

WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018



**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board
West Carroll Parish Library
Oak Grove, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the West Carroll Parish Library (the Library), a component unit of West Carroll Parish Police Jury, as of and for the year ended December 31, 2019, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Library, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 9 to the financial statements, operations of the Library, are impacted by the pandemic caused by the Coronavirus/COVID-19. The Board is uncertain how and to what extent the pandemic will negatively affect the Library's operations, financial position, cash flows, and ability to provide services. Our 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 budgetary comparison information on pages 25 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.

Management has omitted Management's Discussion and Analysis, the Schedule of Employer's Proportionate Share of Net Pension Liability, and Schedule of Employer Contributions that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The schedule of compensation, benefits, reimbursements, to or on behalf of agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Information (Continued)

The schedule of compensation, benefits, reimbursements, to or on behalf of agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, reimbursements, to or on behalf of agency head is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. 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.

BOSCH & STATHAM, LLC



Ruston, Louisiana
August 14, 2020

Basic Financial Statements

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2019 AND 2018**

ASSETS	2019	2018
Cash and cash equivalents	\$ 493,217	\$ 409,208
Investments	60,189	60,189
Receivables	285,552	277,819
Capital assets, net of accumulated depreciation	137,914	123,345
Net pension asset	-	9,165
TOTAL ASSETS	976,872	879,726
DEFERRED OUTFLOWS		
Pension related	30,263	19,490
LIABILITIES		
Current liabilities:		
Accounts, salaries, and other payables	14,447	14,648
Net pension liability	41,468	-
TOTAL LIABILITIES	55,915	14,648
DEFERRED INFLOWS		
Pension related	4,069	28,951
NET POSITION		
Net investment in capital assets	137,914	123,345
Unrestricted	809,237	732,272
TOTAL NET POSITION	\$ 947,151	\$ 855,617

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

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Culture and recreation	\$ 246,326	\$ 11,398	\$ -	\$ (234,928)
General revenues:				
Property taxes levied for:				
Culture and recreation				301,664
Unrestricted grants and contributions				19,261
Unrestricted investment earnings				587
Other				4,950
Total general revenues				<u>326,462</u>
Change in net position				<u>91,534</u>
Net position at beginning of year				855,617
Net position at end of year				<u>\$ 947,151</u>

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

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Culture and recreation	\$ 214,080	\$ 10,232	\$ 1,794	\$ (202,054)
General revenues:				
Property taxes levied for:				
Culture and recreation				293,735
Unrestricted grants and contributions				10,665
Unrestricted investment earnings				541
Other				4,343
Total general revenues				<u>309,284</u>
Change in net position				<u>107,230</u>
Net position at beginning of year				<u>748,387</u>
Net position at end of year				<u>\$ 855,617</u>

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

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND - BALANCE SHEETS
AS OF DECEMBER 31, 2019 AND 2018**

ASSETS	2019	2018
Cash and cash equivalents	\$ 493,217	\$ 409,208
Investments	60,189	60,189
Receivables	<u>285,552</u>	<u>277,819</u>
TOTAL ASSETS	<u>\$ 838,958</u>	<u>\$ 747,216</u>
LIABILITIES		
Accounts, salaries, and other payables	<u>\$ 14,447</u>	<u>\$ 146,648</u>
DEFERRED INFLOWS		
Property taxes unavailable	<u>11,051</u>	<u>50,049</u>
FUND EQUITY - FUND BALANCE		
Assigned for expansion and renovation	60,000	60,000
Unassigned	<u>753,460</u>	<u>622,519</u>
Total fund balance	<u>813,460</u>	<u>682,519</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 838,958</u>	<u>\$ 747,216</u>

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

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**STATEMENTS OF GOVERNMENTAL REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Revenues:		
Ad valorem taxes	\$ 340,275	\$ 266,342
Intergovernmental funds:		
State funds	19,648	17,897
Fines and forfeitures	1,358	1,464
Charges for services	10,040	8,768
Investment earnings	587	541
Other revenues	4,346	3,425
Total revenues	<u>376,254</u>	<u>298,437</u>
Expenditures:		
Current:		
Culture and recreation:		
Personal services	122,132	117,305
Operating services	50,398	50,081
Materials and supplies	12,668	10,789
Capital outlay	48,108	75,678
Intergovernmental	12,007	339
Total expenditures	<u>245,313</u>	<u>254,192</u>
Net change in fund balance	130,941	44,245
Fund balance at beginning of year	<u>682,519</u>	<u>638,519</u>
Fund balance at end of year	<u>\$ 813,460</u>	<u>\$ 682,519</u>

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

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Introduction

The West Carroll Parish Library was established by the West Carroll 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying basic financial statements of the West Carroll Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Management has elected not to present Management's Discussion and Analysis to provide an overview of the financial activities of the Library, which is required by GAAP.

