

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2020
With Supplemental Information Schedules

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of the Franklin Parish Library, a component unit of the Franklin Parish Police Jury, as of December 31, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Franklin Parish Library as of December 31, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 8 to the financial statements, operations of the Franklin Parish Library are impacted by the pandemic caused by the Coronavirus/COVID-19. The Franklin Parish Library is uncertain how and to what extent the pandemic will negatively affect operations, financial position, cash flows, and the ability to provide services. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Franklin Parish Library's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 40 is presented for the purpose of additional analysis and is not a required part of the financial statements.

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

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 2020

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated March 3, 2021, on my consideration of the Franklin Parish Library's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Library's internal control over financial reporting and compliance.



West Monroe, Louisiana
March 3, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Management's Discussion and Analysis
December 31, 2020

As management of the Franklin Parish Library, I offer readers of the Franklin Parish Library's financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Library for the fiscal year ended December 31, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Franklin Parish Library exceeded liabilities by \$3,832,124. Approximately 50% of the Franklin Parish Library's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

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

STATEMENT OF NET POSITION
Governmental Funds

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$1,216,611	\$1,190,753
Receivables	773,019	790,454
Capital assets (not depreciated)	1,373,399	1,486,206
Capital assets (net of accumulated depreciation)	<u>539,483</u>	<u>485,700</u>
TOTAL ASSETS	<u>3,902,512</u>	<u>3,953,113</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>70,774</u>	<u>198,875</u>
LIABILITIES		
Accounts payable	2,403	507
Compensated absences payable	31,656	25,115
Net pension liability	<u>2,233</u>	<u>220,547</u>
TOTAL LIABILITIES	<u>36,292</u>	<u>246,169</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	104,870	13,517
NET POSITION		
Invested in capital assets, net of related debt	1,912,882	1,971,906
Unrestricted	<u>1,919,242</u>	<u>1,920,396</u>
TOTAL NET POSITION	<u>\$3,832,124</u>	<u>\$3,892,302</u>

STATEMENT OF ACTIVITIES

	<u>2020</u>	<u>2019</u>
Culture and recreation:		
Personal services	\$478,428	\$508,425
Operating services	105,628	107,692
Materials and supplies	204,038	29,226
Travel	949	973
Intergovernmental	27,923	27,417
Depreciation expense	<u>55,748</u>	<u>29,387</u>
Total Program Expenses	<u>872,714</u>	<u>703,120</u>
Program revenues:		
Charges for services:		
Fees and charges for library services	3,015	6,416
Fines and forfeitures	1,326	3,198
Miscellaneous fees	<u>45,905</u>	<u>78,959</u>
Total program revenues	<u>50,246</u>	<u>88,573</u>
Net Program Expenses	<u>(822,468)</u>	<u>(614,547)</u>
General revenues		
Taxes - ad valorem	813,973	823,806
Intergovernmental:		
State aid grant	6,775	
State revenue sharing	37,979	39,012
Interest earned	14,181	6,065
Special items:		
Proceeds from insurance	51,539	
Gain (loss) on disposal of assets	<u>(165,751)</u>	<u>(72,962)</u>
Total general revenues	<u>758,696</u>	<u>795,921</u>
Change in Net Position	(63,772)	181,374
Net Position - Beginning of year as restated	<u>3,895,896</u>	<u>3,710,928</u>
Net Position - End of year	<u>\$3,832,124</u>	<u>\$3,892,302</u>

Financial Analysis of the Government's Funds

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

As of December 31, 2020, the General Fund unreserved, undesignated fund balance of \$1,987,227 showed an increase of approximately \$6,527 over December 31, 2019.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily to an increase in capital outlay.

Capital Asset and Debt Administration

Capital assets. The Franklin Parish Library's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$1,912,882 (net of accumulated depreciation). This investment includes furniture and equipment, automation and library materials (which are not depreciated). The increase in capital assets for the year ended 2020 was \$160,858. There were deletions of \$295,560 in capital assets for the year.

Long-term debt. At the end of the fiscal year, Franklin Parish Library had \$33,889 debt outstanding, consisting of compensated absences of \$31,656 and net pension liability of \$2,233 at December 31, 2020.

Requests for Information

This financial report is designed to provide a general overview of the Franklin Parish Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Franklin Parish Library, 705 Prairie Street, Winnsboro, LA 71295.

