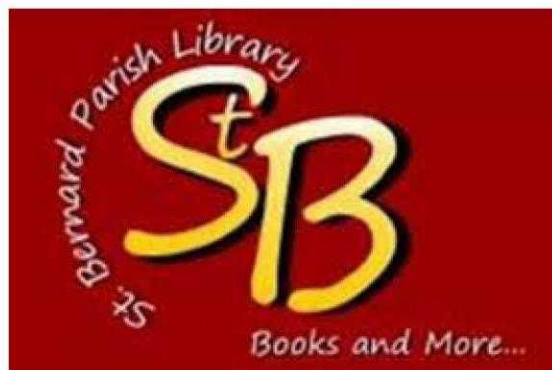


*Financial Report*

*St. Bernard Parish Library*

*December 31, 2017*



*Financial Report*

*St. Bernard Parish Library*

*December 31, 2017*

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December 31, 2017

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Control,  
St. Bernard Parish Library,  
Chalmette, Louisiana.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major funds of the St. Bernard Parish Library (the "Library"), as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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 standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of St. Bernard Parish Library as of December 31, 2017, and the respective changes in financial position and changes in assets and liabilities for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, and the required supplementary information on pages 41 through 44, 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 operations, 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 an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 45 as required by Louisiana Revised statute 24:513(A)(3) are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 5, 2018, on our consideration of the St. Bernard Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

*Bougeois Bennett, L.L.C.*  
Certified Public Accountants.

New Orleans, Louisiana,  
June 5, 2018.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**St. Bernard Parish Library**  
Chalmette, Louisiana

December 31, 2017

The Management's Discussion and Analysis (MD&A) of the St. Bernard Parish Library's (the "Library's") financial performance presents a narrative overview and analysis of the Library's financial activities as of and for the year ended December 31, 2017. It identifies changes in the Library's overall financial position and results of operations and assists the user in determining whether the financial position has improved or deteriorated as a result of the year's operations. It also identifies any significant variations from the original budget amounts and includes any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and identifies individual issues or concerns. The MD&A focuses on the current year's activities, resulting changes, and currently known facts.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of the MD&A should read and evaluate all sections of this report, including the notes to financial statements and required supplemental information section (RSI) that are provided in addition to this MD&A.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Library's basic financial statements. The Library's financial report consists of four parts: (1) MD&A (this section), (2) basic financial statements, (3) required supplementary information and (4) special reports by certified public accountants and management.

The basic 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. Under this format, all governmental activities are consolidated into columns which add to a total for the governmental entity. For the Library, only governmental activities are included in the presentation. Accordingly, there is no "totals" column in the presentation.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Government-wide Financial Statements (Continued)**

- a. The Statement of Net Position presents information on all of the Library's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as the net position. Over time, increases or decreases in the net position (and changes in the components of net position) may serve as a useful indicator of whether the financial position of the Library is improving or weakening.
- b. The Statement of Activities presents information showing how the Library's net position changed during the years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement of Activities presents the expenses for each function (salaries and benefits, office expenses, insurance, supplies, other expenses, and depreciation) reduced by the Program Revenues (charges for services and grants) directly related to the program to determine net program expenses and general revenues (ad valorem taxes and other revenue).

### **Fund Financial Statements**

A fund is a grouping of related accounts that are used to maintain control over resources which have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Library uses one category of funds to account for financial transactions - 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Fund Financial Statements (Continued)**

The Library maintains one individual governmental fund (the "General Fund"). 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. The Library adopts an annual appropriated budget for its General Fund. A budgetary comparison statement, page 41, and the note to budgetary reporting have been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 12 through 17 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements 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 starting on page 18 of this report.

## **FINANCIAL HIGHLIGHTS**

The financial statements provide details of the current year operations summarized as follows:

- Net position of governmental activities decreased by \$151,637.
- During the year, the Library had expenses of \$1,423,408 and \$1,271,771 generated in fees and other revenues.
- Total revenues decreased by \$31,053 or approximately 2% from the prior year.
- Salaries and benefits increased by \$26,916 or approximately 8% from the prior year.
- Total expenses increased by \$45,186 or approximately 3% from the prior year.

### **Statement of Net Position and Statement of Activities**

Presented below are a Condensed Statements of Net Position and Statements of Activities for the Library. The condensed format allows the reader to view the overall financial position of the Library. Explanations of the components of the statements are included immediately following the statements.

(Continued)

## Statement of Net Position and Statement of Activities (Continued)

Condensed Statements of Net Position

	December 31,		Increase	Percentage
	2017	2016	(Decrease)	Change
Cash and other current assets	\$ 14,536,665	\$ 13,787,947	\$ 748,718	5.43%
Long term receivables	485,273	485,273	-	0.00%
Other assets	597,190	716,358	(119,168)	-16.64%
Capital assets, net	<u>2,461,272</u>	<u>3,234,788</u>	<u>(773,516)</u>	-23.91%
Total assets	<u>18,080,400</u>	<u>18,224,366</u>	<u>(143,966)</u>	-0.79%
Deferred outflows of resources	<u>76,742</u>	<u>100,651</u>	<u>(23,909)</u>	-23.75%
Other liabilities	<u>67,861</u>	<u>82,311</u>	<u>(14,450)</u>	-17.56%
Deferred inflows of resources	<u>10,117</u>	<u>11,905</u>	<u>(1,788)</u>	-15.02%
Net position:				
Investment in capital assets, net of related debt	2,461,272	3,234,788	(773,516)	-23.91%
Unrestricted	<u>15,617,892</u>	<u>14,996,013</u>	<u>621,879</u>	4.15%
Total net position	<u>\$ 18,079,164</u>	<u>\$ 18,230,801</u>	<u>\$ (151,637)</u>	-0.83%