Reporting entity

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll 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 as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, establishes criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity are financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting entity (Continued)

3. Organizations for which the reporting entity's 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 West Carroll Parish, the West Carroll Parish Library was determined to be a component unit of the West Carroll 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.

Funds

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Library functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

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

Measurement focus and basis of accounting

Fund Financial Statements (FFS)

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus and basis of accounting (Continued)

Fund Financial Statements (FFS) (Continued)

The amounts reflected in the governmental fund financial statements 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 year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing 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. 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 and state revenue sharing 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.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus and basis of accounting (Continued)

Fund Balance Type Definitions

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the West Carroll Parish Library classifies governmental fund balances as follows:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
Restricted	Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Fund balance may be committed by the West Carroll Parish Library Board.
Assigned	Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the West Carroll Library Board.
Unassigned	Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Government-Wide Financial Statements (GWFS)

The Statements of Net Position and the Statements of Activities display information about the Library as a whole. These statements include all of the financial activities of the Library. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, 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 Statements of Activities are derived directly from the Library's users as a fee for services. Program revenues reduce the cost of the function to be financed from the Library's general revenues.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus and basis of accounting (Continued)

Reconciliation

The reconciliation of the items reflected in the fund statements to the government-wide statements is as follows:

	<u>2019</u>	<u>2018</u>
Fund balance	\$ 813,460	\$ 682,519
Amounts reported for governmental activities in the statement of net assets are different because:		
Some assets used in governmental activities are not financial resources		
Capital assets	137,914	123,345
Net pension asset	-	9,165
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		
	11,051	50,049
Deferred outflows - pension related	30,263	19,490
Some liabilities are not due and payable in the current period and are therefore not reported in the funds:		
Net pension liability	(41,468)	-
Deferred inflows - pension related	<u>(4,069)</u>	<u>(28,951)</u>
Net position of governmental activities	<u>\$ 947,151</u>	<u>\$ 855,617</u>

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus and basis of accounting (Continued)

Reconciliation (Continued)

	<u>2019</u>	<u>2018</u>
Net change in fund balance	\$ 130,941	\$ 44,245
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	48,108	80,887
Depreciation	(33,539)	(36,004)
<p>Revenues that do not provide current financial resources are deferred in the funds, but are recognized on the statement of activities.</p>		
Current year deferred revenue	11,051	50,049
Prior year deferred revenue	(50,049)	(28,094)
<p>Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.</p>		
Pension expense	<u>(14,978)</u>	<u>(3,853)</u>
Change in net position of governmental activities	<u>\$ 91,534</u>	<u>\$ 107,230</u>

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus and basis of accounting (Continued)

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 \$5,000 or more for capitalizing capital assets. Capital assets are recorded in the GWFS but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for their intended purposes by the Library, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building improvements	15 Years
Vehicles	5 Years
Furniture and equipment	3 - 15 Years
Library materials	10 Years

Approximately 95 percent of capital assets are valued at actual historical costs while the remaining 5 percent are based on estimated historical costs based on the actual costs of like items.

Cash and cash equivalents and investments

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). 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. Accordingly, the Library had no custodial credit risk related to its deposits at December 31, 2019 and 2018.

The Library's investment policy is governed by state statute. 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, 2019 and 2018, the Library had cash and cash equivalents (book balances in demand deposits) totaling \$493,217 and \$409,208, respectively.

Demand deposits	\$ 493,217
Time deposits	<u>60,189</u>
Total	<u>\$ 553,406</u>

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents and investments (Continued)

These deposits are stated at cost, which approximates market. 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. Cash and cash equivalents (bank balances) at December 31, 2019 and 2018, were \$559,423 and \$474,518, respectively. Of the \$559,423, \$239,409 was exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 320,014</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Library's name	<u>239,409</u>
Total balances exposed to custodial credit risk	<u>239,409</u>
Total bank balances	<u>\$ 559,423</u>

The West Carroll Parish Library considers all investments with an original maturity of ninety days or less to be cash equivalents. Those investments with an original maturity greater than ninety days are reported as investments in the financial statements.

Included in the bank balances above are certificates of deposit totaling \$60,189. These certificates of deposit are reported as investments in the accompanying financial statements.

Vacation and sick leave

Employees receive from five to twenty days of vacation leave each year, depending on length of service and professional status. Vacation leave is not cumulative. Sick leave is earned at the rate of one day per month, with a maximum accumulation of eighteen days. Upon termination, employees may be paid for one out of every four sick leave days accrued. Upon retirement, accumulated sick leave is considered earned service for purposes of calculating employees' retirement benefits. At December 31, 2019, there are no material accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

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.

NOTE 2 - RISK MANAGEMENT

The Library is exposed to various risks 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 workers' compensation.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 2 - RISK MANAGEMENT (CONTINUED)

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 years ended December 31, 2019 and 2018.

