

**GRANT PARISH LIBRARY**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

# TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT .....	1-2
REQUIRED SUPPLEMENTAL INFORMATION (PART I)	
Management's Discussion and Analysis .....	3 - 5
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position.....	6
Statement of Activities .....	7
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet .....	8
Statement of Revenues, Expenditures and Changes in Fund Balance .....	9
NOTES TO FINANCIAL STATEMENTS.....	10 - 14
REQUIRED SUPPLEMENTAL INFORMATION (PART II)	
Statement of Revenues, Expenditures and Changes in Fund	
Balances (Budget and Actual) .....	15
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency	
Head or Chief Executive Officer .....	16
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.....	17-18
Schedule of Findings and Questioned Cost .....	19
Management's Corrective Action Plan .....	20
Schedule of Prior Year Findings and Questioned Cost.....	21

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, CPA  
MARK S. MCKAY, CPA  
LEE W. WILLIS, CPA  
RHONDA L. RACHAL, CPA  
STEVEN E. KIMBALL, CPA  
RICHARD BESSON, CPA  
STEVEN C. MCKAY, CPA

**MAILING ADDRESS**  
POST OFFICE BOX 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1608

**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

June 13, 2017

### Independent Auditors' Report

Board of Control  
Grant Parish Library

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Grant Parish Library, a component unit of the Grant Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

**-Members-**

American Institute of Certified Public Accountants • Society of Louisiana CPAs

## ***Grant Parish Library***

***June 13, 2017***

***Page 2***

---

### **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the Grant Parish Library, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **OTHER MATTERS**

#### **Required Supplemental Information**

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

#### **Other Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is supplemental other information presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2017, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **GRANT PARISH LIBRARY**

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

**December 31, 2016**

---

This section of the annual financial report presents our discussion and analysis of the Grant Parish Library's financial performance during the fiscal year ended December 31, 2016.

### **OVERVIEW OF FINANCIAL STATEMENTS**

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

#### **Government –Wide Financial Statements**

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

#### **Fund Financial Statements**

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

### **FINANCIAL ANALYSIS OF THE GRANT PARISH LIBRARY AS A WHOLE**

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

# **GRANT PARISH LIBRARY**

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

**December 31, 2016**

---

	December 31,	
	2016	2015
<b><u>Assets:</u></b>		
Cash and Cash Equivalents	\$ 55,471	\$ 95,809
Receivables	569,379	487,869
Capital Assets	137,318	76,395
Total Assets	762,168	660,073
<b><u>Liabilities:</u></b>		
Accounts Payable	9,046	15,721
Compensated Absences	14,093	11,343
Total Liabilities	23,139	27,064
<b><u>Net Position:</u></b>		
Invested in Capital Assets	137,318	76,395
Unrestricted	601,711	556,614
Total Net Position	\$ 739,029	\$ 633,009

As the presentation appearing above demonstrates, with the exception of \$137,318 invested in capital assets, the Library's net position is unrestricted and may be used to meet the Grant Parish Library's ongoing obligations.

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

	For the Year Ended December 31,	
	2016	2015
<b><u>Revenues:</u></b>		
Program Revenue:		
Operating Grants and Contributions	\$ -	\$ 652
Capital Grants and Contributions	21,066	
General Revenue:		
Property Taxes	539,858	510,921
Revenue Sharing	43,418	42,087
Other	6,979	9,663
Total Revenue	611,321	563,323
<b><u>Program Expenses:</u></b>		
General Government	505,299	570,537
Change in Net Position	106,022	(7,214)
Net Position Beginning	633,007	640,221
Net Position Ending	\$ 739,029	\$ 633,007

As the accompanying presentation demonstrates, the Library has demonstrated an increase in net position of \$106,022. This is in large part due to a reduction in repairs and maintenance expenditures, and an increase in revenues in the current year.

# **GRANT PARISH LIBRARY**

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

***December 31, 2016***

---

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

For the year ended December 31, 2016, governmental fund balances increased by \$47,849. Differences between the government-wide presentation and the fund financial statements were limited to capital outlay and depreciation associated with capital assets.

### **BUDGET HIGHLIGHTS**

For the year ended December 31, 2016, revenue and expenditures conformed to expectations. The budget was amended to report a decrease in anticipated capital expenditures, and an increase in payroll expenditures and related employee benefits.

### **CAPITAL ASSET ADMINISTRATION**

For the year ended December, 31, 2016, the only capital outlay was the purchase of a new roof at the library's main office in Colfax, Louisiana at a cost of \$89,100.

