

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2019**

**Ducote & Company
Certified Public Accountants
P. O. Box 309
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Marksville, LA 71351**

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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Independent Auditors' Report

To the Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Pointe Coupee Parish Library, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pointe Coupee Parish Library, a component unit of the Pointe Coupee Parish Council, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and on page 34 be presented to supplement the basic financial statements. Such information, including the pension and other post-employment benefits information on pages 35 through 38, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pointe Coupee Parish Library's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplemental information schedules as listed in the foregoing table of contents as pages 40-41, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2020, on our consideration of the Pointe Coupee Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pointe Coupee Parish Library's internal control over financial reporting and compliance.

Ducote & Company
Certified Public Accountants
Marksville, Louisiana
September 11, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019**

The Management's Discussion and Analysis (MD&A) of the Pointe Coupee Parish Library (Library) provides an overview and overall review of the Library's financial activities for the fiscal year ended December 31, 2019. The intent of the MD&A is to look at the Library's financial performance as a whole. It should, therefore, be read in conjunction with the Library's financial statements found in the financial section starting on page 9, and the notes thereto. MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

FINANCIAL HIGHLIGHTS

- The Library's total net position increased by \$244,197 over the course of this year's operations.
- During the year, the Library's expenses were \$1,695,798 more than the \$26,227 generated in charges for services and operating grants for governmental programs.
- The total cost of the Library's programs was \$1,722,025, an increase of approximately \$47,610 or 2.5 percent.
- Total revenues including general revenues decreased by \$79,197 or 3.9 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Library:

- The first two statements on pages 10 and 11 are government-wide financial statements that provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.
- The remaining statements starting on page 13 are fund financial statements that focus on individual parts of the Library's government, reporting the Library's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services, such as library services, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide additional detailed data. The notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements as well as providing budgetary comparison data. The last section of the report contains additional supplemental information regarding the governmental fund-general fund. The rest of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the Library as a whole, using the accrual basis of accounting, which is similar to that which is used by private sector companies. The statement of net position on page 9 includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities on page 11, regardless of when cash is received or paid.

These two statements report the Library's net position and changes in them. Net position – the difference between the Library's assets and liabilities – is one way to measure the Library's financial health, or financial position. Over time, increases and decreases in the Library's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will also need to be considered to assess the overall health of the Library.

The government-wide financial statements of the Library report only one type of activity – governmental activities. All of the Library's basic services are included here, such as library services and general administration.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019**

Fund Financial Statements

The fund financial statements, beginning on page 13, provide more detail about the Library's most significant funds – not the Library as a whole. State laws require the establishment of some funds. Funds are accounting devices that the Library uses to keep track of specific sources of funding and spending for particular purposes.

The Library uses only the governmental type of fund with the following accounting approach. Most of the Library's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash, flow in and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements therefore provide a detailed short-term view of the Library's general government operations and the basic services it provides, and helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Since this information does not include the additional long-term focus of government-wide statements, we provide reconciliations on the subsequent pages that explain the relationship (or differences) between the two different type statements.

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Net position. The Library's combined net position changed slightly between fiscal years 2018 and 2019, increasing by \$244,197 to approximately \$8.96 million.

**Table 1
Library's Net Position**

	Governmental Activities 2018	Governmental Activities 2019
Assets:		
Current and other assets	\$ 5,647,368	\$ 5,967,697
Capital assets	3,278,243	3,318,430
Total assets	\$ 8,925,611	\$ 9,286,127
Deferred Outflows:		
Resources related to pensions and OPEB	105,847	292,877
Total deferred outflows	\$ 105,847	\$ 292,877
Liabilities:		
Current liabilities	53,671	164,018
Noncurrent liabilities	106,672	424,461
Total liabilities	\$ 160,343	\$ 588,479
Deferred Inflows:		
Resources related to pensions and OPEB	153,696	28,909
Total deferred inflows	\$ 153,696	\$ 28,909
Net Position:		
Invested in capital assets, net of related debt	3,278,243	3,318,430
Restricted for Capital Projects	2,579,505	2,326,662
Restricted for Prepaid Expenses	8,954	8,375
Unrestricted	2,850,717	3,308,149
Total net position	\$ 8,717,419	\$ 8,961,616

Net position of the Library's governmental activities increased by 2.8 percent to \$8.96 million.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019**

Changes in net position. The Library's total revenues decreased by 3.9 percent to \$1,966,222 (See Table 2), due to a decrease in property tax revenue. Approximately 97 percent of the Library's revenue comes from a general property tax assessed on the property owners in the parish.

The total cost of all programs and services increased approximately \$47,610 or 2.8 percent. The Library's expenses cover all services, which it offers to the public.

