

**FRANKLIN PARISH LIBRARY**  
Winnsboro, Louisiana

**Annual Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**December 31, 2022**

**With Supplemental Information Schedules**

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended December 31, 2022  
With Supplemental Information Schedules

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Certified Public Accountants  
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Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

## Independent Auditor's Report

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana

### *Opinions*

I have audited the accompanying 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, 2022, and the related notes to the financial statements, which collectively comprise the Franklin Parish Library's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information of the Franklin Parish Library as of December 31, 2022, 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.

### *Basis for Opinion*

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*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Franklin Parish Library, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unmodified audit opinion.

### *Responsibility of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Franklin Parish Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibility for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana  
Independent Auditor's Report,  
December 31, 2022

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financials statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Franklin Parish Library's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

***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 Schedules of Employer's share of the Net Pension Liability, and the Schedules of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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's responses to my inquiries, the basic

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana  
Independent Auditor's Report,  
December 31, 2022

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.

***Supplementary Information***

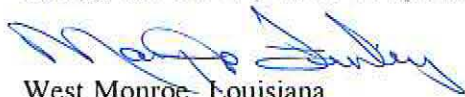
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin Parish Library's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head as listed in the Table of Contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financials 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 to 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*, I have also issued a report dated February 23, 2023, 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 the Franklin Parish 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 Franklin Parish Library's internal control over financial reporting and compliance.

***Report on Other Legal and Regulatory Requirements***

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated February 23, 2023, on the results of my state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state side agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana  
February 23, 2023

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana  
**Management's Discussion and Analysis**  
December 31, 2022

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, 2022. 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 \$4,602,915. Approximately 52% 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>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$1,265,251	\$1,208,136
Receivables	908,684	915,328
Net Pension asset	236,704	80,234
Capital assets (not depreciated)	1,408,710	1,760,401
Capital assets (net of accumulated depreciation)	<u>975,531</u>	<u>497,887</u>
<b>TOTAL ASSETS</b>	<u>4,794,880</u>	<u>4,461,986</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>62,743</u>	<u>84,593</u>
<b>LIABILITIES</b>		
Accounts payable	6,650	111,910
Compensated absences payable	<u>22,073</u>	<u>29,976</u>
<b>TOTAL LIABILITIES</b>	<u>28,723</u>	<u>141,886</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	225,985	168,930
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	2,384,241	2,258,288
Unrestricted	<u>2,218,674</u>	<u>1,977,475</u>
<b>TOTAL NET POSITION</b>	<u>\$4,602,915</u>	<u>\$4,235,763</u>

STATEMENT OF ACTIVITIES

	<u>2022</u>	<u>2021</u>
Culture and recreation:		
Personal services	\$358,139	\$422,840
Operating services	110,805	91,727
Materials and supplies	57,643	44,963
Travel	1,048	823
Intergovernmental	28,461	27,923
Depreciation expense	<u>118,495</u>	<u>58,881</u>
<b>Total Program Expenses</b>	<u>674,591</u>	<u>647,157</u>
Program revenues:		
Charges for services:		
Fees and charges for library services	4,163	3,611
Fines and forfeitures	1,855	1,143
Miscellaneous fees	<u>90,515</u>	<u>46,911</u>
<b>Total program revenues</b>	<u>96,533</u>	<u>51,665</u>
<b>Net Program Expenses</b>	<u>(578,058)</u>	<u>(595,492)</u>
General revenues		
Taxes - ad valorem	989,216	847,064
Intergovernmental:		
Federal grant		47,065
State revenue sharing	37,680	37,680
Other state grant		63,693
Interest earned	2,314	3,628
Special items:		
Gain (loss) on disposal of assets	<u>(84,000)</u>	<u></u>
<b>Total general revenues</b>	<u>945,210</u>	<u>999,130</u>
Change in Net Position	367,152	403,638
Net Position - Beginning of year	<u>\$4,235,763</u>	<u>\$3,832,125</u>
Net Position - End of year	<u>\$4,602,915</u>	<u>\$4,235,763</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, 2022, the General Fund unreserved, undesignated fund balance of \$2,167,285 showed an increase of approximately \$155,731 over December 31, 2021.

