Financial Report

Terrebonne Parish Library

Houma, Louisiana

For the year ended December 31, 2018

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

Terrebonne Parish Library

Houma, Louisiana

For the year ended December 31, 2018

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Terrebonne Parish Library

For the year ended December 31, 2018

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Control,
Terrebonne Parish Library,
Houma, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Terrebonne Parish Library, State of Louisiana (the "Library"), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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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 Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library'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 the major funds of Terrebonne Parish Library as of December 31, 2018, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Policy

As discussed in Note 1q and Note 8 to the financial statements, the Library adopted new guidance in Governmental Accounting Standards Board Statement No. 75 (GASBS 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effect of adopting GASBS 75 was to restate opening net position as of January 1, 2018 by $5,290,049. Furthermore, during the year ended December 31, 2018, the Library adopted an optional Medicare Advantage (MA) plan, which 70% of Plan retirees elected to participate. The effect of the change in benefits for participation in the MA reduced the OPEB expense by $3,565,525.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10, the Schedule of Changes in the Library's Total OPEB Liability and Related Ratios on page 45, the Schedule of the Library's Proportionate Share of the Net Pension Liability (Asset) on page 46 and the Schedule of Library Contributions on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The accompanying supplementary information, on page 48, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 25, 2019 on our consideration of the Terrebonne Parish Library's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 25, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Library

For the year ended December 31, 2018

Management's Discussion and Analysis of Terrebonne Parish Library's (the "Library") financial performance presents a narrative overview and analysis of the Library's financial activities for the year ended December 31, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Library's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of fiscal year 2018 by $14,794,585 (net position), which represents a 10.12% decrease from last fiscal year. This decrease is primarily due to the implementation of GASBS No. 75, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension"*, and a change in other postemployment benefits during the year ended December 31, 2018.

The Library's revenue increased $215,399, (or 4.04%), primarily due to the increase in sales tax.

The Library's expenses decreased $4,317,957, (or 67.91%), primarily due to a change in postemployment benefits.

The Library did not have a deficit fund balance.

Capital assets decreased $741,068 primarily due to depreciation exceeding additions.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Library's financial statements. The Library's annual report consists of three parts: (1) management's discussion and analysis (this section), (2) financial statement, and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Library:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Library's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. The Statement of Activities presents information showing how the Library's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Library is culture and recreation and includes various services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the Library are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains two individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund and the Debt Service Fund. The Library adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 - 15 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Library's financial position. As of December 31, 2018, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $14,794,585. A large portion of the Library's net position, $17,002,983 (or 114.93%), reflects its net investment in capital assets (e.g., land, buildings, office furniture, fixtures and equipment, and library collection). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	December 31,		Dollar
	2018	2017	Change
Current and other assets	$ 3,442,549	$ 1,846,525	$ 1,596,024
Capital assets	18,463,359	19,204,427	(741,068)
Deferred outflows of resources	293,673	494,020	(200,347)
Total assets and deferred outflows of resources	22,199,581	21,544,972	654,609
Current liabilities	2,252,342	1,238,979	1,013,363
Long-term liabilities outstanding	4,554,812	3,775,712	779,100
Deferred inflows of resources	597,842	70,661	527,181
Total liabilities and deferred inflows of resources	7,404,996	5,085,352	2,319,644
Net Position:			
Net investment in capital assets	17,002,983	17,055,759	(52,776)
Restricted	824,197	811,696	12,501
Deficit	(3,032,595)	(1,407,835)	(1,624,760)
Total net position	$ 14,794,585	$ 16,459,620	$ (1,665,035)

Total liabilities increased due to the Library's increase in other postemployment benefit obligations and compensated absences.

Governmental Activities

Governmental activities increased the Library's net position by $3,502,003. Key elements of this increase are as follows:

Condensed Statements of Activities

	For the Year Ended December 31, 2018	2017	Dollar Change	Percent Change
Revenues:				
Taxes - sales and use	$ 5,437,029	$ 5,241,982	$ 195,047	3.72%
Charges for services	50,178	48,583	1,595	3.28%
Fines and forfeitures	20,096	20,950	(854)	-4.08%
Grants	23,804	5,000	18,804	376.08%
Miscellaneous				
Investment income	94	91	3	3.30%
Other	10,865	10,061	804	7.99%
Total revenues	5,542,066	5,326,667	215,399	4.04%
Expenses:				
Culture and recreation	1,976,777	6,268,595	(4,291,818)	-68.47%
Debt service	63,286	89,425	(26,139)	-29.23%
Total expenses	2,040,063	6,358,020	(4,317,957)	-67.91%
Increase (decrease) in net position	3,502,003	(1,031,353)	4,533,356	-439.55%
Net position, as previously reported	11,292,582	17,490,973	(6,198,391)	-35.44%
Correction of accounting error	-	123,011	(123,011)	100.00%
Implementation of GASB Statement No. 75	-	(5,290,049)	5,290,049	100.00%
Net position, beginning of year, restated	11,292,582	12,323,935	(1,031,353)	-8.37%
Net position, end of year	$ 14,794,585	$ 11,292,582	$ 3,502,003	31.01%

Sales and use tax revenues increased $195,047 as a result of the increase in the local economy in 2018. Culture and recreation expenses decreased $4,291,818 primarily due to change in postemployment benefits.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Library's governmental funds reported combined ending fund balances of $1,719,089, an increase of $251,349 in comparison with the prior year. Fund balance in the General Fund is $886,697, which is available for spending at the Library's discretion. The remainder of fund balance is included in the Debt Service Fund and is restricted to indicate that it is not available for new spending because it has already been committed to the payment of bonds.

The General Fund is the chief operating fund of the Library. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balances and total governmental fund balance to total fund expenditures. In 2018, the fund balance of the Library's General Fund increased $242,836. Key factors of this increase were the decrease in expenditures related to the new Gibson Branch.

The Debt Service Fund has a total fund balance of $832,392, an increase of $8,513 in comparison with the prior year.

General Fund Budgetary Highlights

The budget was amended three times during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Increase in sales tax proceeds reflects a slight improvement in the local economy.