Governmental Activities

Revenues for the Library's governmental activities decreased by 3.9 percent, while total expenses increased by 2.8 percent.

**Table 2
Changes in Library's Net Position**

	Governmental Activities 2018	Governmental Activities 2019
Revenues		
Program revenues		
Charges for services	\$ 14,720	\$ 10,610
Operating grants and contributions	18,682	15,617
Other revenues	2,012,017	1,939,995
Total revenues	\$ 2,045,419	\$ 1,966,222
Expenses		
General government	1,674,415	1,722,025
Total expenses	\$ 1,674,415	\$ 1,722,025
Increase in net position	\$ 371,004	\$ 244,197

**Table 3
Net Cost of Library's Governmental Activities**

	Total Cost of Services 2019	Net Cost of Services 2019
Library Services	<u>\$ 1,722,025</u>	<u>\$ 1,695,798</u>

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year, its governmental funds reported a combined fund balance of \$5,803,680, reflecting an increase over the prior year of \$257,698. Of the combined fund balance total, \$3,346,535 is unassigned indicating availability for continuing the library's activities, \$122,108 is assigned for subsequent year budget stabilization, \$2,326,662 is committed for capital projects, and \$8,375 is nonspendable for prepaid expenses. Even with a slight increase of operating expenses for the year, the library has consistently maintained an annual surplus, operating within the revenues generated. The library has maintained a healthy fund balance and continues to operate within its budget restrictions.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019**

General Fund Budgetary Highlights

During the year, the library operated within its budget and amended it once. Revenues received during the year were greater than expected and expenditures were less than expected due to lower salaries and related benefits and utilities costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the Library had invested \$3,318,430 in capital assets. (See Table 4).

**Table 4
Library's Capital Assets
(net of accumulated depreciation)**

	Governmental Activities 2019
Land	\$ 170,265
Construction in progress	253,523
Buildings and improvements	2,435,042
Furniture and equipment	115,333
Library collection	344,267
Total	\$ 3,318,430

Debt

At year-end, the Library had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 97 percent of the Library's revenues are derived from an ad valorem tax on the voters of the parish. The Pointe Coupee Parish Council approves the Library's millage rates for collection of the ad valorem taxes each year; however, the Pointe Coupee Parish Council does not exercise administrative or financial control over the Library. The only function the Pointe Coupee Parish governing authority has regarding the Library is the appointment of the Board of Control members.

The economy is not expected to generate any significant growth in assessment values, but rather management anticipates a reduction in assessed values due to the loss on a large transportation company in Pointe Coupee Parish. Neither library fees nor grant income is expected to increase; therefore, future revenues are expected to remain consistent with the current year. Staff levels are not expected to increase, although retirement costs and health costs have continued to rise. Measures taken by the library to operate within budgeted revenues and expenses include retaining sufficient active staff to maintain proper level of services, while reducing the total number of employees and increasing the Library's portion of employee benefit coverage reducing or controlling expenses in other areas. The budget for the year 2020 should be comparable to the year's 2019 budget.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our parishioners, taxpayers, customers, investors, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Melissa Hymel, Library Director, 201 Claiborne Street New Roads, Louisiana 70760.

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Net Position

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,013,746
Investments	148,867
Receivables	1,796,709
Prepaid expenses	8,375
Land	170,265
Construction in progress	253,523
Capital assets, net of depreciation	2,894,642
 Total assets	 9,286,127
DEFERRED OUTFLOWS OF RESOURCES	
Resources related to other post-employment benefits	22,876
Resources related to pensions	270,001
 Total deferred outflows of resources	 292,877
LIABILITIES	
Accounts payable and accrued expenses	164,018
Non-current liabilities:	
Net pension liability	287,499
Other post-employment benefits	136,962
 Total liabilities	 588,479
DEFERRED INFLOWS OF RESOURCES	
Resources related to pensions	17,866
Resources related to other post-employment benefits	11,043
 Total deferred inflows of resources	 28,909
NET POSITION	
Invested in capital assets, net of related debt	3,318,430
Restricted for:	
Capital projects	2,326,662
Prepaid expenses	8,375
Unrestricted (deficit)	3,308,149
 Total net position	 \$ 8,961,616

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Activities

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government - Library services	\$ 1,722,025	\$ 10,610	\$ 15,617	\$ (1,695,798)
Total governmental activities:				<u>(1,695,798)</u>
General revenues:				
Property taxes - levied for general purposes				1,905,180
State revenue sharing				30,005
Unrestricted investment earnings				<u>4,810</u>
Total general revenues				<u>1,939,995</u>
Change in net position				244,197
Net position - beginning of year				<u>8,717,419</u>
Net position - end of the year				<u><u>\$ 8,961,616</u></u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