### **General Fund Budgetary Highlights**

Differences between the revenues of the original budget and the final budget were due to an increase in other revenues. 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, 2022, amounts to \$2,384,241 (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 2022 was \$328,448. There were deletions of \$95,000 in capital assets for the year. The Franklin Parish Library had net pension asset for retirement system of \$236,704.

**Long-term debt.** At the end of the fiscal year, Franklin Parish Library had debt outstanding consisting of compensated absences of \$22,073.

### **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, 2022

<b>ASSETS</b>	
Cash and cash equivalents	\$1,265,251
Receivables	908,684
Net Pension asset	236,704
Capital assets (not depreciated)	1,408,710
Capital assets (net of accumulated depreciation)	<u>975,531</u>
TOTAL ASSETS	<u>4,794,880</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Pension related	<u>62,743</u>
<b>LIABILITIES</b>	
Accounts payable	6,650
Compensated absences payable	<u>22,073</u>
TOTAL LIABILITIES	<u>28,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	225,985
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	2,384,241
Unrestricted	<u>2,218,674</u>
TOTAL NET POSITION	<u><u>\$4,602,915</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana

STATEMENT OF ACTIVITIES  
December 31, 2022

Culture and recreation:	
Personal services	\$358,139
Operating services	110,805
Materials and supplies	57,643
Travel	1,048
Intergovernmental	28,461
Depreciation expense	118,495
Total Program Expenses	<u>674,591</u>
Program revenues:	
Charges for services:	
Fees and charges for library services	4,163
Fines and forfeitures	1,855
Miscellaneous fees	90,515
Total program revenues	<u>96,533</u>
Net Program Expenses	<u>(578,058)</u>
General revenues	
Taxes - ad valorem	989,216
Intergovernmental -	
State revenue sharing	37,680
Interest earned	2,314
Special items - (loss) on disposal of assets	(84,000)
Total general revenues	945,210
Change in Net Position	367,152
Net Position - Beginning of year	<u>4,235,763</u>
Net Position - End of year	<u>\$4,602,915</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana  
GOVERNMENTAL FUND

Balance Sheet, December 31, 2022

**ASSETS**

Cash and cash equivalents	\$1,265,251
Receivables	<u>908,684</u>
TOTAL ASSETS	<u>\$2,173,935</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:

Accounts payable	<u>\$6,650</u>
TOTAL LIABILITIES	6,650
Fund balance - unassigned	<u>2,167,285</u>
TOTAL FUND BALANCE	<u>2,167,285</u>

TOTAL LIABILITIES AND FUND BALANCE \$2,173,935

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana

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

For the Year Ended December 31, 2022

Total Fund Balance at December 31, 2022 - Governmental Fund (Statement C)		<u>\$2,167,285</u>
Net Pension asset		236,704
Deferred outflows of resources		62,743
Cost of capital assets at December 31, 2022	\$3,211,683	
Less: Accumulated depreciation as of December 31, 2022	<u>(827,442)</u>	2,384,241
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable		(22,073)
Deferred inflows of resources		<u>(225,985)</u>
Net Position at December 31, 2022 (Statement A)		<u>\$4,602,915</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana  
GOVERNMENTAL FUND

Statement of Revenues, Expenditures,  
and Changes in Fund Balance

For the Year Ended December 31, 2022

**REVENUES**

Taxes - ad valorem	\$989,216
Intergovernmental revenues:	
State revenue sharing	37,680
Fees and charges for library services	4,163
Fines and forfeitures	1,855
Use of money and property - interest earnings	2,314
Other revenues	86,358
Total revenues	<u>1,121,586</u>

**EXPENDITURES**

Culture and recreation:	
Current:	
Personal services	439,450
Operating services	110,805
Materials and supplies	57,643
Travel and other charges	1,048
Capital outlay	328,448
Intergovernmental	28,461
Total expenditures	<u>965,855</u>

**EXCESS OF REVENUES**

<b>OVER EXPENDITURES</b>	155,731
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<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>2,011,554</u>
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<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$2,167,285</u></u>
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The accompanying notes are an integral part of this statement.



FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana

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

For the Year Ended December 31, 2022

Total net change in fund balance - governmental fund (Statement D)	\$155,731
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental fund 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.	209,953
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).	7,903
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.	(84,000)
Non-employer contributions to cost-sharing pension plan	4,157
Pension expense	<u>73,408</u>
Change in net position of governmental activities (Statement B)	<u>\$367,152</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, 2022

**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 fund 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 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. 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, 2022, the library has cash and cash equivalents (book balances) totaling \$1,265,251.

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

Demand deposits	\$727,756
Time deposits	<u>537,495</u>
Total	<u>\$1,265,251</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, 2022, are secured as follows:

Bank balances	<u>\$1,275,941</u>
Federal deposit insurance	\$594,013
Pledged securities (uncollateralized)	<u>1,450,539</u>
Total	<u>\$2,044,552</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 not compensated for sick leave and are only compensated for up to 10 vacation days.

At December 31, 2022, employees of the library have accumulated and vested \$22,073 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, 2022.

**I. PENSION PLAN**

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, 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.

*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.

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

*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 \$2,167,285. 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.

**2. LEVIED TAXES**

The ad valorem tax millage levied by the library was 7.00 mills for the year ended December 31, 2022. The authorized millage for the year ended December 31, 2022, was 7.67 mills for the year. The current tax expires in 2022. The difference between authorized and levied millages is the result of reassessments

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

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 2022 assessed valuation:

	2022 Assessed Valuation	Per cent of Total Assessed Valuation
Tennessee Gas Pipeline Co	\$13,326	9.18%
Regency Intrastate	8,085	5.57%
Perryville Gas Storage	7,008	4.83%
Entergy Louisiana, LLC	6,624	4.56%
American Midstream, Inc.	3,099	2.13%
ETC Tiger Pipeline, LLC	2,938	2.02%
Columbia Gulf Transmission	2,760	1.90%
ANR Pipeline Company	2,046	1.41%
Winnsboro State Bank	1,938	1.33%
Franklin State Bank	1,896	1.31%
Total	<u>\$49,720</u>	<u>34.25%</u>

**3. RECEIVABLES**

The General Fund receivables of \$908,684 at December 31, 2022, are as follows:

<u>Class of receivables:</u>	
Taxes - ad valorem	\$871,004
Intergovernmental revenues - state revenue sharing (net)	<u>37,680</u>
Total	<u>\$908,684</u>

**4. CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets for the year ended December 31, 2022, follows:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Buildings and Improvements	\$670,067	\$596,139		\$1,266,206
Construction in progress	336,317	259,973	(\$596,139)	151
Furniture and equipment	294,808			294,808
Library materials	1,435,087	68,475	(95,000)	1,408,562
Automation	241,956			241,956

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

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Total Capital Assets	<u>\$2,978,235</u>	<u>\$924,587</u>	<u>(\$691,139)</u>	<u>\$3,211,683</u>
Less accumulated depreciation	<u>(708,947)</u>	<u>(118,495)</u>	NONE	<u>(827,442)</u>
Net Capital Assets	<u><u>\$2,269,288</u></u>	<u><u>\$806,092</u></u>	<u><u>(\$691,139)</u></u>	<u><u>\$2,384,241</u></u>

There was \$118,495 depreciation charged to culture and recreation.

The library has elected not to depreciate library materials. The library materials did not have any deletions due to extensive construction projects that left the library unable to perform library materials inventory 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' 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

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

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, 2021.

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.
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.

FRANKLIN PARISH LIBRARY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

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](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's website, [www.lla.state.la.us](http://www.lla.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, 2021, the actuarially determined contribution rate was 11.11% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2021 was 12.25% for Plan A.