### **DEBT ADMINISTRATION**

For the year ended December 31, 2016, there was no debt activity and no debts are outstanding at year end. Long-term liabilities are limited to compensated absences of current employees.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

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

# **Grant Parish Library**

## ***Statement of Net Position***

***December 31, 2016***

---

	Governmental Activities
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 55,471
Accounts Receivable	569,379
Capital Assets	
Non depreciable capital assets	50,000
Depreciable Capital Assets (net)	<u>87,318</u>
<b>Total assets</b>	<u>762,168</u>
<b><u>LIABILITIES</u></b>	
Accounts Payable	9,046
Long-term liabilities	
Compensated Absences	<u>14,093</u>
<b>Total liabilities</b>	<u>23,139</u>
<b><u>NET POSITION</u></b>	
Invested in Capital Assets	137,318
Unrestricted	<u>601,711</u>
<b>Total net position (deficit)</b>	<u><u>\$ 739,029</u></u>

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

# **Grant Parish Library**

## ***Statement of Activities***

***Year Ended December 31, 2016***

---

	<u>Governmental Activities</u>
Expenses:	
General Government	
Payroll & Related Benefits	\$ 297,578
Materials & Supplies	77,755
Repairs and Maintenance	12,162
Utilities	46,911
Legal & Professional	9,033
Small Equipment & Furnishings	2,763
Insurance	13,577
Travel & Other	17,343
Depreciation	<u>28,177</u>
Total Expenses	505,299
Program Revenues:	
Charges for Service	-
Operating Grants and Contributions	-
Capital Grants and Contributions	<u>21,066</u>
Net Expenses	<u>484,233</u>
General Revenues:	
Ad Valorem Taxes	539,858
State Revenue Sharing	43,418
Other	<u>6,979</u>
Total General Revenues	<u>590,255</u>
Change in Net Position	106,022
Net Position - Beginning	<u>633,007</u>
Net Position - Ending	<u><u>\$ 739,029</u></u>

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

# **Grant Parish Library**

## **Balance Sheet**

### **Governmental Funds**

**Year Ended December 31, 2016**

	<b><u>General Fund</u></b>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ 55,471
Accounts Receivables	<u>569,379</u>
<b>Total Assets</b>	<b><u>624,850</u></b>
<b><u>Liabilities and Fund Balance</u></b>	
Liabilities	
Accounts Payable	<u>9,046</u>
<b>Total Liabilities</b>	<b><u>9,046</u></b>
Fund Balance	
Unassigned	<u>615,804</u>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 624,850</u></b>

Fund Balance	\$ 615,804
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(14,093)
Amounts reported for governmental activities in the statement of net assets are different because capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>137,318</u>
Net Position of Governmental Activities	<b><u>\$ 739,029</u></b>

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

## **Grant Parish Library**

### **Statement of Revenue, Expenditures and Changes in Fund Balance Governmental Funds Year Ended December 31, 2016**

	<b>General Fund</b>
<b><u>Revenues:</u></b>	
Ad Valorem Taxes	\$ 539,858
State Revenue Sharing	43,418
Capital Grants	21,066
Other	6,979
<b>Total revenues</b>	<b>611,321</b>
<b><u>Expenditures:</u></b>	
General Government	
Payroll & Related Benefits	294,828
Materials & Supplies	77,755
Repairs and Maintenance	12,162
Utilities	46,911
Legal & Professional	9,033
Small Equipment & Furnishings	2,763
Insurance	13,577
Capital Outlay	89,100
Travel & Other	17,343
<b>Total expenditures</b>	<b>563,472</b>
<b>Change in Fund Balance</b>	<b>47,849</b>
<b>Fund balance - beginning of year</b>	<b>567,955</b>
<b>Fund balance - end of year</b>	<b>\$ 615,804</b>

Net change in fund balances of Governmental Funds	\$ 47,849
Noncash payroll expenses recognized in the statement of activities, but not in governmental fund accounting	(2,750)
Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	60,923
Change in net position of governmental activities	<b>\$ 106,022</b>

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

# **GRANT PARISH LIBRARY**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016**

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

### **Reporting Entity**

Governmental Accounting Standards Board established criterion for including a potential component unit within a reporting entity is financial accountability. Criteria to be considered in determining financial accountability are described as follows:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the reporting entity to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

### **Basic Financial Statements**

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

# **GRANT PARISH LIBRARY**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016**

---

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

### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services and any grants.

### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Library's major fund is the general fund. The general fund is the primary operating fund of the Library and is used to account for all resources.

### **Basis of Accounting and Measurement Focus**

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

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

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

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure.