Balance Sheet

December 31, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	TOTALS (Memorandum Only) 2018
ASSETS				
Cash and cash equivalents	\$ 1,648,434	\$ 2,365,312	\$ 4,013,746	\$ 3,752,348
Investments	148,867	-	148,867	146,314
Receivables	1,796,709	-	1,796,709	1,692,037
Prepaid expenses	8,375	-	8,375	8,954
Total Assets	\$ 3,602,386	\$ 2,365,312	\$ 5,967,697	\$ 5,599,653
LIABILITIES & FUND BALANCE				
Liabilities:				
Accounts payable and accrued expenses	\$ 96,911	\$ 38,650	\$ 135,561	\$ 51,316
Payroll deductions payable	28,457	-	28,457	2,355
Total Liabilities	125,368	38,650	164,018	53,671
Fund Balances:				
Nonspendable:				
Prepaid expenses	8,375	-	8,375	8,954
Committed for:				
Capital projects	-	2,326,662	2,326,662	2,579,505
Assigned for:				
Budget stabilization	122,108	-	122,108	74,131
Unassigned	3,346,535	-	3,346,535	2,883,392
Total Fund Balance	3,477,018	2,326,662	5,803,680	5,545,982
TOTAL LIABILITIES & FUND BALANCE	\$ 3,602,386	\$ 2,365,312	\$ 5,967,698	\$ 5,599,653

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

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

December 31, 2019

Total fund balance - governmental funds	\$ 5,803,680
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	3,318,430
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - governmental funds.

Net pension liability	(287,499)
Other postemployment benefits	(136,962)

Deferred outflows of resources related to pensions and other post-employment benefits that do require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	292,877
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Deferred inflows of resources related to pensions and other post-employment benefits do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	<u>(28,909)</u>
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Total net position of governmental activities	<u>\$ 8,961,616</u>
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The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2019**

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	TOTALS (Memorandum Only) 2018
REVENUES				
Ad valorem taxes	\$ 1,905,180	\$ -	\$ 1,905,180	\$ 1,978,386
Intergovernmental revenues:				
Federal grants	-	-	-	10,693
State revenue sharing	30,005	-	30,005	30,139
Interest earnings	4,810	-	4,810	4,200
Other revenues:				
Fees & charges for services	10,277	-	10,277	14,300
Fines & lost book collections	333	-	333	420
Gifts, donations, misc revenue	10,666	-	10,666	3,210
Total revenues	<u>1,961,271</u>	<u>-</u>	<u>1,961,271</u>	<u>2,041,348</u>
EXPENDITURES				
Salaries and related benefits	779,958	-	779,958	742,182
Legal & accounting	55,369	-	55,369	57,888
Insurance	54,716	-	54,716	58,536
Material and supplies	173,646	-	173,646	85,567
Repairs & maintenance	155,354	-	155,354	262,627
Utilities and communications	66,010	-	66,010	81,588
Capital outlay	53,878	252,843	306,721	334,736
Intergovernmental	81,103	-	81,103	83,880
Other operating services	30,696	-	30,696	44,835
Total expenditures	<u>1,450,730</u>	<u>252,843</u>	<u>1,703,573</u>	<u>1,751,839</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>510,541</u>	<u>(252,843)</u>	<u>257,698</u>	<u>289,509</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	675,350
Operating transfers out	-	-	-	(675,350)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>510,541</u>	<u>(252,843)</u>	<u>257,698</u>	<u>289,509</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>2,966,477</u>	<u>2,579,505</u>	<u>5,545,982</u>	<u>5,256,473</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,477,018</u>	<u>\$ 2,326,662</u>	<u>\$ 5,803,680</u>	<u>\$ 5,545,982</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

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

For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds \$ 257,698

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

Capital Outlays	306,721
Depreciation	(266,571)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(Increase) decrease in other post-employment benefits	(6,411)
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Governmental funds report current year pension contributions as expenditures. However, in the statement of activities it is an actuarially calculated expense. This represents the difference between pension contributions and actuarially calculated expense.

	(52,190)
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The assessor's proportionate share of non-employer contributions to the pension plan do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

	<u>4,950</u>
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Change in net position of governmental activities

	<u><u>\$ 244,197</u></u>
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The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and For the Year Ending December 31, 2019**

INTRODUCTION

The Pointe Coupee Parish Library, New Roads, Louisiana was established by the parish governing authority, under the provisions of Louisiana Revised Statute 25:211. Louisiana Revised Statute 25:214 provides for public governance through a Library board of control. The Pointe Coupee Parish Council appoints the board of control, which consists of seven non-compensated board members. The mission of the Pointe Coupee Parish Library is to provide resources and services to fulfill individual informational needs for day-to-day living and pleasure, and for cultural, educational, and leisurely pursuits. The Library serves the entire parish of Pointe Coupee, consisting roughly of 21,730 residents. The Library employs approximately 27 workers located at their main branch in New Roads and outlying branches in Morganza, Innis, Livonia, and Rougon, Louisiana.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Pointe Coupee Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

2017 HB13, signed into law on June 24, 2017 and effective August 1, 2017, transferred the administration of and accounting functions of the Pointe Coupee Parish Library from the Pointe Coupee Parish governing authority to the Pointe Coupee Parish Board of Control. Louisiana Revised Statute 25:215(B)(18) reflects this administrative transfer. The Pointe Coupee Parish governing authority appoints the Board of Control members and sets the millage rates each year for the Library.