According to the statute, the System also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

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

For the years ending December 31, 2022 and 2021 the Library reported an asset of \$236,704 and \$80,234, respectively for its proportionate share of the net pension liability/asset. The net pension liability was measured as of December 31, 2021 and 2020, 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.

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

At December 31, 2021, the Library's proportion was .0503 percent, which was a decrease of .0045 from its proportion measured as of December 31, 2020

For the year ended December 31, 2022 and 2021, the Library recognized pension expense of \$(40,042) and \$9,355, respectively. At December 31, 2022, 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	\$14,301	\$17,156
Changes in assumptions	12,345	
Net differences between projected and actual earnings on pension plan		204,745
Changes in employers proportion of beginning NPL	2,956	1,737
Differences between employer and proportionate share of contributions		2,348
Subsequent measurement contributions	33,141	
Total	\$62,743	\$225,986

\$33,141 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, 2021. 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:	
2022	(\$39,353)
2023	(81,177)
2024	(53,912)
2025	(21,946)
Total	(\$196,388)

**Actuarial assumptions.** The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2021
Actuarial cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40%, net of investment expense, including inflation
Projected salary increases	4.75%

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

Inflation rate	2.30%
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, 2020-4 years, 2021 - 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 6.40%. 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 7.00% for the year ended December 31, 2021.

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, 2020 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	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

*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 6.40%, as well as what the employers' net pension liability as of December 31, 2021, 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 (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
Library's proportionate share of the net pension liability	\$42,200	(\$236,704)	(\$470,337)

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

Long-term obligations at January 1, 2022	\$29,976
Additions	15,229
Deletions	(18,963)
Adjustments <sup>1</sup>	(4,169)
Long-term obligations at December 31, 2022	<u>\$22,073</u>

<sup>1</sup>As 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 to be paid upon retirement or termination. Sick leave added to the liability due to prior leave policy.

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

**7. LITIGATION AND CLAIMS**

The Franklin Parish Library is not involved in any litigation at December 31, 2022, nor is it aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes - ad valorem	\$790,000	\$790,000	\$989,216	\$199,216
Intergovernmental revenues:				
State revenue sharing	38,717	38,717	37,680	(1,037)
Fees and charges for library services	3,500	3,500	4,163	663
Fines and forfeitures	1,000	1,000	1,855	855
Use of money and property - interest earnings	3,600	3,600	2,314	(1,286)
Other revenues	3,850	67,543	86,358	18,815
Total revenues	<u>840,667</u>	<u>904,360</u>	<u>1,121,586</u>	<u>217,226</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Current:				
Personal services and related benefits	477,590	477,590	439,450	38,140
Operating services	135,790	135,790	110,805	24,985
Materials and supplies	27,200	27,200	57,643	(30,443)
Travel and other charges	1,500	1,500	1,048	452
Capital outlay	168,137	567,645	328,448	239,197
Intergovernmental	30,450	30,450	28,461	1,989
Total expenditures	<u>840,667</u>	<u>1,240,175</u>	<u>965,855</u>	<u>274,320</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	NONE	(335,815)	155,731	491,546
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	NONE	335,815	2,011,554	1,675,739
<b>FUND BALANCE AT END OF YEAR</b>	<u>NONE</u>	<u>NONE</u>	<u>\$2,167,285</u>	<u>\$2,167,285</u>

See accompanying note to budgetary comparison schedule.

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended December 31, 2022

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, 2022**

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%
2020	0.045759%	(\$80,234)	\$305,621	(26.25%)	104.00%
2021	0.050251%	(\$236,704)	\$311,680	(75.94%)	110.50%

\* 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, 2022**

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%
2020	\$37,439	\$37,439	\$0	\$305,621	12.25%
2021	\$38,181	\$38,181	\$0	\$311,680	12.25%

\* 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, 2022

ONIE PARKER, LIBRARY DIRECTOR

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$64,085
Benefits-retirement	7,370
Benefits-medicare	929
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

**MARY JO FINLEY, CPA, INC.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
116 Professional Drive - West Monroe, LA 71291  
Phone (318) 329-8880 - Fax (318) 239-8883

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 and the *Louisiana Governmental Audit Guide*, the 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 and for the year ended December 31, 2022 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 February 23, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Franklin Parish Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Library's internal control. Accordingly, I do not express an opinion on the effectiveness of the Franklin Parish 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, 2022

**Report on 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  
February 23, 2023

FRANKLIN PARISH LIBRARY  
Winnsboro, Louisiana

Schedule of Audit Results  
For the Year Ended December 31, 2022

**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, 2022

There were no findings reported in the audit report for the year ended December 31, 2021.