### **Use of Estimates**

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

# **GRANT PARISH LIBRARY**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016**

---

### **Budget Practices**

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

### **Capital Assets**

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

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

As permitted by generally accepted accounting principles, collections maintained by the Grant Parish Library have not been capitalized.

### **Cash**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. The Library has not formally adopted deposit and investment policies that address specific types of risk to which the Library is exposed. In general, the Library manages risk as follows:

- Credit and custodial risk is limited by investing in FDIC insured instruments and requiring a pledge of investment securities to protect deposits in excess of FDIC limits.
- Interest rate risk is minimized by limiting the maturity duration associated with deposits.

### **Accrued Leave**

Full time Library employees earn vacation at rates that vary depending on the length of service. Unused vacation that employees are allowed to carry-forward is reported as long-term debt. Amounts attributable to governmental funds are reported as expenditures when the unused vacation is actually liquidated.

### **NOTE 2 – PROPERTY TAXES**

Property taxes are assessed based on values determined by the Grant Parish Tax Assessor. These taxes are billed and collected on behalf of the Library by the Grant Parish Sheriff's Office. For the year ended December 31, 2016, the Library has levied property taxes as follows:

	<u>Millage</u>	<u>Expiration</u>
Parish-wide Tax for improving, constructing, maintaining and operating public libraries in the Parish	10.54	2019

# **GRANT PARISH LIBRARY**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016**

---

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

### **NOTE 3 - CASH**

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2016, the Library has \$57,146 in deposits (collected bank balance). These deposits are fully secured by FDIC insurance coverage.

### **NOTE 4 - RECEIVABLES**

Receivables at December 31, 2016, consisted entirely of amounts due from governmental sources, which are described as follows:

	<u>Ad Valorem Taxes</u>	<u>Revenue Sharing</u>	<u>Total</u>
Grant Parish Sheriff's Office	\$ 540,580	\$ 28,799	\$ 569,379

### **NOTE 5- CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$ 50,000	\$ ----	\$ ----	\$ 50,000
<u>Capital Assets Being Depreciated:</u>				
Furniture, Fixtures and Equipment	309,465	89,100	(34,124)	364,441
Less Accumulated Depreciation	(283,070)	(28,177)	34,124	(277,123)
Total Net of Depreciation	\$ 26,395	\$ 60,923	----	\$ 87,318

Depreciation expense for the year ended December 31, 2016 is \$28,177.

### **NOTE 6 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

# **GRANT PARISH LIBRARY**

## **NOTES TO FINANCIAL STATEMENTS**

***December 31, 2016***

---

The Library insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### **NOTE 7 – ACCRUED LEAVE**

Resources provided by the general fund are used to liquidate the accrued leave balances. Accrued leave balances and activity are presented as follows. Activity during the year was minimal.

Beginning Balance	\$ 11,343
Net Increase (Decrease)	<u>2,750</u>
Ending Balance	<u>\$ 14,093</u>

### **NOTE 8 – OTHER MATTER**

Discoveries have revealed that over a period of approximately nine years, fraudulent charges were made by a former employee. The total for the entire nine-year period amounts to approximately \$26,000. Criminal charges have been filed, and the case is currently going through the judicial process.

The amount of any restitution that may ultimately be collected cannot be predicted at the present time. Since recoveries cannot be predicted, no accruals have been recorded.

## **Grant Parish Library**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

#### **Budget and Actual**

**Year Ended December 31, 2016**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<b><u>Revenues:</u></b>				
Ad Valorem Taxes	\$ 505,000	\$ 505,000	\$ 539,858	\$ 34,858
State Revenue Sharing	44,017	42,086	43,418	1,332
Operating Grants	3,000	3,000	21,066	18,066
State Aid	-	-	-	-
Other	2,845	2,762	6,979	4,217
<b>Total revenues</b>	<u>554,862</u>	<u>552,848</u>	<u>611,321</u>	<u>58,473</u>
<b><u>Expenditures:</u></b>				
General Government				
Payroll & Related Benefits	287,575	301,000	294,828	6,172
Materials & Supplies	71,005	79,000	77,755	1,245
Repairs and Maintenance	24,500	18,500	12,162	6,338
Utilities	44,000	45,000	46,911	(1,911)
Legal & Professional	21,000	21,000	9,033	11,967
Small Equipment & Furnishings	11,500	11,500	2,763	8,737
Insurance	10,000	14,000	13,577	423
Capital Outlays	125,000	99,000	89,100	9,900
Travel & Other	21,650	21,700	17,343	4,357
<b>Total expenditures</b>	<u>616,230</u>	<u>610,700</u>	<u>563,472</u>	<u>47,228</u>
<b>Net Change in Fund Balances</b>	(61,368)	(57,852)	47,849	105,701
<b>Fund balance - beginning of year</b>	<u>84,157</u>	<u>95,809</u>	<u>567,955</u>	<u>472,146</u>
<b>Fund balance - end of year</b>	<u>\$ 22,789</u>	<u>\$ 37,957</u>	<u>\$ 615,804</u>	<u>\$ 577,847</u>