Expenditures

- Increases in culture and recreation expenditures are due to greater than expected increases in other services and charges, including insurance premiums.
- Increases in capital expenditures are due to a greater than expected increase in building costs on the Main Branch Library.

General Fund Budgetary Highlights (Continued)

During the year, actual revenues were less than the final budgetary estimates by $17,534; actual expenditures were less than the final budgetary estimates by $392,150.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Library's net investment in capital assets for its governmental activities as of December 31, 2018, amounts to $18,463,359 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, office furniture, fixtures and equipment, and library collection.

	2018	2017
Land	$ 107,267	$ 107,267
Buildings	26,381,786	26,337,336
Office furniture, fixtures, and equipment	1,350,941	1,279,897
Library collection	8,980,997	8,924,486
Totals	$ 36,820,991	$ 36,648,986

Major capital asset events during the current fiscal year included the following:

- Purchase of 2019 Dodge Caravan
- Main Branch Library - Improvements to HVAC units

Additional information on the Library's capital assets can be found in the Note 3, Exhibit F of this report.

Long-term Debt

As of December 31, 2018, the Library had $1,490,000 in long-term debt outstanding down from $2,215,000 for a decrease of $725,000, due to payments of bond principal. More detailed information about the Library's long-term debt is presented in Note 5, Exhibit F of this report.

The Library's bonds maintain an "A2" rating from Moody's Investors Service and an "AAA" rating from Standard and Poor's Rating Service.

Long-term Debt (Continued)

The Library reported a net pension asset of $219,313 as of December 31, 2018 related to GASB No. 68. In 2017, the Library recognized a net pension liability related to GASB No. 68 of $242,485. Other postemployment benefit obligations, initially recorded for $7,071,704, decreased $3,544,789 to $3,526,915 as of December 31, 2018 due to the implementation of GASB No. 75, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"*. Obligations for unpaid annual leave increased $16,325. Unpaid annual leave obligations amounted to $277,897 as of December 31, 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Control considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

The Library's 2018 cash flow has been budgeted with the following increases and decreases in the revenues and expenditures:

- Supplies and materials, no change.
- Other services and charges, increase of 1.0% as a result of increase in database expenditures.
- Repairs and maintenance, decrease of 0.9% as a result of decrease in plumbing, heating and air conditioning, and major repairs.
- Capital outlay, increase of 3.4% as a result of building improvements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Control of the Terrebonne Parish Library, Houma, Louisiana 70360.

Exhibit A

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

Terrebonne Parish Library

December 31, 2018

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
Assets					
Cash and cash equivalents	$ 196,378	$ 555,369	$ 751,747	$ -	$ 751,747
Receivables:					
Sales and use taxes	523,025	-	523,025	-	523,025
Due from Terrebonne Parish Sales and Use Tax Department	448,464	-	448,464	-	448,464
Due from Terrebonne Parish Consolidated Government	-	1,500,000	1,500,000	-	1,500,000
Due from other funds	1,222,977	-	1,222,977	(1,222,977)	-
Net pension asset	-	-	-	219,313	219,313
Capital assets:					
Non-depreciable	-	-	-	107,267	107,267
Depreciable, net of accumulated depreciation	-	-	-	18,356,092	18,356,092
Total assets	2,390,844	2,055,369	4,446,213	17,459,695	21,905,908
Deferred Outflows of Resources					
Deferred amount on debt refunding	-	-	-	29,624	29,624
Pensions	-	-	-	264,049	264,049
Total deferred outflows of resources	-	-	-	293,673	293,673
Total assets and deferred outflows of resources	$ 2,390,844	$ 2,055,369	$ 4,446,213	17,753,368	22,199,581
Liabilities					
Accounts payable and accrued expenditures	$ 99,056	$ -	$ 99,056	8,195	107,251
Due to Terrebonne Parish Consolidated Government	1,405,091	-	1,405,091	-	1,405,091
Due to other funds	-	1,222,977	1,222,977	(1,222,977)	-
Long-term liabilities:					
Due within one year	-	-	-	740,000	740,000
Due after one year	-	-	-	4,554,812	4,554,812
Total liabilities	1,504,147	1,222,977	2,727,124	4,080,030	6,807,154
Deferred Inflows of Resources					
Other postemployment benefits	-	-	-	234,492	234,492
Pensions	-	-	-	363,350	363,350
Total deferred inflows of resources	-	-	-	597,842	597,842
Total liabilities and deferred inflows of resources	1,504,147	1,222,977	2,727,124	4,677,872	7,404,996
Fund Balances/Net Position					
Fund balances:					
Restricted					
Debt service	-	832,392	832,392	(832,392)	-
Unassigned	886,697	-	886,697	(886,697)	-
Total fund balances	886,697	832,392	1,719,089	(1,719,089)	-
Total liabilities, deferred inflows of resources and fund balances	$ 2,390,844	$ 2,055,369	$ 4,446,213	2,958,783	7,404,996
Net position:					
Net investment in capital assets				17,002,983	17,002,983
Restricted:					
Debt service				824,197	824,197
Deficit				(3,032,595)	(3,032,595)
Total net position				$ 14,794,585	$ 14,794,585

See notes to financial statements.

Exhibit B

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

Terrebonne Parish Library

December 31, 2018

Fund Balances - Governmental Fund		$ 1,719,089
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	$ 36,820,990	
Less accumulated depreciation	(18,357,631)	18,463,359
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds		
Deferred amount on debt refunding	29,624	
Pensions	264,049	293,673
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Net pension asset		219,313
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued interest payable	(8,195)	
Bonds payable	(1,490,000)	
Other postemployment benefit obligation	(3,526,915)	
Compensated absences	(277,897)	(5,303,007)
Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds		
Other postemployment benefit obligations	(234,492)	
Pensions	(363,350)	(597,842)
Net Position of Governmental Activities		$ 14,794,585

See notes to financial statements.