Based on these factors, it is determined that the Library is not a component unit of the Pointe Coupee Parish governing authority and the accompanying financial statements present information only on the funds maintained by the Library, which is the reporting entity.

C. FUND ACCOUNTING

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Library functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

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

General Fund – the primary operating fund of the Library and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Library policy.

Capital Projects Fund – accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include all the financial activities of the Library. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Library's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the FFS of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Library's operations (See the reconciliation statements).

The amounts reflected in the FFS 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 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 assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. Taxes are generally collected in December of the current year and January and February of the following year.

Where grant revenue is dependent upon expenditures by the Library, revenue is recognized when the related expenditures are incurred.

Interest income on time deposits (certificates of deposit) is recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures –

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for accumulated vacation leave, which is not accrued.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Other Financing Sources (Uses)

The sale of fixed assets as well as transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses) and are recorded when incurred.

E. BUDGETS

The Library adopts an annual appropriated budget for the General Fund. All annual appropriations lapse at fiscal year-end. The budget is prepared based on the modified accrual basis of accounting and is presented and adopted by the Board of Control.

The proposed budget was published and made available for public inspection on October 4, 2018, in accordance with Louisiana Revised Statute (R.S.) 39:1306. The public hearing was held at the Library's main office in New Roads, LA on November 14, 2018, at which time the Board of Control formally adopted it. The Board of Control has the authority to make changes or amendments within various budget classifications. One amendment was proposed and adopted during the year.

F. ENCUMBRANCES

The Library does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

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

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Library's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No. 31 allows the Library to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at fair value which approximates cost.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical 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 \$500 or more for capitalizing capital assets.

**POINTE COUPEE PARISH LIBRARY
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NOTES TO THE FINANCIAL STATEMENTS**

I. CAPITAL ASSETS (continued)

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, 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:

Land Improvements	20 years
Buildings & Improvements	10 – 40 years
Equipment & furniture	5 years
Vehicles	5 – 10 years
Library collection	5 – 7 years

J. BAD DEBTS

The Library uses the allowance method whereby uncollectible amounts due from other governmental entities are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which indicates the particular receivable is not collectible. No amounts were charged off in the year ended December 31, 2019.

K. OTHER POSTEMPLOYMENT BENEFITS

The Library follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which requires the accrual of other postemployment benefits for retired employees. The Library has recorded a liability for other postemployment benefits (see Note 10). In government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

L. COMPENSATED ABSENCES

The Library has the following policy relating to vacation and sick leave:

The Library Director earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year
2 years	15 days per year
3 or more years	20 days per year

Full-time professional staff earn the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year payable after six months
Each succeeding year of service after 10 years	10 days plus one additional day per year up to 20 days

Full-time Library employees earn the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 - 10	10 days per year
11 or more	15 days per year

Employees may not accumulate vacation time. Vacation time should be used during the calendar year in which it is granted.

**POINTE COUPEE PARISH LIBRARY
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NOTES TO THE FINANCIAL STATEMENTS**

L. COMPENSATED ABSENCES (continued)

If this is impossible or creates an undue hardship on the employee or the Library, the Director may grant permission to use the unused vacation in the first quarter of the next year. Any unused vacation is forfeited after this fifteen-month period. Any employee resigning or retiring will be paid for any unused vacation, which was granted in that same calendar year. The liability for compensated absences at December 31, 2019 was \$2,390.

All full-time employees earn 12 days of sick leave and 3 days of emergency leave per year after six months of continuous service. Sick leave may be accumulated up to a maximum of 90 days for retirement purposes only. Emergency leave does not accumulate. Employees are not compensated for accrued sick leave upon retirement or termination of employment.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Library follows GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement provides guidance for reporting deferred outflows, deferred inflows and net position in a statement of financial position and related disclosures and applies to transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. The Library's deferred outflows/inflows of resources consist of resources related to pensions and other post-employment benefits (see Notes 9 & 10).

