>Fiscal Year Ended December 31:</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Library's proportion of the net pension liability (asset)	0.065917%	0.061969%	0.066542%	0.073369%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Library's proportionate share of the net pension liability (asset)	\$ 135,757	\$ 163,120	\$ 18,193	\$ 5,244	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Library's covered-employee payroll	\$ 393,210	\$ 355,306	\$ 403,221	\$ 361,788	\$ 318,184	\$ 330,354	\$ 302,082	\$ 336,860	\$ 329,680	\$ 312,314
Library's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	34.53%	45.91%	4.51%	1.45%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	94.15%	92.23%	99.15%	99.77%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

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

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

December 31, 2017

<u>Fiscal Year Ended December 31:</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 49,151	\$ 51,519	\$ 64,515	\$ 60,599	\$ 48,282	\$ 50,114	\$ 52,031	\$ 37,005	\$ 42,950	\$ 43,683
Contributions in relation to the contractually required contribution	\$ 49,151	\$ 51,519	\$ 64,515	\$ 60,599	\$ 48,282	\$ 50,114	\$ 52,031	\$ 37,005	\$ 42,950	\$ 43,683
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's covered-employee payroll	\$ 393,210	\$ 355,306	\$ 403,221	\$ 361,788	\$ 306,554	\$ 318,184	\$ 330,354	\$ 302,082	\$ 336,860	\$ 329,680
Contribution as a percentage of covered-employee payroll	12.50%	14.50%	16.00%	16.75%	15.75%	15.75%	15.75%	12.25%	12.75%	13.25%

**POINTE COUPEE PARISH LIBRARY**  
**New Roads, Louisiana**  
**Notes to the Required Supplementary Information**  
**For the Year Ended December 31, 2017**

**Parochial Employees' Retirement System of Louisiana**

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

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

**SUPPLEMENTAL INFORMATION**

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

**BUDGETARY COMPARISON SCHEDULE  
Schedule of Expenditures  
For the Year Ended December 31, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Salaries and related benefits -				
Salaries and wages	\$ 716,177	\$ 692,166	\$ 546,010	\$ 146,156
Employee benefits:				
Retirement contributions	40,000	40,000	49,460	(9,460)
Group insurance	82,200	73,400	86,508	(13,108)
Payroll taxes	20,000	20,000	19,302	698
Total salaries & related benefits	<u>\$ 858,377</u>	<u>\$ 825,566</u>	<u>\$ 701,280</u>	<u>\$ 124,286</u>
Materials and supplies -				
Rentals - other	\$ 200	\$ 60,000	\$ 8,271	\$ 51,729
Materials & supplies	71,250	76,250	63,017	13,233
Total materials & supplies	<u>\$ 71,450</u>	<u>\$ 136,250</u>	<u>\$ 71,288</u>	<u>\$ 64,962</u>
Operating services -				
Legal and accounting	\$ 60,000	\$ 60,000	\$ 44,813	\$ 15,187
Insurance	60,500	60,500	53,110	7,390
Repairs and maintenance	220,000	240,000	187,665	52,335
Utilities and telephone	128,300	129,500	81,356	48,144
Travel, dues, other prof services	56,500	59,550	32,994	26,556
Intergovernmental	77,000	82,100	80,455	1,645
Total operating services	<u>\$ 602,300</u>	<u>\$ 631,650</u>	<u>\$ 480,393</u>	<u>\$ 151,257</u>
Capital outlay -				
Acquisition of building, fixtures, & equip	\$ 41,000	\$ 57,500	\$ 140,893	\$ (83,393)
Books, etc.	79,000	89,000	91,537	(2,537)
Audio & visuals	20,000	35,000	27,733	7,267
Total capital outlay	<u>\$ 140,000</u>	<u>\$ 181,500</u>	<u>\$ 260,163</u>	<u>\$ (78,663)</u>