## Statement of Net Position and Statement of Activities (Continued)

Condensed Statements of Activities

	<u>Total Governmental Activities</u> <u>Year Ended December 31,</u>		<u>Increase</u>	<u>Percentage</u>
	<u>2017</u>	<u>2016</u>	<u>(Decrease)</u>	<u>Change</u>
Program revenues:				
Library fees	\$ 6,468	\$ 8,176	\$ (1,708)	-20.89%
Operating grants and contributions	1,500	3,023	(1,523)	-50.38%
Total program revenues	7,968	11,199	(3,231)	-28.85%
General revenues:				
Ad valorem revenues	1,157,562	1,183,335	(25,773)	-2.18%
Interest income	78,817	81,260	(2,443)	-3.01%
State revenue sharing	25,062	10,704	14,358	134.14%
Miscellaneous income	2,362	16,326	(13,964)	-85.53%
Total general revenues	1,263,803	1,291,625	(27,822)	-2.15%
Total revenues	1,271,771	1,302,824	(31,053)	-2.38%
Program expenses:				
Salaries	278,375	271,428	6,947	2.56%
Employee benefits and payroll taxes	104,630	84,661	19,969	23.59%
Other library expenses	105,263	96,822	8,441	8.72%
Depreciation	935,140	925,311	9,829	1.06%
Total program expenses	1,423,408	1,378,222	45,186	3.28%
Change in net position	\$ (151,637)	\$ (75,398)	\$ (76,239)	101.12%

The Library's net position decreased by \$151,637 as a result of this year's operations. The balance in net position represents the accumulated results of all past years' operations. The Library's total revenues for the year were \$1,271,771 (\$7,968 in program revenues, \$1,263,803 in general revenues).

## Financial Analysis of Governmental Funds

The Library maintains only one "governmental fund" - the General Fund. The General Fund Balance Sheet is on Page 14 of this report and the Statement of Revenues, Expenditures, and Changes in Fund Balance are on page 16 of this report.

Under the modified-accrual basis for fund financial statements, the emphasis is on accounting for current financial resources of the Library. The analysis in this section includes a discussion of the General Fund financial statements.

As of December 31, 2017, the General Fund reported total fund balance of \$15,011,647, an increase of \$746,120 from the prior year total fund balance. This increase is due to revenues of \$1,275,159 exceeding expenditures of \$529,039.

### Analysis of the General Fund Budget

The budget for the General Fund was as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,100,000	\$ 1,100,000	\$ -	0.00%
Interest income	40,000	40,000	-	0.00%
State revenue sharing	5,000	5,000	-	0.00%
Miscellaneous revenue	<u>5,000</u>	<u>5,000</u>	<u>-</u>	0.00%
Total revenues	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>	0.00%
<b>Expenditures:</b>				
Personnel expenses	505,000	505,000	-	0.00%
Operating expenses	245,000	245,000	-	0.00%
Capital outlay	<u>400,000</u>	<u>400,000</u>	<u>-</u>	0.00%
Total expenditures	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>	0.00%
Excess of revenue over expenditures	-	-	-	0.00%
<b>Fund Balance</b>				
Beginning fund balance	<u>14,265,527</u>	<u>14,265,527</u>	<u>-</u>	0.00%
Ending fund balance	<u>\$ 14,265,527</u>	<u>\$ 14,265,527</u>	<u>\$ -</u>	0.00%

## Analysis of the General Fund Budget (Continued)

When the budget for the year ended December 31, 2017 was originally prepared, revenues and expenditures were reflected in a conservative manner. No amendments were made for the 2017 budget.

### Capital Assets

The capital assets of the Library consist of land, buildings and improvements, furniture and equipment, and library collections. There was \$42,456 of additions to capital assets as of the year ended December 31, 2017, from the purchase of library collections, computer equipment, furniture, and fixtures. There was \$119,168 of additions to capital assets as transfers from other assets. Depreciation expense for the year ended December 31, 2017 totaled \$1,151,140. A summary of activity for capital assets is presented in the notes to the financial statements in Note 5.

Beginning balance, cost of assets	\$ 6,819,748
Capital outlay	42,456
Transfers from other assets	119,168
Less disposals	(2,425)
Less accumulated depreciation	<u>(4,517,675)</u>
Total capital assets, net	<u>\$ 2,461,272</u>

### Long-Term Debt

The Library is not allowed to incur long-term indebtedness for bonds or notes payable. As of December 31, 2017, the Library had no long-term debt outstanding.

### Economic Factors and Next Year's Budget

The Library must consider many variables when budgeting for the coming fiscal year. Included in these factors are changing laws and regulations, economic circumstances, and historical trends. These indicators are as follows:

**Economic Factors and Next Year's Budget (Continued)**

A summary of the current budget for the year ending December 31, 2018 follows:

**Condensed Budget**

Revenue	\$ 1,030,000
Expenditures:	
Operations	295,000
Personnel expenses	515,000
Capital outlay	220,000
	<u>1,030,000</u>
Excess of revenues over expenditures	\$ <u>-</u>

The Library's two major sources of funding are ad valorem tax revenue and state revenue sharing. For the year ending December 31, 2018, it is anticipated that ad valorem tax revenues will remain consistent with the year ended December 31, 2017. Capital outlay should increase from the year ended December 31, 2017 budget as the Library anticipates a need to increase it's library collections. The Library has budgeted personnel expenses consistent with the prior year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the St. Bernard Parish 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 the Director, St. Bernard Parish Library, 2600 Palmisano Blvd., Chalmette, LA 70043-3666; phone number (504) 279-0448.



**STATEMENT OF NET POSITION****St. Bernard Parish Library**  
Chalmette, Louisiana

December 31, 2017

**Assets**

Cash and cash equivalents	\$ 9,796,988
Ad valorem taxes receivable, net	1,011,502
Due from St. Bernard Parish	485,273
Investments	3,728,175
Other assets	597,190
Capital assets, net of accumulated depreciation	<u>2,461,272</u>

Total assets	<u>18,080,400</u>
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**Deferred Outflows of Resources**76,742

Total assets and deferred outflows of resources	<u>18,157,142</u>
-------------------------------------------------	-------------------

**Liabilities**

Accrued vacation and payroll liabilities	10,291
Net pension liability	<u>57,570</u>

Total liabilities	67,861
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**Deferred Inflows of Resources**10,117

Total liabilities and deferred inflows of resources	<u>77,978</u>
-----------------------------------------------------	---------------

**Net Position**

Net investment in capital assets	2,461,272
Unrestricted	<u>15,617,892</u>

Total net position	<u>18,079,164</u>
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Total liabilities and net position	<u><u>\$ 18,157,142</u></u>
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See notes to financial statements.