## **Grant Parish Library**

### ***Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended December 31, 2016***

---

	Deidre Fuqua
<b>Purpose</b>	
Salary	\$ 46,812
Benefits-Retirement	7,490
Reimbursements - Travel Related	1,027
Total	<u>\$ 55,329</u>

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

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, CPA  
MARK S. MCKAY, CPA  
LEE W. WILLIS, CPA  
RHONDA L. RACHAL, CPA  
STEVEN E. KIMBALL, CPA  
RICHARD BESSON, CPA  
STEVEN C. MCKAY, CPA

**MAILING ADDRESS**  
POST OFFICE BOX 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1608

M. DALE HARRINGTON, CPA  
RETIRED - 2005

June 13, 2017

### 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  
Grant Parish Library

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Grant Parish Library, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Grant Parish Library's basic financial statements, and have issued our report thereon dated June 13, 2017.

#### INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as **Finding 2016-1** that we consider to be a material weaknesses.

#### **COMPLIANCE AND OTHER MATTERS**

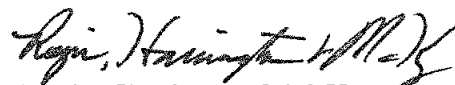
As part of obtaining reasonable assurance about whether the Grant Parish Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

#### **MANAGEMENT'S RESPONSE**

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **PURPOSE OF THIS REPORT**

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

  
Rozier, Harrington & McKay  
Certified Public Accountants

# **GRANT PARISH LIBRARY**

## ***SCHEDULE OF FINDINGS AND QUESTIONED COST***

***For the Year Ended December 31, 2016***

---

### **PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditors' Report on the basic financial statements of the Grant Parish Library as of December 31, 2016 and for the year then ended expressed an unmodified opinion.
- The audit disclosed one audit finding (2016-1) which is considered to be a material weakness.
- The results of the audit disclosed no instances of noncompliance required to be reported in the Schedule of Findings and Questioned Cost.

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

#### **2016-1: EVALUATION OF SUPPORTING DOCUMENTATION**

Prior to disbursing funds, supporting documentation should be reviewed in sufficient detail to identify inappropriate or fraudulent charges. Over a period of several years, disbursements by the Library included personnel items that were shipped directly to a former employee's residence. Total fraudulent charges during the period between 2008 and 2016 amounted to approximately \$26,000.

Evaluation of documentation supporting these charges focused on analysis of vendor statements rather than detail invoices. This weakness in internal control was the primary factor that prevented fraudulent charges from being detected. In order to resolve this matter, we suggest carefully examining each invoice appearing of the vendor statements prior to disbursing funds.

# **GRANT PARISH LIBRARY**

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

***For the Year Ended December 31, 2016***

---

<b>SECTION I</b> <b>Internal Control And Compliance Material To The Financial Statements.</b>	
<p><b><u>2016-1: Evaluation of Supporting Documentation:</u></b> Prior to disbursing funds, supporting documentation should be reviewed in sufficient detail to identify inappropriate or fraudulent charges. Over a period of several years, disbursements by the Library included personnel items that were shipped directly to a former employee's residence. Total fraudulent charges during the period between 2008 and 2016 amounted to approximately \$26,000.</p> <p>Evaluation of documentation supporting these charges focused on analysis of vendor statements rather than detail invoices. This weakness in internal control was the primary factor that prevented fraudulent charges from being detected.</p>	<p><b><u>Response:</u></b> Upon becoming aware of this activity, the library removed the business manager's access to all online accounts. In addition, the matter has been turned over to Grant Parish's District Attorney.</p> <p>As a result of this incident, we have examined our control environment, and made changes to insure a thorough review of all invoices in the future.</p>
<b>SECTION II</b> <b>Internal Control and Compliance Material to Federal Awards</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION III</b> <b>Management Letter</b>	
No management letter was issued with this report.	Response – N/A

# **GRANT PARISH LIBRARY**

## ***SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST For the Year Ended December 31, 2016***

---

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