BASIC FINANCIAL STATEMENTS

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

STATEMENT OF NET POSITION
December 31, 2020

ASSETS	
Cash and cash equivalents	\$1,216,611
Receivables	773,019
Capital assets (not depreciated)	1,373,399
Capital assets (net of accumulated depreciation)	<u>539,483</u>
TOTAL ASSETS	<u>3,902,512</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>70,774</u>
LIABILITIES	
Accounts payable	2,403
Compensated absences payable	31,656
Net Pension Liability	<u>2,233</u>
TOTAL LIABILITIES	<u>36,292</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	104,870
NET POSITION	
Invested in capital assets, net of related debt	1,912,882
Unrestricted	<u>1,919,242</u>
TOTAL NET POSITION	<u><u>\$3,832,124</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2020

Culture and recreation:	
Personal services	\$478,428
Operating services	105,628
Materials and supplies	204,038
Travel	949
Intergovernmental	27,923
Depreciation expense	55,748
Total Program Expenses	<u>872,714</u>
Program revenues:	
Charges for services:	
Fees and charges for library services	3,015
Fines and forfeitures	1,326
Miscellaneous fees	45,905
Total program revenues	<u>50,246</u>
Net Program Expenses	<u>(822,468)</u>
General revenues	
Taxes - ad valorem	813,973
Intergovernmental -	
State aid grant	6,775
State revenue sharing	37,979
Interest earned	14,181
Special items:	
Proceeds from insurance	51,539
Gain (loss) on disposal of assets	<u>(165,751)</u>
Total general revenues	758,696
Change in Net Position	(63,772)
Net Position - Beginning of year as restated	<u>3,895,896</u>
Net Position - End of year	<u>\$3,832,124</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2020

ASSETS

Cash and cash equivalents	\$1,216,611
Receivables	<u>773,019</u>
TOTAL ASSETS	<u>\$1,989,630</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	<u>\$2,403</u>
TOTAL LIABILITIES	2,403
Fund balance - unassigned	<u>1,987,227</u>
TOTAL FUND BALANCE	<u>1,987,227</u>

TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,989,630</u>
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The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

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

For the Year Ended December 31, 2020

Total Fund Balances at December 31, 2020 - Governmental Funds (Statement C)		<u>\$1,987,227</u>
Deferred outflows of resources		70,774
Cost of capital assets at December 31, 2020	\$2,562,948	
Less: Accumulated depreciation as of December 31, 2020	<u>(650,066)</u>	1,912,882
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable		(31,656)
Net Pension Liability		(2,233)
Deferred inflows of resources		<u>(104,870)</u>
Net Position at December 31, 2020 (Statement A)		<u>\$3,832,124</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended December 31, 2020

REVENUES

Taxes - ad valorem	\$813,973
Intergovernmental revenues:	
State aid grant	6,775
State revenue sharing	37,979
Fees and charges for library services	3,015
Fines and forfeitures	1,326
Use of money and property - interest earnings	14,181
Other revenues	42,066
Total revenues	<u>919,315</u>

EXPENDITURES

Culture and recreation:	
Current:	
Personal services	464,931
Operating services	105,628
Materials and supplies	204,038
Travel and other charges	949
Capital outlay	160,858
Intergovernmental	27,923
Total expenditures	<u>964,327</u>

**EXCESS (Deficiency) OF REVENUES
OVER EXPENDITURES**

(45,012)

OTHER FINANCING SOURCE - Proceeds from insurance

51,539

**EXCESS OF REVENUES AND OTHER SOURCE
OVER EXPENDITURES**

6,527

FUND BALANCES AT BEGINNING OF YEAR

1,980,700

FUND BALANCES AT END OF YEAR

\$1,987,227

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

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

For the Year Ended December 31, 2020

Total net change in fund balances - governmental funds (Statement D)	\$6,527
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	105,110
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(6,541)
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(165,751)
Non-employer contributions to cost-sharing pension plan	3,839
Pension expense	<u>(6,956)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$63,772)</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

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

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses,

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The library's current operations require only the use of governmental funds (General Fund). Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

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

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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

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

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the library has cash and cash equivalents (book balances) totaling \$1,216,611.

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Demand deposits	\$625,379
Time deposits	<u>591,232</u>
Total	<u>\$1,216,611</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Library’s name. The Library does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at December 31, 2020, are secured as follows:

Bank balances	<u>\$1,233,909</u>
Federal deposit insurance	\$650,852
Pledged securities (uncollateralized)	<u>1,435,313</u>
Total	<u>\$2,086,165</u>

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The library maintains a threshold level of \$1000 or more for capitalizing capital assets.

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

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

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

G. ANNUAL AND SICK LEAVE

Employees receive from four to twenty-two days of vacation leave each year, depending on length of service and professional status. Sick leave is earned at the rate of twelve days each year and employees may accumulate sick leave not to exceed thirty-six days. Upon separation of service, employees are compensated for accumulated vacation leave up to a maximum of 12 to 15 days, but are not compensated for sick leave and are only compensated for 10 vacation days.