**STATEMENT OF ACTIVITIES****St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2017

**Governmental Activities**

## Expenses:

## General government:

Depreciation	\$ 935,140
Salaries and wages	278,375
Employee benefits and payroll taxes	104,630
Office expenses	28,380
Other expenses	31,903
Insurance	26,332
Library supplies	7,082
Grant supplies	4,170
Computer software licenses and maintenance	6,635
Auto and travel	761

Total expenses	<u>1,423,408</u>
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## Program revenues:

## Charges for services:

Library fees	6,468
Operating grants and contributions	<u>1,500</u>

Total program revenues	<u>7,968</u>
------------------------	--------------

Net program expenses	<u>(1,415,440)</u>
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## General revenues:

Ad valorem taxes	1,157,562
Interest income	78,817
Unrealized loss on investments	(3,388)
State revenue sharing	25,062
Miscellaneous revenue	<u>5,750</u>

Total general revenues	<u>1,263,803</u>
------------------------	------------------

Change in net position	(151,637)
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**Net Position**

Beginning of year	<u>18,230,801</u>
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End of year	<u>\$ 18,079,164</u>
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See notes to financial statements.

**BALANCE SHEET - GOVERNMENTAL FUND****St. Bernard Parish Library**

Chalmette, Louisiana

December 31, 2017

**ASSETS**

Cash	\$ 9,796,988
Ad valorem taxes receivable, net	1,011,502
Due from St. Bernard Parish	485,273
Investments	<u>3,728,175</u>
Total assets	<u>\$ 15,021,938</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:	
Accrued vacation and payroll liabilities	<u>\$ 10,291</u>
Fund balance:	
Committed for capital outlay	6,200,000
Assigned	2,800,000
Unassigned	<u>6,011,647</u>
Total fund balance	<u>15,011,647</u>
Total liabilities and fund balance	<u>\$ 15,021,938</u>

See notes to financial statements.

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

**St. Bernard Parish Library**

Chalmette, Louisiana

December 31, 2017

Fund balance - governmental fund	<u>\$ 15,011,647</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other assets used in governmental activities are not financial resources and are not reported in the governmental funds	<u>597,190</u>
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds	
Governmental capital assets	6,978,947
Less: accumulated depreciation	<u>(4,517,675)</u>
	<u>2,461,272</u>
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	<u>76,742</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Net pension liability	<u>(57,570)</u>
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds	<u>(10,117)</u>
Net position of governmental activities	<u>\$ 18,079,164</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2017

**Revenues**

Ad valorem taxes	\$ 1,157,562
Interest income	78,817
Library fees	6,468
State revenue sharing	25,062
Public grant revenue	1,500
Miscellaneous revenue	<u>5,750</u>
Total revenues	<u>1,275,159</u>

**Expenditures**

General government:	
Personnel services	377,932
Operating services	108,651
Capital outlay	<u>42,456</u>
Total expenditures	<u>529,039</u>

<b>Excess of Revenues Over Expenditures</b>	746,120
---------------------------------------------	---------

**Fund Balance**

Beginning of year	<u>14,265,527</u>
End of year	<u>\$ 15,011,647</u>

See notes to financial statements.

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

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2017

Excess of revenues over expenditures - governmental fund	\$ 746,120
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	42,456
Depreciation	(935,140)
	<u>(892,684)</u>
Net pension expense is reported in governmental funds as expenditures as they are paid, however, in the Statement of Activities the net pension expense is reported according to estimates required by GASB 68:	
Pension expenses paid	21,136
GASB 68 adjustment	(26,209)
	<u>(5,073)</u>
Pension expenses per GASB 68	<u>(5,073)</u>
Change in net position of governmental activities	<u>\$ (151,637)</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****St. Bernard Parish Library**

Chalmette, Louisiana

December 31, 2017

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The St. Bernard Parish Library (the "Library") was established by the parish governing authority, under the provisions of the Louisiana Revised Statute (LRS) 25:211. The Library provides citizens of St. Bernard Parish access to library materials, books, magazines, and audio visuals. The Library is governed by a Board of Control consisting of seven members in accordance with the provisions of the Louisiana Revised Statute 25:214. The Library is located in Chalmette, Louisiana.

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

The GASB established criteria for determining which component units should be considered part of the St. Bernard Parish Council ("Parish Council") for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

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

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Reporting Entity (Continued)**

- b. The potential for the Library to provide specific financial benefits to or impose specific financial burdens on the Parish Council and/or,
- c. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council and/or,
- d. Organizations for which the reporting entity financial statements would be misleading if data of the Library is not included because of the nature or significance of the relationship.

The Library is considered a component unit of the St. Bernard Parish Government ("Parish Government") based on the criteria above. Based on the criteria above, the Library has no component units.

The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**b. Basis of Presentation**

The accompanying financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units.

**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. 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 for the fiscal period. Governmental activities generally are financed through fees, intergovernmental revenues, and other non-exchange revenues.



**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Basis of Presentation (Continued)**

**Fund Financial Statements:**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on the major funds. The daily accounts and operations of the Library continue to be organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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 is the governmental fund of the Library:

**General Fund**

The General Fund is the primary operating and sole fund of the Library and accounts for and reports the operations of the Library's office. The focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position rather than upon net income. The various fees and charges due to the Library's office and ad valorem tax revenue are accounted for in this fund. General operating expenditures are paid from this fund. The General Fund is always considered a major fund.

**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 Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Library.

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.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

**Government-wide Financial Statements (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

**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 assets. Governmental funds are maintained on the modified accrual basis of accounting.

**Revenues**

Ad valorem taxes are recorded in the year the taxes are assessed; thus, the property taxes which are being levied to finance the current year budget are recognized as revenue in the current year. The taxes are generally collected in December of the current year and January through February of the ensuing year. State revenue sharing is an arrangement whereby local governments are reimbursed by the State for ad valorem taxes not billed due to the homestead exemption. The Library received \$25,062 from state revenue sharing for the year ended December 31, 2017.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

**Revenues (Continued)**

Grant revenue is recorded on the government-wide financial statements when the Library is entitled to the funds. Grant revenue is recorded on the fund financial statements when the Library is entitled to the funds and when they are considered available. Revenues from fees and other services are recognized when they become measurable and available (i.e., when the service is performed). 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. Miscellaneous revenues are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received.