STATEMENT OF ACTIVITIES AND STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Terrebonne Parish Library

For the year ended December 31, 2018

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of of Activities
Revenues					
Taxes - sales and use	$ 5,437,029	$ -	$ 5,437,029	$ -	$ 5,437,029
Charges for services	50,178	-	50,178	-	50,178
Fines and forfeitures	20,096	-	20,096	-	20,096
Grants	23,804	-	23,804	-	23,804
Miscellaneous:					
Investment income	94	-	94	-	94
Other	10,865	-	10,865	-	10,865
Total revenues	5,542,066	-	5,542,066	-	5,542,066
Expenditures/Expenses					
Current:					
Culture and recreation:					
Personal services	2,971,363	-	2,971,363	(3,299,442)	(328,079)
Supplies and materials	146,176	-	146,176	-	146,176
Other services and charges	748,456	-	748,456	-	748,456
Repairs and maintenance	226,676	-	226,676	-	226,676
Depreciation	-	-	-	1,183,548	1,183,548
Total culture and recreation	4,092,671	-	4,092,671	(2,115,894)	1,976,777
Debt service:					
Principal retirement	-	725,000	725,000	(725,000)	-
Interest and fiscal charges	-	30,566	30,566	32,720	63,286
Total debt service	-	755,566	755,566	(692,280)	63,286
Capital outlay	442,480	-	442,480	(442,480)	-
Total expenditures/expenses	4,535,151	755,566	5,290,717	(3,250,654)	2,040,063
Excess (deficiency) of revenues over expenditures	1,006,915	(755,566)	251,349	3,250,654	3,502,003
Other Financing Sources (Uses)					
Operating transfers in	-	764,079	764,079	(764,079)	-
Operating transfers out	(764,079)	-	(764,079)	764,079	-
Total other financing sources (uses)	(764,079)	764,079	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	242,836	8,513	251,349	(251,349)	-
Change in Net Position	-	-	-	3,502,003	3,502,003
Fund Balances/Net Position					
Beginning of year, as restated	643,861	823,879	1,467,740	9,824,842	11,292,582
End of year	$ 886,697	$ 832,392	$ 1,719,089	$ 13,075,496	$ 14,794,585

See notes to financial statements.

Exhibit D

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Terrebonne Parish Library

For the year ended December 31, 2018

Net Change in Fund Balances - Governmental Fund		$ 251,349
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.		
Capital outlay	$ 442,480	
Depreciation expense	(1,183,548)	(741,068)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments		725,000
Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of deferred amount on debt refunding	(36,708)	
Other postemployment benefit credit	3,310,297	
Decrease in accrued interest payable	3,988	
Increase in compensated absences	(16,325)	
Pension expense	5,470	3,266,722
Change in Net Position of Governmental Activities		$ 3,502,003

See notes to financial statements.

Exhibit E

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Terrebonne Parish Library

For the year ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Taxes - sales and use	$ 5,210,000	$ 5,426,232	$ 5,437,029	$ 10,797
Charges for services	50,000	50,000	50,178	178
Fines and forfeitures	29,500	29,500	20,096	(9,404)
Grants	-	3,800	23,804	20,004
Miscellaneous:				
Investment income	5,000	5,000	94	(4,906)
Other	10,000	10,000	10,865	865
Total revenues	5,304,500	5,524,532	5,542,066	17,534
Expenditures				
Current:				
Culture and recreation:				
Personal services	3,048,565	3,048,565	2,971,363	77,202
Supplies and materials	156,000	138,500	146,176	(7,676)
Other services and charges	712,975	778,411	748,456	29,955
Repairs and maintenance	230,200	265,700	226,676	39,024
Total culture and recreation	4,147,740	4,231,176	4,092,671	138,505
Capital outlay	445,000	696,125	442,480	253,645
Total expenditures	4,592,740	4,927,301	4,535,151	392,150
Excess (deficiency) of revenues over expenditures	711,760	597,231	1,006,915	409,684
Other Financing Uses				
Operating transfers out	(710,000)	(710,000)	(764,079)	(54,079)
Deficiency of Revenues Over Expenditures and Other Financing Uses	1,760	(112,769)	242,836	355,605
Fund Balance				
Beginning of year	653,096	643,861	643,861	-
End of year	$ 654,856	$ 531,092	$ 886,697	$ 355,605

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Library

December 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Library (the "Library") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Library is a department within the Terrebonne Parish Consolidated Government (the Parish) for which the Parish Council appoints an advisory Board of Control. The Library is a component unit of the Parish and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2018.

GASB Statement No. 14, *"The Financial Reporting Entity"*, GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14"*, and GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus" an amendment of GASB Statements No. 14 and No. 34* established the criterion for determining which component units should be considered part of the Library for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Library and the potential component unit.
4. Imposition of will by the Library on the potential component unit.
5. Financial benefit/burden relationship between the Library and the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

The Library has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

b) Basis of Presentation

The Library's financial statements consist of the government-wide statements on all activities of the Library and the governmental fund financial statements (individual major funds).

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Library. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Library as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

Emphasis in the fund financial statements is on the major funds in governmental categories. The daily accounts and operations of the Library are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the Library:

General Fund - The General Fund is the general operating fund of the Library. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal, interest, and related costs. The Debt Service Fund is reported as a major fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Sales taxes are considered "measurable" when in the hands of merchants and are recognized as revenue at that time. Charges for services are recorded when earned since they are measurable and available. Fines, forfeitures, and miscellaneous revenues are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received. Grant revenues are recognized at the time the Library is entitled to the funds.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Control (the Board) adopted a budget for the Library's General Fund. Public hearings and advertisements were conducted. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The Library amended its budget three times during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements for the Library contain no allowance for uncollectible accounts. Uncollectible amounts due for sales and use taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met.

Some of the Library's monies are held and invested by the Parish. Investments during the year consisted of LAMP, which is reported as cash equivalents.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets, except for the library collection, purchased or acquired with an original cost of $500 or more, are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Capital assets with estimated historical costs amounted to $357,685 or .97% of total capital assets. All items included in the library collections are capitalized and valued at historical cost. Library collection items disposed of are accounted for at 100% of the average cost of the item.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 - 40 years
Office furniture, fixtures and equipment	3 - 5 years
Library collection	4 - 5 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Deferred Outflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) expenditure until then. The Library has deferred outflows of resources related to debt refunding and pensions.

j) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or governmental fund financial statements.