N. PENSIONS

Financial reporting information pertaining to the Library's participation in the Parochial Employees' Retirement System of Louisiana (PERS) is prepared in accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", as amended by GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", which have been adopted by the Library for the fiscal year ended December 31, 2015.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PERS have been determined on the same basis as they are reported by PERS. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Library's proportionate share of the plan's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

O. RESTRICTED NET POSITION

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) imposed by law through constitutional provisions or enabling legislation.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

P. FUND EQUITY

The Library has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement established criteria for classifying fund balances into specifically defined classifications and clarified definitions for governmental fund types. The following describes the different classifications available for fund balances of governmental funds:

Nonspendable – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted – amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or amounts that are imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes determined by formal action of the Library Board of Control, who is the highest level of decision-making authority for the Pointe Coupee Parish Library. Commitments cannot be used for any other purpose unless the same action that established them decides to modify or remove them.

Assigned – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by the Library Board of Control or by a body or individual designated for that purpose.

Unassigned – the residual fund balance in the general fund.

When fund balance resources are available for a specific purpose, the Library considers the most restrictive funds to be used first. However, the Library reserves the right to spend unassigned resources first and to defer the use of more restrictive funds.

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had no actual expenditures over budgeted appropriations at the adopted budget level for the year ended December 31, 2019.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None				

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Maximum Millage</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>
Library Maintenance Tax	4.03	4.03	4.03

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

3. LEVIED TAXES (continued)

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>	<u>Ad Valorem Tax Revenue for Library</u>
LA Generating LLC	Electric	\$ 90,164,940	19.01%	\$ 395,124
Ingram Barge Company	Transport	42,772,700	9.02%	187,440
American Comm Lines	Transport	40,575,430	8.56%	177,811
Entergy Louisiana, LLC	Electric	22,748,410	4.80%	99,689
Acadian Gas Pipeline	Oil & Gas	21,496,350	4.53%	94,202
Union Pacific Corp	Railroad	19,718,040	4.16%	86,409
M/G Transport Svc LLC	Transport	9,010,930	1.90%	39,488
Total		\$ 246,486,800	51.98%	\$ 1,080,163

4. CASH AND INTEREST-BEARING DEPOSITS

A. Cash and cash equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information. Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principle offices in Louisiana. At December 31, 2019, the Library had cash and interest-bearing deposits (book balances) totaling \$4,013,346, as follows:

Demand deposits – non-interest bearing	\$4,013,346
Money market accounts, certificates of Deposit, and interest-bearing accounts	<u>0</u>
	<u>\$4,013,346</u>

These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the Library's deposits may not be returned or recovered. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Library. The Library's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must always equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the Library as of December 31, 2019. Deposits are listed in terms of whether they are exposed to custodial credit risk.

At December 31, 2019, the Library's deposit balance (bank balance) of \$4,014,996, was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 277,110
Collateralized:	
Collateral held by pledging bank's trust Department not in the Library's name	3,737,886
Uninsured and uncollateralized	<u>0</u>
Total Deposits	<u>\$ 4,014,996</u>

Total bank balances and total carrying amount of deposits do not include petty cash in the amount of \$400 on hand.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

4. CASH AND INTEREST-BEARING DEPOSITS

B. Investments

Investments are stated at fair value. See also Note 1 (H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured, or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The Library's investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the Library's opinion that since these securities are governmental agencies, credit risk is not a factor. LAMP is rated AAAM by Standard & Poors.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Library will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered, and held by the counterparty's trust department or agent but not in the name of the Library. The following chart presents the investment position of the Library as of December 31, 2019. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

The Library's investment positions as of December 31, 2019 are presented as follows:

<u>Certificates of Deposit</u>	<u>Balance</u>
Uninsured, unregistered & Held by Counterparty	\$ 0
Uninsured, unregistered & Held by Counterparty Trust Dept/Agency But not in Library's name	0
Insured and collateralized	<u>148,867</u>
Total Deposits	<u>\$ 148,867</u>

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Library's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investments classified by maturity dates at December 31, 2019 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>0-1 Years Before Maturity</u>	<u>1-5 Years Before Maturity</u>	<u>6 + Years Before Maturity</u>
Certificates of Deposit	\$ 148,867	\$ 148,867	\$ -0-	\$ -0-
Total	<u>\$ 148,867</u>	<u>\$ 148,867</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

5. RECEIVABLES

The following is a summary of receivables at December 31, 2019:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Total</u>
Ad Valorem Taxes	\$ 1,796,180	\$ 1,796,180
Accrued Interest Receivable	529	529
Total	\$ 1,796,709	\$ 1,796,709

6. RISK MANAGEMENT

The Pointe Coupee Parish Library is exposed to various risks of loss including injuries to workers, criminal or property damage, theft, and other possible related claims. The Library purchases commercial insurance to minimize this risk of loss from these types of occurrences. There were no significant reductions in insurance coverage from the prior year.