Interest income on cash balances is recorded when the income is available.

Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**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.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Operating Budgetary Data**

The Library adopted a budget for its General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings of the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Library Board of Control. The Library did not amend its budget during 2017. All budgeted amounts which 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.

**f. Cash and Cash Equivalents**

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

**g. Receivables**

The Library uses the allowance method to account for uncollectible receivables. The allowance for uncollectible accounts is based on prior years' experience and management's analysis of possible bad debts. Bad debt recoveries are charged against the allowance account as realized. There was no allowance for uncollectible accounts as management has determined that all accounts are fully collectible as of December 31, 2017.

**h. Investments**

Investments are reported at fair value. All investments are traded on a national exchange and are valued at the last reported sales price at current exchange rates. There are no investments without an established market. Unrealized gains and losses on investments recorded at fair value are included in investment income (loss). Investment policies are governed by state statutes.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Capital Assets and Depreciation**

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

All capital assets of the Library are recorded at historical cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets is charged as an expense against their operations.

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.

**Government-wide Financial Statements:**

In the government-wide financial statements, property and equipment are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$250 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 fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is 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:

	<u>Estimated Lives</u>
Buildings and improvements	30 years
Furniture and equipment	5-7 years
Library collections	5 years

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Capital Assets and Depreciation (Continued)**

**Fund Financial Statements**

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

**j. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

**k. 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 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.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l. Compensated Absences**

All full-time employees of the Library earn vacation and sick leave at varying rates depending on years of service. Vacation and sick leave can be accumulated without limitation. Upon termination or retirement, unused vacation leave of up to 20 days is paid to employees at their current rate of pay or transferred to the System at no cost to the Library for two employees and actuarial costs for one employee. Vacation and sick leave are considered to be due within one year of the end of the fiscal year.

**m. Fund Equity**

**Government-wide Statements**

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

- a. Invested in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets** - Consists of net assets 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** - This component of net position reports net position that does not meet the definition of "invested in capital assets" or "restricted net 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. As of December 31, 2017, and for the year then ended, the Library did not have or receive restricted resources classified as restricted net position.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Fund Equity (Continued)**

**Fund Financial Statements**

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable equity as of December 31, 2017.

**Restricted** - amounts that can be spent only for a specific purpose because of the constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted equity as of December 31, 2017.

**Committed** - amounts that can be used only for specific purposes determined by a formal decision of the Library. There was \$6,200,000 committed for capital outlay as of December 31, 2017.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purposes. There was \$2,300,000 assigned for revenue shortfalls and \$500,000 assigned for unemployment insurance reserve as of December 31, 2017.

**Unassigned** - all amounts not included in other spendable classifications. The Library has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level.

**n. Stabilization Arrangements**

The Library has formally set aside amounts for use in emergency situations or to offset anticipated revenue shortfalls should they occur. The stabilization arrangement was authorized through formal resolution of the Library Board of Control. The stabilization balance as of December 31, 2017 was \$2,300,000 and was included in the assigned fund balance.



**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New Pronouncements**

During the year ended December 31, 2017, the Library implemented the following GASB statements:

Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans other than Pension Plans"* addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria and follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments and also sets forth note disclosure requirements for defined contribution OPEB plans. This statement did not affect the Library's financial statements.

Statement No. 78, *"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"* amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement did not affect the Library's financial statements.

Statement No. 79, *"Certain External Investment Pools and Pool Participants"* establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. This Statement did not affect the Library's financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. New Pronouncements (Continued)

Statement No. 80, *"Blending Requirement for Certain Component Units"* improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. This statement did not affect the Library's financial statements.

Statement No. 81, *"Irrevocable Split Interest Agreements"* provides recognition and measurement guidance for situation in which a government is a beneficiary of an irrevocable split interest agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in agreements administered by third parties. Governments are required by this Statement to recognize revenue when the resources become applicable to the reporting period. This Statement enhances comparability and decision usefulness of financial statements among governments. This statement did not affect the Library's financial statements.

Statement No. 82, *"Pension Issues"* addresses several issues raised with respect to Statements No. 67, *"Financial Reporting for Pension Plans,"* No. 68, *"Accounting and Financial Reporting for Pensions,"* and No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."* Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement did not affect the Library's financial statements.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New Pronouncements (Continued)**

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

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 Other Post-Employment Benefits (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 to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the effect of this Statement on the financial statements.

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.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New Pronouncements (Continued)**

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. 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. 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. Management has not yet determined the effect of this Statement on the financial statements.

**p. Subsequent Events**

The Library evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 5, 2018, which is the date the financial statements were available to be issued.

**Note 2 - DEPOSITS AND INVESTMENTS**

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-2) commercial paper of domestic corporations.

**Bank Deposits**

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and 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 with a trust company for the account of the political subdivision.

The year end balances are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 9,839,968</u>	<u>\$ 9,796,988</u>

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. As of December 31, 2017, \$3,665,015 of the Library's bank balance of \$9,839,968 was in excess of FDIC Insurance. The balance in excess of FDIC Insurance was collateralized with securities held by the Bank of New York Mellon but not in the Library's name.

As of December 31, 2017, cash and cash equivalents were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Library. The GASB 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 No. 40, L.R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten 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 investing in obligations of the U.S. Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

As of December 31, 2017, the Library had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>			
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>5 or more</u>
U.S. Treasury Securities	<u>\$ 3,728,175</u>	<u>\$ 2,493,969</u>	<u>\$ 1,234,206</u>	<u>\$ -</u>

As a means of limiting its exposure to fair value losses arising from interest rates, the Library's investment policy emphasizes maintaining liquidity to match specific cash flows. The Library's investment policy limits investments to those allowed under state law.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investments in United States Treasury are not exposed to custodial credit risk because the principal and interest are fully guaranteed by the government of the United States.

In accordance with GASB Statement No. 31, the Library recognized the net increase in the fair value of investments for the year ended December 31, 2017. The decrease in the fair value of investments takes into account all changes in fair value (including purchases and sales). For the year ended December 31, 2017, the Library recognized a net decrease in the fair value of investments totaling \$3,388.