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of public library sales tax revenue bonds, compensated absences, and other postemployment benefit (OPEB) obligations.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

k) Accumulated Vacation and Sick Leave

Full-time employees are granted between 10 and 20 days of vacation each calendar year, depending on their length of employment and position. Vacation time does not vest. Any unused vacation time remaining as of December 31 is forfeited, however with the director's approval, vacation time can be carried to the next year, not to exceed 20 days. Sick leave is granted to full-time employees at a rate of 10 days per year. Each full-time employee accrues sick leave at a rate of 1.54 hours per each 40 hours worked. Sick leave that is not used may be accumulated. Upon retirement, an employee will remain on the payroll until the accumulated sick leave is exhausted, at which time the employee will begin receiving retirement benefits from the retirement system.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Other Postemployment Benefits

GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees retirement. The Library has recorded liabilities for postemployment health care benefits as of December 31, 2018.

In the government-wide financial statements the other postemployment benefits liability is recorded as long-term obligations.

In the governmental fund type fund financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

m) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

n) Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Statement of Net Position reports deferred inflows of resources related to pensions.

o) Interfund Transfers

In the fund financial statements interfund activity is reported as interfund loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Interfund Transfers (Continued)

Permanent reallocations of resources between funds of the Library are classified as interfund transfers. In other words, transfers are not expected to be repaid. For the purposes of the government-wide financial statements, all interfund loans and transfers between individual governmental funds have been eliminated.

p) Equity

Government-wide Statements:

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.

b. Restricted net position - Consists of assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

a. Non-spendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Equity (Continued)

b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Library's Board of Control. Commitments may be established, modified, or rescinded only through resolutions approved by the Library's Board of Control.

d. 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. Assigned amounts may be established, modified or rescinded by a majority vote of the Library's Board of Control.

e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the Library considers an expenditure to be made from the most restrictive first when more than one classification is available. The Library's fund balance was classified as restricted and unassigned as of December 31, 2018.

q) Restatement of Net Position

During the year ended December 31, 2018, the Library determined certain revenue items and credit to expenditure accounts contained in transactions with the Parish were not recognized in prior periods. Accordingly, the Library has recognized a prior period adjustment for the cumulative effect of the error in accounting.

Effective for the year ended December 31, 2018, the Department implemented GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. Implementation of the new accounting standard required restatement of beginning net position for the net OPEB liability.

These restatements had the following impact on previously reported balances on the next page:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Restatement of Net Position (Continued)

	General Fund Fund Balance	Governmental Activities
Net position, January 1, 2018, as previously stated	$ 520,850	$ 16,459,620
Correction of accounting error	123,011	123,011
Restatement for implementation of GASB Statement No. 75, see Note 7)	-	(5,290,049)
Net position, January 1, 2018, restated	$ 643,861	$ 11,292,582

r) New GASB Statements

During the year ending December 31, 2018, the Library implemented the following GASB Statements:

Statement No. 75, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"* replaces the requirements of GASB Statement No. 45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. Implementation of this Statement required the restatement of net position as of January 1, 2018 for the cumulative unfunded actuarial liability as described in Note 1q.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) New GASB Statements (Continued)

Statement No. 85, *"Omnibus 2017."* On March 20, 2017, GASB issued *"Omnibus 2017"* covering four main topics: blending component units; goodwill, fair value measurement and application; and postemployment benefits. *"Omnibus 2017"* is effective for fiscal years beginning after June 15, 2017. However, due to the nature of topic covered, GASB is allowing the option of early implementation for single topics. This Statement did not affect the Library's financial statements.

Statement No. 86, *"Certain Debt Extinguishment Issues"* improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. This Statement did not affect the Library's financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 83, *"Certain Asset Retirement Obligations"* addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 84, *"Fiduciary Activities"* improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) New GASB Statements (Continued)

Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, *"Leases"* increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 88, *"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"* improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 30, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) New GASB Statements (Continued)

Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"* establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements"*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 90, *"Majority Equity Interest"* improves the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this Statement are effective for reporting period beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

Some of the Library's monies are held in a cash and investment pool maintained by the Parish and available for use by all funds. The Library's portion of this pool is included on the Statement of Net Position and Governmental Fund Balance Sheet as "cash and cash equivalents" as of December 31, 2018.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Deposits:

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	$ 789,910	$ 749,859

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library has a written policy for custodial credit risk which is similar to state law. As of December 31, 2018, $555,369 of the Library's bank balance of $789,910 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the depositor's name by state statute. As mentioned previously, some funds are held and invested by the Parish who maintained pledging to cover funds for the Library. As of December 31, 2018, cash in excess of FDIC insurance were adequately collateralized, under state law, by securities held by unaffiliated banks for the account of the Library or the Parish. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments:

State statutes authorize the Library to invest in the U.S. Treasury, agencies and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements and the Louisiana Asset Management Pool.

As a means of limiting its exposure to fair value losses arising from interest rates, the Parish's investment policy emphasizes maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library's investment policy requires the application of the prudent investors rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed on the safety of principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return.* The Library's investment policy limits investments to those discussed earlier in this note. All securities and LAMP have a Standard & Poor's Rating of AAAm.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2018 amounted to $1,039 and are classified on the Statement of Net Position as "Cash and cash equivalents".

In accordance with GASB Statement No. 31, the Library recognized the net increase (decrease) in the fair value of investments for the year ended December 31, 2018. The increase (decrease) in the fair value of investments takes into account all changes in fair value (including purchases and sales). As of December 31, 2018, the Library did not have any investment requiring a fair value adjustment.