At December 31, 2020, employees of the library have accumulated and vested \$31,656 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a general long-term obligation in the accompanying financial statements.

H. RISK MANAGEMENT

The library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2020.

I. PENSION PLANS

The Franklin Parish Library is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose,

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

J. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

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

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

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

The General Fund has an unassigned fund balance of \$1,987,227. If applicable, the Library would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The Library considers restricted amounts have been spent when an expenditure has been incurred for the purpose for which both restricted and unrestricted fund balance is available.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisitions of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

L. ESTIMATES

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

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

2. LEVIED TAXES

The ad valorem tax millage levied by the library was 7.00 mills for the year ended December 31, 2020. The authorized millage for the year ended December 31, 2020, was 7.65 mills for the year. The current tax expires in 2020. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2020 assessed valuation:

	2020 Assessed Valuation	Per cent of Total Assessed Valuation
Tennessee Gas Pipeline Co	\$12,451	11.44%
Perryville Gas Storage	8,976	8.25%
Regency Intrastate	8,607	7.91%
ETC Tiger Pipeline, LLC	4,137	3.80%
Entergy Louisiana, LLC	3,575	3.29%
Columbia Gulf Transmission	2,153	1.98%
ANR Pipeline Company	1,799	1.65%
Northeast Louisiana Power Coop	1,663	1.53%
Winnsboro State Bank	1,620	1.49%
Franklin State Bank	1,598	1.47%
Total	<u>\$46,579</u>	<u>42.81%</u>

3. RECEIVABLES

The General Fund receivables of \$773,019 at December 31, 2020, are as follows:

<u>Class of receivables:</u>	
Taxes - ad valorem	\$747,705
Intergovernmental revenues - state revenue sharing (net)	<u>25,314</u>
Total	<u>\$773,019</u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020, follows:

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

	Balance at January 1.	Additions	Deletions	Balance at December 31.
Buildings and Improvements	\$594,254	\$75,813		\$670,067
Construction in progress	67,302	8,511	(\$75,813)	NONE
Furniture and equipment	307,929	100,013	(130,419)	277,523
Library materials	1,486,209	52,334	(165,141)	1,373,402
Automation	241,956			241,956
Total Capital Assets	<u>2,697,650</u>	<u>236,671</u>	<u>(371,373)</u>	<u>2,562,948</u>
Less accumulated	(724,128)	(55,748)	129,810	(650,066)
Net Capital Assets	<u>\$1,973,522</u>	<u>\$180,923</u>	<u>(\$241,563)</u>	<u>\$1,912,882</u>

There was \$55,748 depreciation charged to culture and recreation.

The library has elected not to depreciate library materials. The beginning library materials has been restated due to the library performing a physical inventory on library materials at the Winnsboro branch.

5. RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Substantially all employees of the Franklin Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. This system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Library are members of Plan A.

Summary of Significant Accounting Policies.

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employers'

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The System's employer pension schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2019.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description.

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. Title 11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and social Security criteria have up to 90 days from the date of hire to elect to participate.

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

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

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's website, www.la.state.la.us.

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual result may differ from estimated amounts.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2019 was 11.50% for Plan A.

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

For the years ending December 31, 2020 and 2019 the Library reported an liability of \$2,233 and \$215,052, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, 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, 2019, the Library's proportion was .0485 percent, which was a decrease of .0033 from its proportion measured as of December 31, 2018.

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

For the year ended December 31, 2020 and 2019, the Library recognized pension expense of \$83,568 and \$42,013, respectively. At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$19,993
Changes in assumptions	\$31,190	
Net differences between projected and actual earnings on pension plan		\$83,726
Changes in employers proportion of beginning NPL	1,737	1,117
Differences between employer and proportionate share of contributions	408	34
Subsequent measurement contributions	37,439	
Total	\$70,774	\$104,870

\$37,439 reported as deferred outflows of resources related to pensions resulting from the Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	(\$14,947)
2021	(20,671)
2022	1,773
2023	(37,690)
Total	(\$71,535)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2019
Actuarial cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected salary increases	4.75%
Inflation rate	2.40%

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Expected remaining service lives	2014 - 4 years, 2015 - 4 years, 2016 - 4 years, 2017 - 4 years, 2018 - 4 years, 2019 - 4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund 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 discounted rate used to measure the total pension liability was 6.50%. 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.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

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, 2019 are summarized in the following table:

FRANKLIN PARISH LIBRARY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

Sensitivity of the Library's proportionate share of the net pension liability to changes in the discount rate.