Investments as reported on the financial statements as of December 31, 2017 are comprised of the following:

	<u>United States Treasury Securities</u>
Reported amounts	<u>\$ 3,728,175</u>

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real property, merchandise, and movable property located in St. Bernard Parish. Assessed values are established by the St. Bernard Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The tax rate for the year ended December 31, 2017 was \$3.75 per \$1,000 of assessed valuation of property within St. Bernard Parish. Taxes are due and payable on November 15<sup>th</sup> of each year and become delinquent on December 31<sup>st</sup> with interest being charged on payments after January 1<sup>st</sup>. Taxes are collected by the St. Bernard Parish Sheriff's Office who remits the dedicated millage to the Library.

**Note 4 - RECEIVABLES**

The details of the ad valorem taxes receivable as of December 31, 2017 are as follows:

Ad valorem receivable	\$ 1,011,502
Less: allowance for uncollectible accounts	<u>-</u>
	<u>\$ 1,011,502</u>

There were no receivable balances past due in excess of 90 days as of December 31, 2017.

**Note 5 - CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance December 31, 2016	Additions/ Transfer From Other Assets	Deletions	Balance December 31, 2017
Capital assets not being depreciated:				
Land	\$ 1,084,398	\$ -	\$ -	\$ 1,084,398
Capital assets being depreciated:				
Building	262,910	-	-	262,910
Furniture and equipment	1,726,321	1,951	-	1,728,272
Library collections	3,746,119	159,673 <sup>(1)</sup>	(2,425)	3,903,367
Total capital assets being depreciated	5,735,350	161,624	(2,425)	5,894,549
Less accumulated depreciation	(3,584,960)	(935,140)	2,425	(4,517,675)
Total capital assets being depreciated, net	2,150,390	(773,516)	-	1,376,874
Total capital assets, net	\$ 3,234,788	\$ (773,516)	\$ -	\$ 2,461,272

Depreciation expense of \$935,140 was charged to operations for the year ended December 31, 2017.

(1) The balance includes \$119,168 transferred from other assets.

**Note 6 - DUE FROM LOCAL GOVERNMENT**

The Library has an amount receivable from the Parish Government related primarily to insurance recoveries that were received by the Parish as a result of casualty losses resulting from Hurricane Katrina. As of December 31, 2017, amounts due from Parish Government totaled \$485,273.



**Note 7 - RETIREMENT PLANS**

*Plan Description.* Substantially all employees of the Library are members of the Parochial Employees' Retirement System of Louisiana (the "System"); a cost-sharing and multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statutes, 11:1901-2025 to provide retirement benefits to all employees of any parish in the State of Louisiana. 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 Library is one of the employers included in Plan A (the "Plan").

*Benefits Provided.* The System provides retirement, deferred retirement, disability and death benefits. Permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. Act 1214 of the 1997 Louisiana legislature granted new employees who are age 55 or older and who have 40 quarters of more of credit with Social Security the option of joining the System. This option must be exercised within ninety (90) days of the employment date or within 90 days of the effective date of the action (July 1, 1997) whichever is later. When a decision is made, an election form must be completed and sent to the System office. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System. Retirement benefits are generally equal to 3% of the member's final average compensation multiplied by the years of creditable service. Any member of the Plan can retire providing he/she meets one of the following criteria: For employees hired prior to January 1, 2007: Any age with 30 or more years of creditable service; age 55 with 25 years of creditable service; age 60 with a minimum of ten years of creditable service; age 65 with a minimum of seven years of creditable service; for employees hired after January 1, 2007: Age 55 with 30 years of service; age 62 with ten years of service; age 67 with seven years of service.

In lieu of terminating employment and accepting a service retirement, any member of the System who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During the participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. The election to participate in DROP is irrevocable once participation begins.

**Note 7 - RETIREMENT PLANS (Continued)**

A member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of the Plan shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by years of service, not to be less than fifteen, or 3% multiplied by years of service assuming continued service to age 60. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and 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, 2016, the actuarially determined employer contribution rate was 10.52% of member's compensation. However, the actual rate for the year ending December 31, 2016 was 13.00%.

According to state statute, the System also receives 0.25% of ad valorem taxes collected within the respective 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 Plan from the Library were \$21,136 for the year ended December 31, 2017.

*Pension Liabilities.* At December 31, 2017, the Library reported a liability of \$57,570 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Library's proportion was .027953%, which was a decrease of .000394% from its proportion measure as of December 31, 2015.

*Pension Expense.* For the year ended December 31, 2017, the Library recognized net pension expense of (\$5,073).

**Note 7 - RETIREMENT PLANS (Continued)**

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (10,074)
Change of assumptions	10,930	-
Net difference between projected and actual earnings on pension plan investments	44,676	-
Changes in proportion and differences between Library contributions and proportionate share of contribution	-	(43)
Library contributions subsequent to the measurement date	<u>21,136</u>	<u>-</u>
Totals	<u>\$ 76,742</u>	<u>\$ (10,117)</u>

The Library reported \$21,136 as deferred outflows of resources related to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 16,897
2019	18,040
2020	11,759
2021	<u>(1,207)</u>
Total	<u>\$ 45,489</u>

**Note 7 - RETIREMENT PLANS (Continued)**

*Actuarial Assumptions.* A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 are as follows:

Valuation date	December 31, 2016
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Expected remaining service lives	4 years
Investment rate of return	7.00%, net of investment expense, including inflation.
Projected salary increases	5.25% (2.50% inflation, 2.75% merit) RP-2000 Healthy Annuitant Mortality Table / RP-2000 Disabled Lives.
Mortality rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
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 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. The long term expected rate of return was 7.66% as of December 31, 2016. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

**Note 7 - RETIREMENT PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	35.00%	1.24%
Equity	52.00%	3.63%
Alternatives	11.00%	0.67%
Real assets	<u>2.00%</u>	<u>0.12%</u>
 Totals	 <u>100.00%</u>	 <u>5.66%</u>
 Inflation		 <u>2.00%</u>
Expected arithmetic nominal return		 <u>7.66%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Library's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the participating employers calculated using the discount rate of 7.0%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.0%) or one-percentage point higher (8.0%) than the current rate:

	1.0% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1.0% Increase <u>8.00%</u>
Library's proportionate share of the net pension liability	<u>\$172,214</u>	<u>\$57,570</u>	<u>(\$39,366)</u>

**Note 7 - RETIREMENT PLANS (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, 2016. Access to the audit report can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

**Note 8 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to general liability, workers' compensation, unemployment compensation, property, and group health benefits. The Library carries insurance coverage for its exposure to risk of loss. No settlements were made during the year that exceeded the Library's insurance coverage.