A reconciliation of deposits and investments as shown on the Statement of Net Position for the Library is as follows:

Cash on hand	$ 849
Reported amount of deposits	749,859
Reported amount of investments	1,039
Total cash and cash equivalents	$ 751,747

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Deletions and Adjustments	Balance December 31, 2018
Capital assets not being depreciated:				
Land	$ 107,267	$ -	$ -	$ 107,267
Capital assets being depreciated:				
Buildings	26,337,336	44,450	-	26,381,786
Office furniture, fixtures, and equipment	1,279,897	71,044	-	1,350,941
Library collection	8,924,486	326,986	270,476	8,980,996
Total capital assets being depreciated	36,541,719	442,480	270,476	36,713,723
Less accumulated depreciation for:				
Buildings	(8,499,897)	(662,583)	-	(9,162,480)
Office furniture, fixtures, and equipment	(1,109,303)	(70,222)	-	(1,179,525)
Library collection	(7,835,359)	(450,743)	(270,476)	(8,015,626)
Total accumulated depreciation	(17,444,559)	(1,183,548)	(270,476)	(18,357,631)
Total capital assets being depreciated, net	19,097,160	(741,068)	-	18,356,092
Total capital assets, net	$ 19,204,427	$ (741,068)	$ -	$ 18,463,359

Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures as of December 31, 2018 consisted of the following:

	General Fund	Accrued Interest	Government-Wide Totals
Vendors	$ 21,025	$ -	$ 21,025
Salaries and benefits	78,031	-	78,031
Interest to bondholders	-	8,195	8,195
Totals	$ 99,056	$ 8,195	$ 107,251

Note 5 - LONG-TERM OBLIGATIONS

As of December 31, 2018, the Library had outstanding public Library sales tax bonds totaling $1,490,000. The bonds bear interest at 1.65% and are payable through March 1, 2020. The bonds are secured by an irrevocable pledge and dedication of the proceeds of the one-fourth of one percent (¼%) sales and use tax now being levied and collected. The following is a summary of changes in the long-term obligations of the Library for the year ended December 31, 2018:

	Payable January 1, 2018 (Restated)	Obligations Retired	Obligations Generated	Payable December 31, 2018
Sales tax bonds	$ 2,215,000	$ (725,000)	$ -	$ 1,490,000
Compensated absences	261,572	-	16,325	277,897
Other postemployment benefits, restated	7,071,704	(3,544,789)	-	3,526,915
Net pension liability	242,485	(242,485)	-	-
Totals	$ 9,790,761	$ (4,512,274)	$ 16,325	$ 5,294,812

Long-term obligations are classified in the financial statements as follows:

Due within one year	$ 740,000
Long-term	4,554,812
Total	$ 5,294,812

The annual requirements to amortize the Library Sales Tax Bonds, Series 2015 as of December 31, 2018 are as follows:

Year Ending December 31,	Principal	Interest	Totals
2019	$ 740,000	$ 18,480	$ 758,480
2020	750,000	6,188	756,188
	$ 1,490,000	$ 24,668	$ 1,514,668

See Note 7 for further explanation of the other postemployment benefit (OPEB) obligation and Note 8 for the net pension liability.

Note 6 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Library carries commercial insurance and also participates in the Parish's risk management program for general liability, property insurance, workers' compensation and group health insurance. No settlements were made during the year that exceeded the Library's insurance coverage. The Library pays monthly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims in excess of the Parish's insurance contracts as described below:

Policy	Coverage Limits
General Liability	$10,000,000
Property Insurance	$65,000,000
Workers' Compensation	Statutory

Coverage for general liability and property claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, $4,706,219 as of December 31, 2017, then secondly by the Library. The Parish is self-insured for the first $175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2017 was $18,310,378. Insurance contracts cover the excess liability on individual claims. Covered employees are subject to a lifetime maximum claims limit. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, $550,247 as of December 31, 2017, then secondly by the Library. Worker's compensation claims in excess of $550,000 are covered under an insurance contact for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2018, the Library had no claims in excess of the above coverage limits. Total premiums paid to the Parish for insurance coverage during the year ended December 31, 2018 totaled $881,811.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Parish administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental, and life insurance premiums for eligible employees, retirees and their dependents as approved by the Terrebonne Parish Council. Louisiana Revised Statute 33:5161 grants the authority to establish and amend the benefit terms and financing requirements to the Terrebonne Parish Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. Eligible retirees can continue their health coverage by an election at retirement. Retirees are not eligible to rejoin at any other time. For employees retiring before January 1, 2005 the Library funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

Library employees retiring on or after January 1, 2005 and before January 1, 2013 with at least ten years of permanent full-time creditable service in the Parochial Employees Retirement System with the Library shall be eligible to participate in the Plan approved by the Terrebonne Parish Council under the following vesting schedule: 1 to 15 years of service, 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service; 21 years or more of service, 60% plus 5% per year of service over 20 years of service, limited to 80% of the premium. Employees hired on or after January 1, 2013 and retiring with at least 30 years of permanent full-time creditable service shall be eligible to participate in the approved Plan with benefits limited to 80% of premium. Employees hired after January 1, 2013 must have at least 30 years of permanent full-time creditable service and age 55 before being eligible for healthcare benefits upon retirement. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees' Retirement System, see Note 8. The Parish does not issue a publicly available financial report on the Plan.

Employees Covered by Benefit Terms

Inactive employees currently receiving benefit payments	9
Active employees	45
Total	54

The Department's total OPEB liability of $3,526,915 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funding Policy

The Library fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2018 the Library paid $114,703 for the retirees' current year premiums.

Total OPEB Liability

Actuarial Assumptions and Other Inputs

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

Measurement date	December 31, 2018
Actuarial valuation date	January 1, 2018
Inflation	2.50%
Salary increases, including inflation	3.00%
Discount rate	3.71%
Healthcare cost trend rates	Medical - 7.00% in year 1 decreasing in decrements of 0.50% per year until 5.00% through year 5. Dental - 4.00% in year 1 decreasing in decrements of 0.25% per year until 3.00% through year 5.