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019 are as follows:

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Non-Depreciable Assets:				
Land	\$ 170,265	\$ 0	\$ 0	\$ 170,265
Construction in Progress	680	252,843	0	253,523
Total Non Depr Assets	170,945	252,843	0	423,788
Depreciable Assets:				
Bldgs and Improvements	3,661,033	0	0	3,661,033
Library Collection	2,752,473	53,915	608,244	2,198,144
Furniture and Equipment	716,558	0	0	716,558
Automobiles	52,858	0	25,169	27,689
Cost of depreciable assets	7,182,922	53,915	633,414	6,603,423
Accumulated Depreciation	(4,075,624)	(266,571)	633,414	-3,708,781
Net Depreciable Assets	3,107,298			2,894,642
Total Capital Assets, net of accumulated depreciation	\$ 3,278,243			\$ 3,318,430

Depreciation expense of \$266,571 for the year ended December 31, 2019, was charged to the general fund governmental function.

The Pointe Coupee Parish Library has not capitalized a certain collection (The Claiborne Collection) and a historical treasure (Mardi Gras Costume) due to the fact that they are held for public exhibition rather than financial gain, they are protected, cared for, and preserved, and that it is the policy of the Library that, if they are ever sold, proceeds from the sale must be used to acquire other items for collections.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$164,018 as of December 31, 2019, are as follows:

	General Fund	Capital Projects Fund	Total
Withholdings	\$ 28,457	\$ 0	\$ 28,457
Accounts payable & accrued exp	96,911	38,650	135,561
Total	\$ 125,368	\$ 38,650	\$ 164,018

9. PENSION PLAN

Plan Description. Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employers defined benefit pension plan. The System was established and provided for by R.S. 11:1901. 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. The 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. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

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. As of January 1997, elected officials, except coroners, justice of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

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.

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.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

9. PENSION PLAN (continued)

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump-sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

**POINTE COUPEE PARISH LIBRARY
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9. PENSION PLAN (continued)

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 11.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the years ending December 31, 2019, 2018, and 2017 were \$59,636, \$45,795, and \$49,151, respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$4,950 for the year ended December 31, 2019.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2019, the Library reported an liability of \$287,499 for its proportionate share of net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the Library's proportion was 0.064776%, which was an increase of 0.0000492% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, the Library recognized pension expense of \$52,416. At December 31, 2019, the Library recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 610	\$ 17,515
Changes in assumptions	71,884	-0-
Net difference between projected and actual earnings on pension plan investments	137,627	-0-
Changes in proportion and differences between Library contributions and proportionate share of contributions	244	351
Library contributions subsequent to the measurement date	59,636	-0-
Total	\$ 270,001	\$ 17,866

The \$59,636 reported as deferred outflows of resources relating to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2020	66,208
2021	36,150
2022	29,787
2023	60,795
2024	-0-
Thereafter	-0-
Total	\$ 192,940

**POINTE COUPEE PARISH LIBRARY
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NOTES TO THE FINANCIAL STATEMENTS**

9. PENSION PLAN (continued)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry age normal.
Investment Rate of Return:	6.50%, net of investment expense, including inflation
Projected Salary increases:	4.75%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using the MP2018 scale for annuitant and beneficiary mortality. 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.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Inflation Rate	2.40%

Discount Rate. The discount rate used to measure the total pension liability for Plan A was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee. Based on these 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 weighing 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 rate of return is 7.43% for the year ending December 31, 2018.

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

9. PENSION PLAN (continued)

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Changes in Discount Rate. The following presents the Library's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Library's net pension liability (asset) 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 as of December 31, 2018:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Library's proportionate share of the net pension liability (asset)	\$ 610,571	\$ 287,499	\$ 17,439

The Parochial Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended December 31, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.state.la.us.

10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Pointe Coupee Parish Library provides certain continuing health care and life insurance benefits for its retired employees. The Library's OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the Library. The authority to establish and/or amend the obligation of the employer, employees, and retirees' rests with the Library. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52, *Postemployment Benefits Other Than Pensions-Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows (ref. R.S. 11:1421): completion of 30 years of service at any age; or, attainment of age 55 and completion of 25 years of service; age 60 and 10 years of service; or age 65 and 7 years of service. For employees hired on or after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or age 67 and 7 years of service. Life insurance is not covered. Life insurance coverage is considered for the valuation.