**Note 9 - COMPENSATION OF BOARD MEMBERS**

No compensation was paid to the Library Board of Control for the year ended December 31, 2017.

**Note 10 - STATE OF LOUISIANA TAX ABATEMENT**

The Library's property tax revenues were reduced for the year ended December 31, 2017 by \$367,089 under the Louisiana Industrial Ad Valorem Tax Exemption Program and the Restoration Tax Abatement program which were entered into by the State of Louisiana.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,157,562	\$ 57,562
Interest income	40,000	40,000	78,817	38,817
Library fees	-	-	6,468	6,468
State revenue sharing	5,000	5,000	25,062	20,062
Public grant revenue	-	-	1,500	1,500
Miscellaneous revenue	5,000	5,000	5,750	750
	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,275,159</u>	<u>125,159</u>
<b>Total revenues</b>	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,275,159</u>	<u>125,159</u>
<b>Expenditures:</b>				
Personnel services	505,000	505,000	377,932	127,068
Operating services	245,000	245,000	108,651	136,349
Capital outlay	400,000	400,000	42,456	357,544
	<u>1,150,000</u>	<u>1,150,000</u>	<u>529,039</u>	<u>620,961</u>
<b>Total expenditures</b>	<u>1,150,000</u>	<u>1,150,000</u>	<u>529,039</u>	<u>620,961</u>
Excess of revenues over expenditures	-	-	746,120	746,120
<b>Fund Balance</b>				
Beginning of year	<u>14,265,527</u>	<u>14,265,527</u>	<u>14,265,527</u>	<u>-</u>
End of year	<u>\$ 14,265,527</u>	<u>\$ 14,265,527</u>	<u>\$ 15,011,647</u>	<u>\$ 746,120</u>

See note to required supplementary information - budgetary reporting.



**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGETARY REPORTING**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2017

The Library adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

**Budgetary Information**

The Library legally adopted a budget for its General Fund for the year ended December 31, 2017 on October 17, 2016. The budget was made available for public inspection at the Library's office on September 30, 2016. The proposed budget was prepared on the modified accrual basis of accounting, and was published in the official journal on September 30, 2016. The budget hearing was held at the Library's office on October 17, 2016. The budget for the year ended December 31, 2017 was not amended. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget.

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

**SCHEDULE OF THE LIBRARY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**St. Bernard Parish Library**

Chalmette, Louisiana

December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability	<u>0.027953%</u>	<u>0.028347%</u>	<u>0.028160%</u>
Library's proportionate share of the net pension liability	<u>\$57,570</u>	<u>\$74,618</u>	<u>\$33,134</u>
Library's covered-employee payroll	<u>\$165,776</u>	<u>\$165,776</u>	<u>\$162,531</u>
Library's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>34.7276%</u>	<u>45.0113%</u>	<u>20.3863%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.1500%</u>	<u>92.2300%</u>	<u>99.1500%</u>

**SCHEDULE OF THE LIBRARY'S CONTRIBUTIONS****St. Bernard Parish Library**

Chalmette, Louisiana

For the year ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 21,136	\$ 15,748	\$ 23,567
Contributions in relation to the contractually required contribution	<u>(21,136)</u>	<u>(15,748)</u>	<u>(23,567)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	<u>\$ 169,084</u>	<u>\$ 165,776</u>	<u>\$ 162,531</u>
Contributions as a percentage of covered-employee payroll	<u>12.50%</u>	<u>9.50%</u>	<u>14.50%</u>

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

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2017

**Agency Head Name:** Ethel B. Llamas, Director

**Purpose**

Salary	\$ 77,688
Benefits - insurance	5,766
Benefits - retirement	9,711
Benefits - other	1,126
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	240
Travel	678
Registration fees	90
Conference travel	0
Continuing professional education fees	75
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<b><u>\$ 95,374</u></b>

**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,  
St. Bernard Parish Library,  
Chalmette, Louisiana.

We have audited, 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, the financial statements of the governmental activities and the major funds of the St. Bernard Parish Library (the "Library"), a component unit of St. Bernard Parish Government, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 5, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive, flowing script.

Certified Public Accountants.

New Orleans, Louisiana,  
June 5, 2018.

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **St. Bernard Parish Library Chalmette, Louisiana**

For the year ended December 31, 2017

#### **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 ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

##### **b) Federal Awards**

The Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2017, and therefore, is exempt from the audit requirements under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

##### **Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended December 31, 2017 related to internal control over financial reporting.

##### **Compliance and Other Matters**

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



### Section III - Internal Control and Compliance Material to Federal Awards

#### Internal Control/Compliance

The St. Bernard Parish Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2017, and therefore, is exempt from the audit requirements under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

## **REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **St. Bernard Parish Library Chalmette, Louisiana**

For the year ended December 31, 2017

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

##### **Internal Control Over Financial Reporting**

No material weaknesses were noted during the audit of the financial statements for the fiscal year ended December 31, 2016.

No significant deficiencies were noted during the audit of the financial statements for the fiscal year ended December 31, 2016.

##### **Compliance and Other Matters**

There were no compliance findings material to the financial statements reported during the audit for the fiscal year ended December 31, 2016.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

The St. Bernard Parish Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2016, and therefore, is exempt from the audit requirements under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2016.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2017

### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

#### **Internal Control Over Financial Reporting**

No material weaknesses were noted during the audit of the financial statements for the fiscal year ended December 31, 2017.

No significant deficiencies were noted during the audit of the financial statements for the fiscal year ended December 31, 2017.