The discount rate was based on the December 31, 2018 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retirees were based on the RPH-2014 Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Effective January 1, 2019, retirees age 65 and over have the option of enrolling in a Medicare Advantage plan. Since the legal matters and enrollment changes were completed prior to December 31, 2018, the Library has reflected the change in benefits at the December 31, 2018 measurement date. A retiree election on the change in benefits resulted in 70.00% of eligible retirees moving from the PPO plan. The change in benefit options resulted in a direct reduction of the total OPEB liability of $3,565,525 and was the primary input to the net reduction in OPEB liability of $3,544,789 to a balance of $3,526,915 as of December 31, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of December 31, 2017, as previously stated	$ 1,781,655
Implementation of GASB No. 75	5,290,049
Balance as of December 31, 2017, restated	7,071,704
Changes for the year:	
Service cost	163,227
Interest	237,839
Difference between expected and actual experience	(35,274)
Changes in assumptions	(246,116)
Change in benefit terms	(3,565,525)
Benefit payments	(98,940)
Net changes	(3,544,789)
Balance as of December 31, 2018	$ 3,526,915

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Sensitivity to Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the Library, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1.00% Decrease (2.71%)	Current Discount Rate (3.71%)	1.00% Increase (4.71%)
Total OPEB Liability	$ 4,191,731	$ 3,526,915	$ 3,005,442

Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	$ 2,940,474	$ 3,526,915	$ 4,301,979

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

For the year ended December 31, 2018 the Library recognized OPEB credit of $3,310,297. As of December 31, 2018, the Library reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflow of Resources
Difference between expected and actual experience	$ (29,395)
Change in assumptions	(205,097)
Total	$ (234,492)

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Year Ending December 31,	Amount
2019	$ (46,898)
2020	(46,899)
2021	(46,899)
2022	(46,898)
2023	(46,898)
Total	$ (234,492)

Note 8 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Library contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits to employees who work at least 28 hours a week. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The monthly service retirement allowance the employee would have received had the person elected to terminate is paid into the DROP Fund. The election to participate in DROP is irrevocable once participation begins. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who become disabled may receive benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive benefits determined in the same meaner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service, compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2017, the actuarial employer contribution rate was 6.75% of member's compensation. However, the actual rate for the fiscal year ended December 31, 2017 was 8.00%.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the Library were $133,955 for the year ended December 31, 2018.

Pension Assets. As of December 31, 2018, the Library reported an asset of $219,313 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2017, the Library's proportion was 1.7431%, which was a decrease of 0.1235% from its proportion measured as of December 31, 2016.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense. For the year ended December 31, 2018, the Library recognized pension expense of $128,485.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		$ (115,812)
Net difference between projected and actual earnings on pension plan investments		(246,706)
Change in assumptions	$ 130,031	-
Changes in proportionate share	63	(832)
Contributions subsequent to the measurement date	133,955	-
	$ 264,049	$ (363,350)

The Library reported $133,955 as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For The Year Ending December 31,	Amount
2019	$ (3,990)
2020	(30,239)
2021	(98,079)
2022	(100,948)
Total	$ (233,256)

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension asset as of December 31, 2018 are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.75%, net investment expense, including inflation
Projected Salary Increases	5.25% (2.50% inflation, 2.75% merit)
Inflation Rate	2.50%
Mortality Rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuintant Sex Distinct 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.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing method (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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% as of the measurement date, December 31, 2017.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35.00%	1.24%
Equity	52.00%	3.57%
Alternatives	11.00%	0.69%
Real assets	2.00%	0.12%
Totals	100.00%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Rate		7.62%

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

Sensitivity of the Library's Proportionate Share of the Collective Net Pension (Liability) Assets to Changes in the Discount Rate. The following presents the Library's proportionate share of the collective net pension liability using the discount rate of 6.75%, as well as what the Library's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Library's proportionate share of the net pension (liability) asset	($467,320)	$219,313	$798,512

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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

Note 9 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 2018.

Note 10 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 25, 2019, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit G

SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Terrebonne Parish Library

For the year ended December 31, 2018

Total OPEB liability	
Service cost	$ 163,227
Interest	237,839
Changes of benefit terms	(3,565,525)
Difference between expected and actual experience	(35,274)
Changes in assumptions or other inputs	(246,116)
Benefit payments	(98,940)
Net change in total OPEB liability	(3,544,789)
Total OPEB liability, beginning of year, restated	7,071,704
Total OPEB liability, end of year	$ 3,526,915
Covered payroll	$ 2,045,760
Total OPEB liability as a percentage of covered payroll	172.40%

Notes to schedule:

Changes of benefit terms: Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.

Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period: 3.71%

Exhibit H

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Terrebonne Parish Library

December 31, 2018

	2018	2017	2016	2015
Library's proportion of the net pension liability	1.7430%	1.8666%	1.9347%	1.9521%
Library's proportionate share of the net pension (asset) liability	($219,313)	$242,485	$344,460	$152,206
Library's covered payroll	$1,844,445	$1,910,836	$1,892,050	$1,764,026
Library's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-11.890%	12.690%	18.206%	8.628%
Plan fiduciary net position as a percentage of the total pension liability	104.02%	95.50%	93.48%	99.89%

Exhibit I

SCHEDULE OF LIBRARY CONTRIBUTIONS

Terrebonne Parish Library

For the year ended December 31, 2018

	2018	2017	2016	2015
Contractually required contributions	$ 133,955	$ 147,556	$ 152,867	$ 170,285
Contributions in relation to the contractually required contribution	(133,955)	(147,556)	(152,867)	(170,285)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Library's covered payroll	$ 1,786,071	$ 1,844,445	$ 1,910,836	$ 1,892,050
Contributions as a percentage of covered-employee payroll	7.50%	8.00%	8.00%	9.00%

SUPPLEMENTARY INFORMATION

Schedule 1

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Terrebonne Parish Library

For the year ended December 31, 2018

Agency Head Name: Mary Cosper LeBoeuf

Purpose	Amount
Salary	$ 102,277
Benefits - insurance	23,632
Benefits - retirement	7,671
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	624
Conference travel	582
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	292
	$ 135,078

Mary Cosper LeBoeuf is the Director for the Terrebonne Parish Library.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Control,
Terrebonne Parish Library,
Houma, 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 Terrebonne Parish Library (the "Library") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Library's financial statements and have issued our report thereon dated June 25, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Library'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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. 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 Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 25, 2019.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Library

For the year ended December 31, 2018

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness (es) identified? _____ yes _X_ no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes _X_ none reported

Noncompliance material to financial statements noted? _____ yes _X_ no

b) Federal Awards

Terrebonne Parish Library did not expend federal awards in excess of $750,000 during the year ended December 31, 2018 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2018.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Library

For the year ended December 31, 2018

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2017. No significant deficiencies were reported during the audit for the year ended December 31, 2017.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2017.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Library did not expend federal awards in excess of $750,000 during the year ended December 31, 2017 and therefore is exempt from the audit requirements under the Uniform Guidance.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2017.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Library

For the year ended December 31, 2018

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2018. No significant deficiencies were reported during the audit for the year ended December 31, 2018.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2018.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Library did not expend federal awards in excess of $750,000 during the year ended December 31, 2018 and therefore is exempt from the audit requirements under the Uniform Guidance.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2018.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Control,
Terrebonne Parish Library,
Houma, Louisiana.