The following presents the net pension asset of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability as of December 31, 2019, would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Library's proportionate share of the net pension liability	\$241,385	\$2,233	(\$198,171)

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS - COMPENSATED ABSENCES PAYABLE

Long-term obligations at January 1, 2020	\$25,115
Additions	16,935
Deletions	(8,166)
Adjustments ¹	(2,228)
Long-term obligations at December 31, 2020	<u>\$31,656</u>

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay and agency made a policy change on how much vacation time is allowed

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

to be paid upon retirement or termination. Sick leave added to the liability due to prior leave policy.

7. LITIGATION AND CLAIMS

The Franklin Parish Library is not involved in any litigation at December 31, 2020, nor is it aware of any unasserted claims.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 3, 2021, which is the date the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Franklin Parish Library and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes - ad valorem	\$790,000	\$790,000	\$813,973	\$23,973
Intergovernmental revenues:				
State aid grant			6,775	6,775
State revenue sharing	26,031	26,031	37,979	11,948
Fees and charges for library services	5,300	5,300	3,015	(2,285)
Fines and forfeitures	2,700	2,700	1,326	(1,374)
Use of money and property - interest earnings	5,000	5,000	14,181	9,181
Other revenues	3,350	3,350	42,066	38,716
Total revenues	<u>832,381</u>	<u>832,381</u>	<u>919,315</u>	<u>86,934</u>
EXPENDITURES				
Culture and recreation:				
Current:				
Personal services and related benefits	495,181	495,181	464,931	30,250
Operating services	132,358	132,358	105,628	26,730
Materials and supplies	26,800	26,800	204,038	(177,238)
Travel and other charges	3,000	3,000	949	2,051
Capital outlay	145,620	341,944	160,858	181,086
Intergovernmental	29,422	29,422	27,923	1,499
Total expenditures	<u>832,381</u>	<u>1,028,705</u>	<u>964,327</u>	<u>64,378</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	(196,324)	(45,012)	151,312
OTHER FINANCING SOURCE-				
Proceeds from insurance			51,539	51,539
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	NONE	(196,324)	6,527	202,851
FUND BALANCE AT BEGINNING OF YEAR	NONE	196,324	1,980,700	1,784,376
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>\$1,987,227</u>	<u>\$1,987,227</u>

See accompanying note to budgetary comparison schedule.

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2020

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

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

Franklin Parish Library
Schedule of Employer's Share of Net Pension Liability
December 31, 2020

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.033181%	\$9,072	\$187,750	4.83%	99.15%
2015	0.034488%	\$90,782	\$197,737	45.91%	99.23%
2016	0.036925%	\$76,048	\$218,988	34.73%	94.15%
2017	0.451660%	(\$33,524)	\$278,000	(12.06%)	102.00%
2018	0.049691%	\$220,547	\$297,866	74.04%	88.86%
2019	0.047435%	\$2,233	\$300,829	.74%	99.89%

* Amounts presented were determined as of the measurement date (previous fiscal year end).

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

See independent auditor's report and the related notes to the financial statements.

**Franklin Parish Library
Schedule of Employer Contributions
December 31, 2020**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$30,041	\$30,041	\$0	\$187,750	16.00%
2015	\$28,672	\$28,672	\$0	\$197,737	14.50%
2016	\$28,468	\$28,468	\$0	\$218,988	13.00%
2017	\$34,750	\$34,750	\$0	\$278,000	12.50%
2018	\$34,255	\$34,255	\$0	\$297,866	11.50%
2019	\$34,595	\$34,595	\$0	\$300,829	11.50%

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

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

See independent auditor's report and the related notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

PART III

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2020

ONIE PARKER, LIBRARY DIRECTOR

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$64,085
Benefits-retirement	7,850
Benefits-medicare	923
Other reimbursements	171

See independent auditor's report.

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

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

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

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

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

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

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Franklin Parish Library, a component unit of the Franklin Parish Police Jury, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Franklin Parish Library's basic financial statements, and have issued my report thereon dated March 3, 2021.

Internal Control Over Financial Reporting

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

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

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

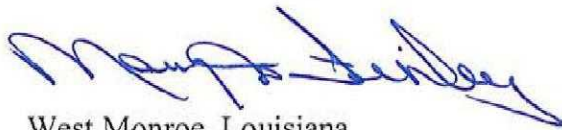
FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2020

Compliance and Other Matters

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

Purpose of this Report

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



West Monroe, Louisiana
March 3, 2021

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Schedule of Audit Results
For the Year Ended December 31, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Franklin Parish Library.
2. No instances of noncompliance material to the financial statements of the Franklin Parish Library were disclosed during the audit.
3. No material weakness relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FRANKLIN PARISH LIBRARY
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

There were no findings reported in the audit report for the year ended December 31, 2019.