NOTE 3 - LEVIED TAXES

The ad valorem tax millage levied by the Library was 4.75 for the year ended December 31, 2019 and 4.75 for the year ended December 31, 2018. The current tax expires in 2027. Any 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 2019 assessed valuation (amounts expressed in thousands):

	2019 Assessed Valuation	Percent of Total Assessed Valuation
Trunkline Gas Company	\$ 16,015	19.93%
Energy Transfer Crude Oil Company LLC	9,525	11.85%
Southern Natural Gas Company	1,786	2.22%
Agspring Mississippi Region, LLC	1,701	2.12%
EntergyLouisiana Holdings, Inc.	1,644	2.05%
Mueller Inc	1,596	1.99%
Energy Transfer Crude Oil Company LLC	1,524	1.90%
A N R Pipeline Company	1,424	1.77%
Northeast Louisiana Power Coop	954	1.19%
Mid-Valley Pipeline Co.	834	1.04%
Total	<u>\$ 37,003</u>	<u>46.06%</u>

NOTE 4 - RECEIVABLES

The receivables of \$285,552 and \$277,819 at December 31, 2019 and 2018, respectively, consisted of the following:

	<u>2019</u>	<u>2018</u>
Ad valorem taxes	\$ 271,348	\$ 267,706
State revenue sharing	<u>14,204</u>	<u>10,113</u>
Total	<u>\$ 285,552</u>	<u>\$ 277,819</u>

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2019, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Vehicles	\$ 97,256	\$ -	\$ -	\$ 97,256
Furniture and equipment	76,543	-	-	76,543
Building improvements	50,932	-	-	50,932
Library materials	528,597	48,108	(58,856)	517,849
Total capital assets being depreciated	<u>753,328</u>	<u>48,108</u>	<u>(58,856)</u>	<u>742,580</u>
Less accumulated depreciation:				
Vehicles	(69,808)	(6,587)	-	(76,395)
Furniture and equipment	(74,713)	(1,305)	-	(76,018)
Building improvements	(46,264)	(523)	-	(46,787)
Library materials	(439,198)	(25,124)	58,856	(405,466)
Total accumulated depreciation	<u>(629,983)</u>	<u>(33,539)</u>	<u>58,856</u>	<u>(604,666)</u>
Net capital assets	<u>\$ 123,345</u>	<u>\$ 14,569</u>	<u>\$ -</u>	<u>\$ 137,914</u>

The depreciation rate for Library materials was reduced from ten percent to five percent for 2013 and future years due to changes in the average useful lives of books and the trend of purchases versus disposals.

A summary of changes in capital assets for the year ended December 31, 2018, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Vehicles	\$ 64,319	\$ 32,937	\$ -	\$ 97,256
Furniture and equipment	76,543	-	-	76,543
Building improvements	50,932	-	-	50,932
Library materials	490,070	47,950	(9,423)	528,597
Total capital assets being depreciated	<u>681,864</u>	<u>80,887</u>	<u>(9,423)</u>	<u>753,328</u>
Less accumulated depreciation:				
Vehicles	(64,319)	(5,489)	-	(69,808)
Furniture and equipment	(73,111)	(1,602)	-	(74,713)
Building improvements	(42,869)	(3,395)	-	(46,264)
Library materials	(423,103)	(25,518)	9,423	(439,198)
Total accumulated depreciation	<u>(603,402)</u>	<u>(36,004)</u>	<u>9,423</u>	<u>(629,983)</u>
Net capital assets	<u>\$ 78,462</u>	<u>\$ 44,883</u>	<u>\$ -</u>	<u>\$ 123,345</u>

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 6 – RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

All West Carroll Parish Library (Library) employees, who participate in retirement systems, 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. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The Library employees participate in Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials, except coroners, justices of the peace, and parish presidents, are eligible to participate in PERS.

Under Plan A, employees who were hired prior to January 1, 2007 can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after 7 years of creditable service.

Under Plan A, employees who were hired after January 1, 2007 can retire providing he/she meets one of the following criteria:

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

Retirement benefits are generally distributed monthly at an amount equal to 3% of the employee's final average compensation multiplied by his/her years of creditable service. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 6 – RETIREMENT SYSTEMS (CONTINUED)

Parochial Employees' Retirement System of Louisiana (System) (Continued)

Under Plan A, members are required to contribute 9.50% of their annual covered salary with the Library being required to contribute 11.50% of the annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the year ended December 31, 2019 totaled \$6,577.