We have performed the procedures described in Schedule 2, which were agreed to by the Terrebonne Parish Library, State of Louisiana (the "Library"), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2018. The Library's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the AICPA. 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 referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 2.

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 these 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 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 23:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.
Certified Public Accountants

Houma, Louisiana,
June 25, 2019.

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SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS OF THE STATEWIDE AGREED-UPON PROCEDURES

Terrebonne Parish Library

For the year ended December 31, 2018

The required procedures and our findings are as follows:

Procedures performed on the Library's Written Policies and Procedures:

1. Obtain the Library'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 Library does not have any written policies and procedures), as applicable:

   a) Budgeting, including preparing, adopting, monitoring, and amending the budget

      Performance: Obtained and read the written policy for budgeting, and found it to contain all requirements listed above.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   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.

      Performance: Obtained and read the written policy for purchasing, and found it to contain all requirements listed above.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   c) Disbursements, including processing, reviewing, and approving.

      Performance: Obtained and read the written policy for disbursements, and found it to contain all requirements listed above.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

Procedures performed on the Library's Written Policies and Procedures: (Continued)

d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Performance: Obtained and read the written policy for receipts/collections, and found it to contain all requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Performance: Obtained and read the written policy for payroll/personnel, and found it to contain all requirements listed above, except as noted below.
Exceptions: Written policy does not include reviewing and approving time and attendance records, including leave and overtime worked.
Management's response: Management will consider adding a provision discussing how time and attendance records, including leave and overtime worked will be reviewed and approved.

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.

Performance: Obtained and read the written policy for contracting, and found it to contain all requirements listed above, except as noted below.
Exceptions: Written policy does not include legal review of contracts.
Management's response: Management will consider adding a provision discussing legal review of contracts.

g) Credit cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Performance: Obtained and read the written policy for credit cards, and found it to contain all requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Written Policies and Procedures: (Continued)

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

Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to contain all requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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 Library's ethics policy.

Performance: Obtained and read the written policy for ethics, and found it to contain all requirements listed above, except as noted below.
Exceptions: Written policy does not include requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
Management's response: Management will consider adding a provision discussing annually attesting through signature verification that they have read the entity's ethics policy.

j) Debt service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: Obtained and read the written policy for debt service, and found it to contain all requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Board:

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: Obtained and read the written minutes of the Library's board meetings.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Board: (Continued)

b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Obtained and read the written minutes of the board meetings. Inspected meeting minutes and the included budget-to-actual comparisons for the General Fund presented to the Board of Control. The meeting minutes referenced the approval of monthly financial statements.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Performance: Obtained the prior year's audit report and observed the unrestricted fund balance in the General Fund. The Library did not report a negative ending unrestricted fund balance in the General Fund.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Bank Reconciliations:

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

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Bank Reconciliations: (Continued)

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

Performance: Inspected documentation that bank reconciliations were prepared within two months of the related statement closing date.
Exceptions: There was no evidence of the bank reconciliation being prepared within two months of the related closing date (e.g., initialed and dated, electronically logged).
Management's response: Management will provide evidence of preparation on all bank reconciliations (e.g., initialed and dated, electronically logged).

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

Performance: Inspected documentation that a member of management or a board member reviewed each bank reconciliation.
Exceptions: There was no evidence of management review on the bank reconciliations.
Management's response: Management will provide evidence of review on all bank reconciliations.

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

Performance: Inspected documents for items outstanding for more than 12 months from the statement closing date.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select five deposit sites (or all deposit sites if less than five).

Performance: Obtained the listing of cash/check/money order (cash) deposit sites from management, and received management's representation in a separate letter. The Library only has only one deposit site that prepares deposits.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Collections: (Continued)

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

   Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The Library has one deposit site.
   Exceptions: There were no exceptions noted.
   Management's response: Not applicable.

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

      Performance: Inspected policy manuals and inquired of management and observed employees do not share cash drawers/registers.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   b) Each employee responsible for collection cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

      Performance: Inspected policy manuals and inquired of management and observed employees collecting cash are not responsible for making deposits.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

      Performance: Inspected policy manuals and inquired of management and observed employees collecting cash do not make general ledger postings.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

Procedures performed on the Library's Collections: (Continued)

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

Performance: Inspected policy manuals and inquired of management and observed employees collecting cash do not make general ledger postings.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Procedures performed on the Library's Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained the cash receipts log as supporting documentation for the two deposit dates for each of the two banks.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Traced supporting documentation to the deposit slip.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Traced deposit slip total to actual deposit per bank statement.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Collections: (Continued)

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

Performance: Observed that the deposit was made within one business day of receipt.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases):

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

Performance: Obtained the listing of locations that process payments, and received management's representation in a separate letter. The Library only has one location that processes payments.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases): (Continued)

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained the Library's general ledger for the fiscal period, and obtained management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases): (Continued)

a) Observe that the disbursement matched the related original invoice/billing statement.

Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Credit Cards, Debit Cards, Fuel Cards, P-cards:

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

Performance: Prior year testing resulted in no exceptions related to the Library's credit cards, debit cards, fuel cards and p-cards. Therefore, testing was not required in the current year.
Exceptions: Not applicable.
Management's response: Not applicable.