POINTE COUPEE PARISH LIBRARY  
NEW ROADS, LOUISIANA

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

For the Year Ended December 31, 2017

**AGENCY HEAD NAME:** Melissa K. Hymel

<b><u>PURPOSE</u></b>	<b><u>AMOUNT</u></b>
Salary	\$ 85,503
Benefits - Insurance	1,364
Benefits - Retirement	10,688
Membership Dues	548
Conference Travel	5,058
Continuing Education	244
Telephone	1,450
	<hr/>
<b>TOTAL</b>	<b>\$ 104,855</b>
	<hr/> <hr/>

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

Board of Control  
Pointe Coupee Parish Library  
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pointe Coupee Parish Library, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 27, 2018.

**Internal Control Over Financial Reporting**

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

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

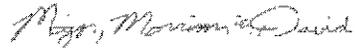
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

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

### **Purpose of this Report**

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



Major, Morrison & David  
New Roads, Louisiana  
June 27, 2018

**POINTE COUPEE PARISH LIBRARY**  
**New Roads, Louisiana**  
**Schedule of Findings and Responses**  
**As of and for the Year Ended December 31, 2017**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?                    \_\_\_ Yes   X   No

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

Noncompliance material to financial statements noted?    \_\_\_ Yes   X   No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no current year findings.

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

**Summary Schedule of Prior Audit Findings  
For The Year Ended December 31, 2017**

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

No findings.

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

Not applicable.

**Section III – Management Letter:**

No management letter issued.

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

**Corrective Action Plan for  
Current Year Audit Findings  
For The Year Ended December 31, 2017**

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

No findings.

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

Not applicable.

**Section III – Management Letter:**

No management letter issued.

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

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

To the Board of Control  
Pointe Coupee Parish Library  
New Roads, La. 70760

We have performed the procedures enumerated below, which were agreed to by the management of the Pointe Coupee Parish Library and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2017. Management of the Pointe Coupee Parish Library is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***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  
*Written policies and procedures were obtained and address the functions noted above.*
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
*Written policies and procedures were obtained and address the functions noted above.*
  - c) **Disbursements**, including processing, reviewing, and approving  
*Written policies and procedures were obtained and address the functions noted above.*
  - d) **Receipts**, including receiving, recording, and preparing deposits  
*Written policies and procedures were obtained and address the functions noted above.*
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*Written policies and procedures were obtained and address the functions noted above.*
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process  
*Written policies and procedures were obtained and address the functions noted above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

*Written policies and procedures were obtained and address the functions noted above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*Written policies and procedures were obtained and address the functions noted above.*

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Not applicable – the Library does not have any debt.*

#### ***Board (or Finance Committee, if applicable)***

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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.

*Obtained board minutes and noted that the board of control met during their regular scheduled quarterly meetings in accordance with board's policy (unless cancelled).*

- 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).

*The minutes do reference/include budget to actual comparisons and discussions on the budget at each scheduled meeting.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*Deficit spending was not noted during the fiscal period nor does the library have any funds with a deficit fund balance.*

- c) 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 minutes do reference non-budgetary financial information for at least one meeting during the fiscal period.*

#### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*Obtained listing of client bank accounts from management and management's representation that the listing is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
 

*Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations had been prepared for all months.*
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 

*The bank reconciliations prepared for all accounts examined had evidence of management review.*
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
 

*Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months.*

### Collections

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
 

*Obtained listing of cash collection locations and management's representation that listing is complete.*
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 

*Written documentation was obtained and addresses the functions noted above.*
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 

*Written documentation was obtained and addresses the functions noted above.*
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 

*Collections documentation was obtained and book fine deposits were made within one week of collection.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Daily cash collections are completely supported by collection documentation.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*Written policies and procedures were obtained and address the functions noted above.*

#### ***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

*Obtained a listing of entity disbursements (and complete general ledger) and management's representation that the listing is complete.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using a purchase requisition and purchase order system.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of purchases orders and requisitions.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*Examined supporting documentation for each of the 25 disbursements selected and found all payments were processed with proper approval, receiving report, and approved invoice.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*Written policies and procedures were obtained and address the functions noted above.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*Written policies and procedures were obtained and address the functions noted above.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*Inquiry of management and observation noted no exceptions.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*Not applicable – neither one is used.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

*Not applicable- the Library does not have any credit cards, bank debit cards, fuel cards, or P-Cards.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

*Not applicable.*

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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.]