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Franklin Parish Library  
PO Box 328  
Winnsboro, LA 71295

To the Franklin Parish Library

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Management of Franklin Parish Library is responsible for those C/C areas identified in the SAUPs.

Franklin Parish Library has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**AGREED-UPON PROCEDURES**

**1) WRITTEN POLICIES AND PROCEDURES**

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - iii. **Disbursements**, including processing, reviewing, and approving,



- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)
- v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement** , including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)** , including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statement, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity** , including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment** , including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address the function noted above.

## 2) BOARD OR FINANCE COMMITTEE

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

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

The board for the Franklin Parish Library meets at least quarterly.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on all proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

The bookkeeper prepares the financial statements and the librarian presents budget to actual comparisons at each meeting.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Non-budgetary financial information is presented at meetings. The prior year audit report was examined and there were no funds that had a negative ending unassigned fund balance.

- iv. Observe whether the board/finance committee received written updates of the process of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The prior year audit report contained no audit findings.

### **3) BANK RECONCILIATIONS**

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- ii. Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and,

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. October, 2022 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that all bank reconciliations were performed by bookkeeper and reviewed by the librarian. There was evidence that the reconciliations are performed within 60 days of the bank statement date. None of the 5 accounts selected to test had outstanding reconciling items over 12 months.

#### 4) COLLECTIONS

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The agency provided me with a certified list of deposit sites and I verified that it was complete.

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

- i. Employees responsible for cash collections do not share cash drawers/registers.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

The agency has 2 collection locations. The Library's office has an insurance policy that covers employee theft for the employees. The agency has 4 cash drawers. The employees reconcile their cash drawers at the end of the day and give to the library clerk, who prepares and makes the deposit. The deposit slip is given to the bookkeeper to post to the accounting system. The library clerk receives the check payments and makes the deposits and then gives to the bookkeeper to post cash receipts to the accounting software. Deposits are taken to the

bank on the day that checks are received. At the end of the month the bookkeeper reconciles the bank accounts and the librarian reviews them.

- C) Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

All employees of the library are covered by an insurance policy which covers employee theft.

- D) Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

The Franklin Parish Library does not use pre-numbered receipts. If a receipt is requested, it is printed from the computer. Deposit documentation was traced to the supporting documentation for the deposits. The deposit slips selected were traced to the bank statement. The deposits were traced to the posting in the Quickbooks accounting software. Deposits from the main Winnsboro branch are made daily. Deposits from Wisner library location are made weekly.

## **5) NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The agency provided a complete list of locations that process payments and represented that the list was complete.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - ii. At least two employees are involved in processing and approving payments to vendors.
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employee/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

The Library uses a purchase order system. Employees request purchases and the librarian approves all purchases. The head of the board approves all purchases when he reviews the invoices and signs the checks. Of the disbursements selected to be tested, all were processed with the required support. The bookkeeper adds all new vendors upon approval from the librarian. The bookkeeper enters all invoices into the quickbooks accounting system and initiates the checks. The librarian and board president sign all checks. The bookkeeper mails all check payments. The librarian and board president review the financial reports and all invoices. The librarian or authorized check signer approves all electronic disbursements.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.

All disbursements selected to be tested had the proper support documentation. The bookkeeper initiates the disbursements and the librarian and board president sign all checks. The bookkeeper reconciles all bank statements and the librarian reviews the reconciliations. The librarian and board president review financial reports and invoices.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

5 electronic disbursements from the test month were randomly selected and were properly approved by authorized employees, no exceptions noted.

## 6) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

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

The agency provided me with a certified statement for all credit cards, fuel cards, etc.