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

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Prior year testing resulted in no exceptions related to the Library's credit cards, debit cards, fuel cards and p-cards. Therefore, testing was not required in the current year.
Exceptions: Not applicable.
Management's response: Not applicable.

Procedures performed on the Library's Credit Cards, Debit Cards, Fuel Cards, P-cards: (Continued)

b) Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Prior year testing resulted in no exceptions related to the Library's credit cards, debit cards, fuel cards and p-cards. Therefore, testing was not required in the current year.
Exceptions: Not applicable.
Management's response: Not applicable.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have ten transactions subject to testing).

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

1) An original itemized receipt that identifies precisely what was purchased.

Performance: Prior year testing resulted in no exceptions related to the Library's credit cards, debit cards, fuel cards and p-cards. Therefore, testing was not required in the current year. However, while performing other audit procedures, the following credit card exception was noted.
Exceptions: An expense charged on the Library's credit card was missing an itemized receipt.
Management's response: Management will ensure that itemized receipts are included as backup to credit card statements.

2) Written documentation of the business/public purpose.

Performance: Prior year testing resulted in no exceptions related to the Library's credit cards, debit cards, fuel cards and p-cards. Therefore, testing was not required in the current year. However, while performing other audit procedures, the following credit card exception was noted.
Exceptions: An expense charged on the Library's credit card was missing the business/public purpose.
Management's response: Management will ensure that receipts include the business/public purpose.

3) Documentation of the individuals participating in meals (for meal charges only).

Performance: Prior year testing resulted in no exceptions related to the Library's credit cards, debit cards, fuel cards and p-cards. Therefore, testing was not required in the current year.

Procedures performed on the Library's Credit Cards, Debit Cards, Fuel Cards, P-cards: (Continued)

Exceptions: Not applicable.
Management's response: Not applicable.

Procedures performed on the Library's Travel and Travel-Related Expense reimbursements:

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

    Performance: Obtained a list of all travel and travel related expense reimbursement, and received management's representation in a separate letter.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

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

        Performance: Selected five reimbursements and obtained the supporting documentation. Observed that the reimbursement rate agreed to those rates established either by the State of Louisiana or the U.S. General Services Administration.
        Exceptions: There were no exceptions noted.
        Management's response: Not applicable.

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

        Performance: The Library did not have actual costs for travel on expense reimbursements, such expenses were paid by credit card.
        Exceptions: Not applicable.
        Management's response: Not applicable.

    c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).

        Performance: Selected five reimbursements and obtained the supporting documentation. Observed that each reimbursement has evidence of documentation of the business/public purpose and other documentation required by written policy.

Procedures performed on the Library's Travel and Travel-Related Expense reimbursements: (Continued)

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Selected five reimbursements and obtained the supporting documentation. Observed that each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement.
Exceptions: The director approves her own reimbursements.
Management's response: Management will have the chairwoman approve the director's expenses.

Procedures performed on the Library's Contracts:

15. Obtain a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, and:

Performance: Obtained a listing of contracts initiated or renewed during the fiscal period and received management's representation in a separate letter. Randomly selected five contracts from the list provided by management.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Inspected the written contracts to determine if contracts were subject to Louisiana Public Bid Law.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

b) Observe that the contract was approved by the governing body/Library, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: Inspected the board meeting minutes for approval of contract.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Contracts: (Continued)

c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Performance: Inspected contract to determine if the contract was amended.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected the invoice and compared to the written contract information and observed that the invoice and related payment agreed to terms and conditions of the contract.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Payroll and Personnel:

16. Obtain a listing of employees during the fiscal period and management's representation that the listing is complete. Randomly select five employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees with their related salaries from management, and received management's representation in a separate letter. Randomly selected five employees and agreed paid salaries and to authorized salaries/pay rates per the personnel files
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

17. Randomly select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Inspected daily attendance and leave records for proper documentation.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the Library's Payroll and Personnel: (Continued)

b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Inspected attendance and leave records for proper approval.
Exceptions: There was no evidence of supervisor approval.
Management's response: Management will consider changing the procedure to have supervisors approve attendance and leave records.

c) Observe that any leave accrued or taken during the pay period is reflected in the Library's cumulative leave records.

Performance: Obtained cumulative leave records and observed that any leave accrued or taken during selected pay period is included.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

18. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees/officials' cumulative leave records, and agree the pay rates to the employees/officials' authorized pay rates in the employee/officials personnel files.

Performance: Obtained a listing of all employees that terminated during the period from management and received management's representation in a separate letter. Randomly selected two employees/officials and obtained their personnel file. Traced hours and pay rates used in management's termination calculation to cumulative leave records and pay rates per the personnel file.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that payroll related taxes and benefits have been paid and forms filed by the required deadline in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedure performed on the Library's Ethics:

20. Using the five randomly selected employees/officials from procedure #16 under "Procedures performed on the Library's Payroll and Personnel" above, obtain ethics compliance documentation from management and:

    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

        Performance: Prior year testing resulted in no exceptions related to ethics. Therefore, testing was not required in the current year.
        Exceptions: Not applicable.
        Management's response: Not applicable.

    b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the Library's ethics policy during the fiscal period.

        Performance: Prior year testing resulted in no exceptions related to ethics. Therefore, testing was not required in the current year.
        Exceptions: Not applicable.
        Management's response: Not applicable.

Procedures performed on the Library's Debt Service:

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

    Performance: Prior year testing resulted in no exceptions related to the Library's debt service. Therefore, testing was not required in the current year.
    Exceptions: Not applicable.
    Management's response: Not applicable.

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

    Performance: Prior year testing resulted in no exceptions related to the Library's debt service. Therefore, testing was not required in the current year.
    Exceptions: Not applicable.
    Management's response: Not applicable.

Other procedures performed on the Library:

23. Obtain a listing of misappropriations of public funds or assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Library reported the misappropriations(s) to the Legislative Auditor and the District Attorney of the parish in which the Library is domiciled.

    Performance: Inquired of management for listing of any misappropriations of public funds or assets, none were noted.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

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

    Performance: Inquired and observed such notice posted on the premises and website.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.