Employees covered by benefit terms – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-0-
Inactive employees entitled to but not yet receiving benefit payments	-0-
Active employees	10
Total	10

Total OPEB Liability

The Library's total OPEB liability of \$136,962 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

10. OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	4.10% annually (Beginning of Year to Determine ADC)
	2.74% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually

The discount rate was based on the Bond Buyer 20-Bond General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period. Mortality rates were based on the RP-2000 Combined Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

Changes in the Total OPEB Liability

Balance at December 31, 2018	<u>\$ 106,672</u>
Changes for the year:	
Service cost	942
Interest	4,393
Differences between expected and actual experience	9,049
Changes in assumptions	15,906
Benefit payments and net transfer	-
Net changes	<u>30,290</u>
Balance at December 31, 2019	<u>\$ 136,962</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.74%) or one percentage point higher (3.74%) than the current discount rate:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 155,313	\$ 136,962	\$ 121,285

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current trend rates:

	1% Decrease (4.5%)	Current Trend Rate (5.5%)	1% Increase (6.5%)
Total OPEB Liability	\$ 121,096	\$ 136,962	\$ 155,486

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

10. OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Library recognized OPEB expense of \$6,411. At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,295	\$ (4,164)
Changes in assumptions	14,581	(6,878)
Total	\$ 22,876	\$ (11,043)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2020	\$ 1,076
2021	1,076
2022	1,076
2023	1,076
2024	1,076
Thereafter	6,454
Total	\$ 11,834

11. LITIGATION

As of December 31, 2019, two complaints had been filed against the Library and legal counsel has submitted position statements against the charges in both complaints. The potential loss to the Pointe Coupee Parish Library for any damages awarded under uninsured claims is deemed undeterminable by legal counsel.

12. COMPENSATION PAID TO BOARD MEMBERS

No compensation was paid to board members during the year ended December 31, 2019. The following is a list of board members and term expiration dates:

<u>Board Member</u>	<u>Term Expires</u>
Don Ewing	December 2019
Philomena Fontenot	December 2019
Grace Hebert	December 2019
Wylene Hurst	December 2020
Gayle Dixon	December 2021
Lucy Boley Thompson	December 2021
Mary Helen McCoy	December 2023

13. SUBSEQUENT EVENTS

Management has performed an evaluation of the Library's activities through September 11, 2020 and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on September 11, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad valorem taxes	\$ 1,750,000	\$ 1,750,000	\$ 1,905,180	\$ 155,180
Intergovernmental revenues:				
Federal grants	-	-	-	-
State revenue sharing	20,000	30,000	30,005	5
Interest earnings	2,000	5,774	4,810	(964)
Other revenues:				
Fees & charges for services	7,000	8,500	10,277	1,777
Fines & lost book collections	200	331	333	2
Gifts, donations, misc revenue	-	2,426	10,666	8,240
Total revenues	<u>1,779,200</u>	<u>1,797,031</u>	<u>1,961,271</u>	<u>164,240</u>
EXPENDITURES				
Salaries and related benefits	1,083,674	884,163	779,958	104,205
Legal & accounting	52,000	60,000	55,369	4,631
Insurance	60,000	55,000	54,716	284
Material and supplies	163,200	137,700	173,646	(35,946)
Repairs & maintenance	154,810	171,800	155,354	16,446
Utilities and communications	81,602	65,030	66,010	(980)
Capital outlay	127,107	61,174	53,878	7,296
Intergovernmental	82,000	82,000	81,103	897
Other operating services	48,938	32,000	30,696	1,304
Total expenditures	<u>1,853,331</u>	<u>1,548,867</u>	<u>1,450,730</u>	<u>98,137</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(74,131)	248,164	510,541	262,377
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(74,131)	248,164	510,541	262,377
FUND BALANCE AT BEGINNING OF YEAR	74,131	(248,164)	2,966,477	3,214,641
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,477,018</u>	<u>\$ 3,477,018</u>

See independent auditors' report and accompanying notes to requires supplementary information.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**SCHEDULE OF LIBRARY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY -
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA**

December 31, 2019

Fiscal Year	Agency Proportion of the Net Pension Liability (Asset)	Agency Proportionate of the Net Pension Liability (Asset)	Agency's Covered Payroll	Agency Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Employee Payroll	Plan Fudiciary Net Position as a Percentage Of the Total Pension Liability
2018	0.06477600%	\$287,499	\$518,573	55.44%	88.86%
2017	0.06428400%	(\$47,715)	\$398,214	-11.98%	101.98%
2016	0.06591700%	\$135,757	\$393,210	34.53%	94.15%
2015	0.06196900%	\$163,120	\$355,306	45.91%	92.23%
2014	0.06654200%	\$18,193	\$403,221	4.51%	99.15%
2013	0.07336900%	\$5,244	\$361,788	1.45%	99.70%
2012	Unavailable	Unavailable	\$318,184	Unavailable	Unavailable
2011	Unavailable	Unavailable	\$330,354	Unavailable	Unavailable
2010	Unavailable	Unavailable	\$302,082	Unavailable	Unavailable
2009	Unavailable	Unavailable	\$336,860	Unavailable	Unavailable