#### **Compliance and Other Matters**

There were no compliance findings material to the financial statements reported during the audit for the fiscal year ended December 31, 2017.

### **Section II - Internal Control and Compliance Material to Federal Awards**

The St. Bernard Parish Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2017, and therefore, is exempt from the audit requirements under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### **Section III - Management Letter**

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

**STATEWIDE AGREED UPON PROCEDURES (R.S.24:513)**

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED UPON PROCEDURES**

To Ms., Ethel Llamas,  
St. Bernard Parish Library,  
Chalmette, Louisiana.

We have performed the procedures enumerated below, which were agreed to by the management of St. Bernard Parish Library (the "Library") and the Louisiana Legislative Auditor (LLA), solely to assist the specified users of the report in evaluating management's assertions about the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) accompanying the annual financial statements of the Library for the year ended December 31, 2017 and to determine whether the C/C areas identified in the Statewide Agreed-Upon Procedures are free of obvious errors and omissions. Management of the Library is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**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:**

We obtained the written policies and verified that the written policies address the areas as follows:

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

No exceptions were noted.

## **Written Policies and Procedures (Continued)**

- 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.**

We obtained the purchasing policy from the Library. We verified that the written policy addresses (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.

No exceptions were noted.

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

We obtained the disbursements written policy from the Library. We verified that the written policy addresses processing, reviewing, and approving of disbursements.

No exceptions were noted.

- d) Receipts, including receiving, recording, and preparing deposits.**

We obtained the receipts written policy from the Library. We verified that the written policy addresses receiving, recording, and preparing deposits.

No exceptions were noted.

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

We obtained the payroll/personnel written policy from the Library. We verified that the written policy addresses (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions were noted.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process; and (5) monitoring process.**

## **Written Policies and Procedures (Continued)**

We obtained the contracting written policy from the Library. We verified that the written policy addresses (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process; and (5) monitoring process.

No exceptions were noted.

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

We obtained the credit cards written policy from the Library. We noted that the Library only uses a credit card, and does not use debit cards, fuel cards, or P-Cards. We verified that the written policy addresses (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers; and (5) monitoring card usage.

No exceptions were noted.

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

We obtained the travel and expense reimbursement written policy from the Library. We verified that the written policy addresses (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements; and (4) required approvers.

No exceptions were noted.

- 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.**

We obtained the ethics policy from the Library. We verified that written policies address (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.



## **Written Policies and Procedures (Continued)**

No exceptions were noted.

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

Not applicable as the Library has no debt.

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

### **2. Obtain and review the board/committee minutes for the fiscal period, and:**

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.**

The Library is required to publish public notice yearly of the proposed budget, and hold a hearing for the purpose of inviting the public to comment on the budget process. This meeting was held as required during the year.

In addition, the Library is required to meet five times per year to discuss financial and operational matters of the Library.

No exceptions were noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Library's prior audit (GAAP-basis).**

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

Budget-to-actual information was provided and referenced at the Library's meetings.

We reviewed the minutes referenced in Step 2a and determined that the Library was not deficit spending during the fiscal period.

No exceptions were noted.

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

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.**

For the minutes referenced in Step 2a, we verified that at least one meeting during the fiscal period included non-budgetary financial information.

No exceptions were noted.

**Bank Reconciliations**

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

We obtained a listing of bank accounts from the Library for the fiscal period. We also obtained management's representation that the listing is complete.

We noted that disbursements were made and collections received out of a single bank account. Therefore, we obtained listings for this single account.

No exceptions were noted.

- 4. Using the listing provided by management, select all of the Library's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:**

- a) Bank reconciliations have been prepared.**

We obtained bank statements and bank reconciliations for all months in the fiscal period for the bank account referenced in Step 3. We verified that bank reconciliations were prepared.

No exceptions were noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and**

The reconciliations are prepared by the Financial Manager.

## **Bank Reconciliations (Continued)**

For the bank reconciliations referenced in Step 4a, we observed timely review from the Library Board Treasurer.

No exceptions were noted.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.**

There were three reconciling items that have been outstanding for more than six months as of the end of the fiscal period. Management is researching the reconciling items to best address the outstanding payments.

## **Collections**

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

We obtained a listing of cash collection locations from Library management for the fiscal period. We also obtained management's representation that the listing is complete. We tested the one account described in Step 3.

No exceptions were noted.

- 6. Using the listing provided by management, select all of the Library's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than five locations). For each cash collection location selected:**

- a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party); and (3) not required to share the same cash register or drawer with another employee.**

We noted that the Library Director and Financial Officer are the only two employees who are bonded. Two employees are required to make deposits. The Financial Officer records transactions and reconciles the bank statements. One cash register is utilized at the Library, less than \$100 is maintained in the register with all excess funds maintained in a safe. Video monitoring is utilized at the Library. Cash receipts are reviewed by the Board Treasurer.

## **Collections (Continued)**

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

We obtained written policies and procedures and verified that the Library has a formal process to reconcile cash collections to the general ledger by revenue source by a person who is not responsible for cash collections in the collection location selected in Step 6a.

No exceptions were noted.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:**

- Using Library collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.**

We obtained bank statements for the account referenced in Step 3. We verified that deposits tested were made within three days of collection in order to have two employees make the deposit.

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

We obtained documentation and verified that daily cash collections are completely supported.

No exceptions were noted.

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

## **Collections (Continued)**

We obtained existing written policies and procedures and verified there is a process to determine the completeness of all collections and this process also includes a review by Library management personnel not responsible for collections.

No exceptions were noted.

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

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

We obtained a listing of Library disbursements from the bank account referenced in Step 3 from management for the fiscal period. We also obtained management's representation that the listing is complete.

No exceptions were noted.

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

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

We obtained the listing referenced in Step 8 and reviewed the entire population of disbursements. We then obtained supporting documentation for each transaction verifying that the Library had a requisition/purchase order system that separates initiation from approval functions.

No exceptions were noted.

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

We verified that purchases made via the system referenced in Step 9a were approved by a person who did not initiate the purchase.

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

We noted that the Library Director is able to initiate and approve purchases. All purchases by the Library are reviewed by the Financial Officer. As a mitigating control, the Board Treasurer also reviews expenses.