- B. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and .
- ii. Observe that finance charges and late fees were not assessed on the selected statements.

The Library has 1 credit card account with 3 cards. The bookkeeper reviews all credit card statements, then gives them to the librarian who approves them, then the bookkeeper writes the checks and the librarian and the head of the board signs the checks. The bookkeeper reconciles the bank accounts and the librarian reviews them. The employees, not the librarian, are the authorized card holders.

There were no finance charges or late fees noted on the statements selected for testing.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each

statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

The credit card account was selected to test and October, 2022 was selected as the test month. 10 transactions were selected to test on the credit card. The credit charges tested were for business purposes. There was proper documentation for the credit card purchases. There were no charges on the credit card that meet the requirements for using the bid law.

## 7) TRAVEL AND EXPENSE REIMBURSEMENT

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete. I randomly selected 5 reimbursements to be tested.

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The agency has written policies or procedures for travel and the 5 employees that received reimbursements for travel and travel related expense reimbursement were randomly selected and tested against the policy - no exceptions were noted. It was noted the expenditures were for business purposes. All reimbursements were supported by proper documentation. No meal charges were tested. The librarian and board president review and approve all travel reimbursements.

## 8) CONTRACTS

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

The agency provided a certified list of contracts in effect during the test period.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval);
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

The agency provided a certified statement for all contracts in effect during the test period. None of the contracts tested required compliance with the public bid law. The agency did solicit quotes to get the best deal for the Library. The contracts selected were not amended. The contract payments that were tested were in compliance with the contract terms and conditions. All contracts are approved by the library board.

## 9) PAYROLL AND PERSONNEL

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

The agency provided a certified list of all employees with their authorized salaries. I randomly selected 5 employees and agreed them to authorized salaries. No exceptions were noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:



- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Of the 5 employees selected, all employees that are eligible to earn leave time documented their leave time taken. The agency tracks leave time earned and used. The employees are allowed to accumulate sick leave time and carry forward, but are not compensated upon termination. The employees are allowed to accumulate annual leave time up to a set amount and paid upon termination. The 5 employees of the Franklin Parish Library that were chosen to be tested were paid in accordance with the terms and conditions of their employment. All changes to the salaries of the 5 employees chosen were approved by the board in writing.

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

The agency provided a certified list noting the number of employees that were terminated during the test period. One employee was terminated and selected to be tested. The employee was not paid for any excess time or unauthorized pay rates. The termination pay appeared to agree with agency policies and procedures.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

During testing of the agency it was determined that the Franklin Parish Library is submitting payroll tax, retirement contributions, and required forms by the required deadlines.

## **10) ETHICS (EXCLUDING NONPROFITS)**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management and:

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and.
- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethic policy during the fiscal period, as applicable.

The agency provided support for ethics training for the 5 employees. There were no changes to the ethics policy during the fiscal period.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The agency provided documentation that an ethics designee has been appointed.

## **11) DEBT SERVICE**

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Franklin Parish Library had no bonds/notes or other debt instruments issued during the fiscal period that required bond commission approval.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Franklin Parish Library had no outstanding debt during at the end of the fiscal period.

## **12) FRAUD NOTICE**

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Franklin Parish Library has no known misappropriation of funds during the test period.

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

I observed the fraud hotline notice posted on the premises and the agency website.

### 13) INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedure and discussed the results with management. It appears agency is in compliance with attributes above.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

### 14) PREVENTION OF SEXUAL HARASSMENT

- A. Using the 5 randomly selected employees/officials from procedure #9A under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

The agency provided support for sexual harassment training for the 5 employees randomly selected to be tested.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

I observed the sexual harassment policy posted on the premises and on the agency website.

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344;


- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- V. Amount of time it took to resolve each complaint.

For the current fiscal period the library prepared an annual report in February, 2023 for fiscal period 2022. The agency did not have any complaints noted during the test period.

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

I am required to be independent of Franklin Parish Library and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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

  
Mary Jo Finley, CPA  
February 23, 2023