*Not applicable.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

*Not applicable.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

*Not applicable.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*Not applicable.*

-

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*Not applicable.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*Not applicable.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Not applicable.*

### ***Travel and Expense Reimbursement***

---

- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*Obtained from management a listing of travel and expense reimbursements by person and management's representation that the listing is complete.*

- 18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*Obtained the library's written policies related to travel and expense reimbursements. No amounts listed exceeded GSA rates.*

- 19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*Expenses were paid in accordance to written policies.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*Expenses were supported with no exceptions.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*Documentation of the business/public purposes was supported with no exceptions.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*Other documentation as needed was supported with no exceptions.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Documentation of the business/public purpose was compared to Article 7, Section 14 of the Louisiana Constitution with no exceptions.*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Expenses and related documentation were reviewed and approved in writing by someone other than the person receiving reimbursement with no exceptions.*

### Contracts

---

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*Obtained listing of all contracts in effect (and general ledger) and management's representation that the listing is complete.*

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*Formal written contracts were examined supporting the services arrangements and the amounts paid with no exceptions.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*Obtained supporting contract documentation and noted no noncompliance with legal requirements.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*Obtained supporting contract documentation and noted solicitations for quotes as a best practice.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*No contracts were amended.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*Selected the largest payment from each contract along with supporting documentation and compared to the contract terms reflecting compliance with the terms and conditions of the contract with no exceptions.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*Proper approval was obtained on the contracts within the board meetings*

### ***Payroll and Personnel***

---

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

*Obtained listing of employees with their related salaries and management's representation that the listing is complete.*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*Compensation paid to each employee was reviewed with no exceptions noted.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*Changes were made one time during the current fiscal period for raises granted by the director and were approved in writing and in accordance with written policy.*

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*Randomly selected one third of employees/officials along with documentation of attendance and leave records with no exceptions noted.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*Written documentation was obtained and reviewed with no exceptions noted.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*Written leave records were maintained on the selected employees who earn leave with no exceptions.*

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*Obtained from management a listing of employees that were terminated during the fiscal period along with management's representation that the listing is complete. The largest termination (only one) payment made during the fiscal period was examined and paid in accordance with written policies and approved by management with no exceptions.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Obtained supporting documentation relating to payroll taxes, retirement contributions and reporting forms during the fiscal period, which were submitted to the proper agencies by the required deadlines with no exceptions.*

#### ***Ethics (excluding nonprofits)***

---

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*Examined the five randomly selected employees’ ethics compliance documentation maintained in personnel files with no exceptions noted.*

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management has asserted that they received no allegations during the fiscal period.*

#### ***Debt Service (excluding nonprofits)***

---

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*Not applicable, no debt owed by the library.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*Not applicable.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*Not applicable.*

#### ***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Inquired of management and there were no instances of misappropriation of public funds.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.lla.la.gov/hotline](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*The required notice was posted on the Library's premises but was not posted on the Library's website.*

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

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



Major, Morrison & David  
New Roads, Louisiana  
June 27, 2018

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

**Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017**

Management Response to Item:

- 6c. Management deposits within one week the immaterial (less than \$100) book fine collections that they receive at each library location. However, any funds collected daily are kept in a lock box at each location to prevent theft. Management feels that this procedure is sufficient security and that it is not cost effective to require an employee to deliver these immaterial funds on a daily basis.
32. Management will contact their website administrator and post the notice required by R.S. 24:523.1