GASB Statement No. 68 requires that the Library accrue its proportionate share of an actuarial determined net pension liability and the related expense in the financial statements of the governmental activities. Management implemented GASB No. 68 the year it became effective. Since implementation, management has retained a professional to calculate the changes in the liability and related amounts, prepare the note to the financial statements, and prepare the required supplemental information. Effective with the 2019 financial statements, management has elected not to retain professional services or present the required supplemental information. Management has concluded that the cost of the services outweighs the benefit received. The liabilities and related amounts have been adjusted to amounts in the audit reports and valuation reports of the retirement systems. In management's opinion, any differences in financial statement amounts would be immaterial.

NOTE 7 - ASSIGNED FUND BALANCE

In a prior year, the West Carroll Parish Library Board of Control placed \$60,000 in a certificate of deposit that they intend to use future building expansion and renovations.

NOTE 8 - STEWARDSHIP

Actual revenues exceeded budgeted revenues while actual expenditures were below budgeted expenditures.

NOTE 9 - LITIGATION AND CLAIMS

At December 31, 2019, the West Carroll Parish Library is not involved in any litigation.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 14, 2020, the date on which the financial statements were available to be issued. Operations of the Library are impacted by the pandemic caused by the Coronavirus/COVID-19. The Library is uncertain how and to what extent the pandemic will negatively affect operations, financial position, and the ability to provide services.

NOTE 11 –NEW ACCOUNTING STANDARDS

The following summaries of recently issued Statements include the Statements' original effective dates. In response to the COVID-19 global pandemic, GASB issued Statement Number 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which changes effective dates for Statements 83 through 93 to June 15, 2019 through December 31, 2022.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Library's financial statements.

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Library's financial statements.

GASB Statement No. 87, *Leases*, was issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 11 –NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 11 –NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 11 –NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 92, *Omnibus 2020*, The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, the applicability of Statements No. 73, 74, and 84, measurement of liabilities (and assets, if any) related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and terminology used to refer to derivative instruments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Required Supplemental Information

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Ad valorem taxes	\$ 297,000	\$ 297,000	\$ 340,275	\$ 43,275
Intergovernmental funds:				
State funds	16,000	16,000	19,648	3,648
Fines and forfeitures	1,400	1,400	1,358	(42)
Charges for services	11,500	11,500	10,040	(1,460)
Investment earnings	500	500	587	87
Other revenues	3,300	3,300	4,346	1,046
Total revenues	329,700	329,700	376,254	46,554
Expenditures:				
Current:				
Culture and recreation:				
Personal services	168,000	168,000	122,132	45,868
Operating services	100,875	100,875	50,398	50,477
Materials and supplies	21,000	21,000	12,668	8,332
Capital outlay	55,000	55,000	48,108	6,892
Intergovernmental	12,000	12,000	12,007	(7)
Total expenditures	356,875	356,875	245,313	111,562
Net change in fund balance	(27,175)	(27,175)	130,941	158,116
Net assets at beginning of year	621,740	621,740	682,519	(60,779)
Fund balance at end of year	\$ 594,565	\$ 594,565	\$ 813,460	\$ 97,337

Note: The budget is presented on the modified accrual basis of accounting.

Other Supplemental Information

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS
AND OTHER PAYMENTS TO AGENCY HEAD (DIRECTOR)**

FOR THE YEAR ENDED DECEMBER 31, 2019

Jan Franklin, Director:	
Salary	\$ 35,152
Benefits:	
Medicare	510
Retirement contributions	4,043
Reimbursements	<u>50</u>
Total	<u>\$ 39,755</u>

Other Reports



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*

Honorable Members of the Board
West Carroll Parish Library
Oak Grove, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of the West Carroll Parish Library (the Library), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated August 14, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

West Carroll Parish Library
Oak Grove, Louisiana
Report - GAGAS
December 31, 2019

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

West Carroll Parish Library's Response to Findings

The Library's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Library'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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC



Ruston, Louisiana
August 14, 2020

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the West Carroll Parish Library.
2. The 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* includes one material weakness.
3. No instances of noncompliance material to the financial statements of the West Carroll Parish Library were disclosed during the audit.

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT

2019-1 Segregation of Duties

Condition/Criteria/Effect

During 2019, the Director performed many functions including:

- Opening mail
- Preparing deposits
- Recording deposits
- Preparing vendor checks
- Processing payroll
- Signing checks
- Issuing checks

The President of the Board provides some oversight. However, it is not adequate to affect a proper segregation of duties. A proper internal control system segregates the duties of authorization, custody, and recording. Lack of proper segregation of duties increases the risk that assets could be misappropriated or misstatements recorded and that such actions could go undetected.

Cause

It is not feasible for other employees to be assigned any of the above duties.

Recommendation

We understand that the Library has concluded that it is not feasible to correct this deficiency. We recommend that the Board or a designated board member review monthly financial statements and bank statements on a regular basis.

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

Management's Response

The President will continue performing this function.

C. PRIOR YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT

2018-1 Segregation of Duties

Current status: Unresolved See 2019-1