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

We verified that payment for purchases made via the system referenced in Step 9a were not processed without (1) an approved requisition and/or purchase order, (2) a receiving report showing receipt of goods purchased; and (3) an approved invoice.

No exceptions were noted.

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

We obtained existing written policies and procedures and verified that the person responsible for processing payments is prohibited from adding vendors to the Library's purchasing/disbursement system.

No exceptions were noted.

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

We noted that the Library Director, is able to initiate and approve purchases. All purchases by the Library are reviewed by the Financial Officer. As a mitigating control, the Board Treasurer reviews expenses.

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

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

Through inquiry of management and observation, we determined that a supply of unused checks are maintained in a locked cabinet at the Library's office, with access restricted to the Library Director and Financial Officer, who have signing authority on the account.

The Library Board of Control members can sign checks but do not have access to the check stock. The Library Director and Financial Officer have access to check stock as well as signature stamps. As a mitigating control, the Board Treasurer reviews expenses.

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

Signature stamps for each Board Member are locked in a safe, with only the Library Director and Financial Officer having key access to the safe as well as the check stock. As a mitigating control, all checks are reviewed by the Board Treasurer.

We verified that signed checks are maintained under the control of the signer until mailed.

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

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

We obtained a listing of credit cards and a representation from management that the listing is complete. Two credit cards are utilized by the Library.

No exceptions were noted.

- 15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the Library has less than 10 cards) that were used during the fiscal period, rotating cards each year.**

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

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)**

We selected 1 credit card (the Library does not have debit cards, fuel cards, or P-Cards) and obtained the monthly statement for the largest month.

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.**

For the credit card selected, we noted that it is in the name of the Library Director who can approve and authorize. The credit card statement is reviewed by the Financial Officer, as well as the Board Treasurer.

No exceptions were noted.

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

For the credit card selected in Step 15, we noted that no late fees were assessed.

No exceptions were noted.

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

We obtained supporting documentation for the statement selected in Step 15 and verified the following:

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

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

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.



### **Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)**

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

No exceptions were noted. No transactions incurred were subject to the Louisiana Public Bid Law during the fiscal year.

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

No exceptions were noted.

### **Travel and Expense Reimbursement**

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

We obtained the listing of travel expenses and general ledger detail and a representation from Library management that the listing is complete.

No exceptions were noted.

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

The GSA rates were used for all reimbursements.

No exceptions were noted.

## **Travel and Expense Reimbursement (Continued)**

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

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

All travel reimbursements were reimbursed at the GSA rates in accordance with written policy.

- b) Report whether each expense is supported by:**

- An original itemized receipt that identifies precisely what was purchased.**

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

## **Travel and Expense Reimbursement (Continued)**

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

For each expense selected in Step 19a, we noted that the Library Director is able to approval and authorize. As a mitigating control, the Board Treasurer reviews expenses.

No exceptions were noted.

## **Contracts**

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

We obtained a listing of all contracts in effect during the fiscal period. We also obtained management's representation that the listing is complete.

No exceptions were noted.

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

We selected the five contract vendors paid the most money and the related contracts and invoices and performed the following:

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

We verified that there is a written contract supporting the amount paid for services.

No exceptions were noted.

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

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

## **Contracts (Continued)**

We determined that the contracts referenced in Step 21a were not subject to the Louisiana Public Bid Law, as they were not in excess of required thresholds.

No exceptions were noted.

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

The Library researches vendors for the best services and receives quotes as a best practice.

No exceptions were noted.

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

We determined that the contracts referenced in Step 21a were not amended.

No exceptions were noted.

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

For each contract, we obtained supporting invoices, compared the invoices to the contract terms, and verified that the invoices and related payments complied with the terms and conditions of the contract.

No exceptions were noted.

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

Not applicable, as there is no policy or law requiring a board approval of contracts.

## **Payroll and Personnel**

- 22. **Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees obtain their personnel files, and:**

## **Payroll and Personnel (Continued)**

We obtained a listing of employees and a representation from management that the listing is complete. We selected five employees and obtained their personnel files and performed the following:

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

We verified compensation was in accordance with the terms of the employment contracts for each of the five employees selected.

No exceptions were noted.

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

For each employee selected in Step 22a, we obtained management's approval of the employee's pay rate.

No exceptions were noted. The Library Director's salary was approved by the Library Board of Control.

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

We selected one pay period in which leave was taken and performed the following:

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

We randomly selected 2 employees from the pay period (one-third of employees) and obtained supporting documentation regarding daily attendance and leave.

No exceptions were noted.

## **Payroll and Personnel (Continued)**

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

For each time sheet selected in Step 23a, we observed management's approval.

No exceptions were noted.

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

We observed that the Library's time keeping system is a manual file system and hours earned, hours used, and available hours were maintained on the selected employees.

No exceptions were noted.

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

We obtained a list of terminations and a representation that the list is complete. We determined that no employees were terminated during the fiscal period. Therefore this step is not applicable.

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

We examined supporting documentation and verified that required payments of payroll taxes and retirement contributions, as well as the required reporting forms, were made timely.

No exceptions were noted.

## **Ethics**

- 26. Using the five randomly selected employees from procedures Step 22 under "Payroll and Personnel" above, obtained ethics compliance documentation from management and report whether the Library maintained documentation to demonstrate that required ethics training was completed.**

We examined the ethics compliance documentation and determined that required ethics training was completed for the five employees selected for testing in Step 22.

No exceptions were noted.

- 27. Inquire of management whether any alleged ethics violations were reported to the Library during the fiscal period.**

Management represented that there were no alleged ethics violations. In addition, management signed a management representation letter stating there were no violations.

## **Debt Service**

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

Not applicable. The Library does not have outstanding debt.

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

Not applicable.

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

Not applicable.

## **Other**

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

## **Other (Continued)**

Management represented that there were no misappropriations of public funds. In addition, management signed a management representation letter stating there were no misappropriations of public funds.

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

We observed that the Library has posted on its premises and website the notice required by R.S. 24:523.1.

No exceptions were noted.

**33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.**

We did not observe any exceptions regarding management's representations in the procedures above.

No exceptions were noted.

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We are not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Certified Public Accountants.

New Orleans, Louisiana,  
June 5, 2018.