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

See independent auditors' report and accompanying notes to requires supplementary information.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**SCHEDULE OF LIBRARY'S CONTRIBUTIONS -
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA**

December 31, 2019

Fiscal Year	Contractually Required Contributions	Contributions In Relation to Contractual Required Contributions	Contriubtion Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$59,636	\$59,636	\$0	\$518,573	11.50%
2017	\$45,795	\$45,795	\$0	\$398,214	11.50%
2016	\$49,151	\$49,151	\$0	\$393,210	12.50%
2015	\$51,519	\$51,519	\$0	\$355,306	14.50%
2014	\$64,515	\$64,515	\$0	\$403,221	16.00%
2013	\$60,599	\$60,599	\$0	\$361,788	16.75%
2012	\$48,282	\$48,282	\$0	\$306,554	15.75%
2011	\$50,114	\$50,114	\$0	\$318,184	15.75%
2010	\$52,031	\$52,031	\$0	\$330,354	15.75%
2009	\$37,005	\$37,005	\$0	\$302,082	12.25%

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

See independent auditors report and accompanying notes to requires supplementary information.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS**

December 31, 2019

	<u>2019</u>	<u>2018</u>	2017	2016	2015	2014	2013	2012	2011	2010
Total OPEB liability										
Service cost	\$ 942	\$ 1,077	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	4,393	3,964	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	9,049	(4,922)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	15,906	(8,129)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	30,290	(8,010)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	<u>106,672</u>	<u>114,682</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$136,962</u>	<u>\$ 106,672</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	<u>\$420,567</u>	<u>\$ 408,317</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered-employee payroll	32.57%	26.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report and accompanying notes to requires supplementary information.

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

OPEB Plan

Changes in Benefit Terms. There were no changes of benefit terms for the year ended December 31, 2019.

Changes in Assumptions. The discount rate as of December 31, 2018 was 4.10% and it changed to 2.74% as of December 31, 2019.

Assets. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Parochial Employees' Retirement System of Louisiana

Changes in Assumptions or Other Inputs. Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion. Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

OTHER SUPPLEMENTAL INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Schedule of Expenditures
For the Year Ended December 31, 2019**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Salaries and related benefits -				
Salaries and wages	\$ 922,674	\$ 703,163	\$ 618,890	\$ 84,273
Employee benefits:				
Retirement contributions	55,000	55,000	59,636	(4,636)
Group insurance	81,000	101,000	89,734	11,266
Payroll taxes	25,000	25,000	11,698	13,302
Total salaries & related benefits	<u>\$ 1,083,674</u>	<u>\$ 884,163</u>	<u>\$ 779,958</u>	<u>\$ 104,205</u>
Materials and supplies -				
Rentals - other	\$ 19,000	\$ 7,000	\$ 6,267	\$ 733
Materials & supplies	144,200	130,700	167,380	(36,680)
Total materials & supplies	<u>\$ 163,200</u>	<u>\$ 137,700</u>	<u>\$ 173,647</u>	<u>\$ (35,947)</u>
Operating services -				
Legal and accounting	\$ 52,000	\$ 60,000	\$ 55,369	\$ 4,631
Insurance	60,000	55,000	54,716	284
Repairs and maintenance	154,810	171,800	155,354	16,446
Utilities and telephone	81,602	65,030	66,010	(980)
Travel, dues, other prof services	48,938	32,000	30,696	1,304
Intergovernmental	82,000	82,000	81,103	897
Total operating services	<u>\$ 479,350</u>	<u>\$ 465,830</u>	<u>\$ 443,248</u>	<u>\$ 22,582</u>
Capital outlay -				
Acquisition of building, fixtures, & equip	\$ 25,000	\$ -	\$ -	\$ -
Books, etc.	78,000	43,174	29,656	13,518
Audio & visuals	24,107	18,000	24,222	(6,222)
Total capital outlay	<u>\$ 127,107</u>	<u>\$ 61,174</u>	<u>\$ 53,878</u>	<u>\$ 7,296</u>
Total Expenditures	<u>\$ 1,853,331</u>	<u>\$ 1,548,867</u>	<u>\$ 1,450,730</u>	<u>\$ 98,136</u>

See independent auditors' report.

POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA

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

For the Year Ended December 31, 2019

AGENCY HEAD NAME: Melissa K. Hymel

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	94,266
Benefits - Insurance	2,678
Benefits - Retirement	10,841
Membership Dues	50
Conference Travel	0
Continuing Education	0
Telephone	1,361
TOTAL	\$ 109,196

This schedule is included as required by Louisiana R.S. 24:513(A)(3).

See independent auditors' report.

OTHER SUPPLEMENTAL INFORMATION

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following independent auditors' report on internal control over financial reporting and on compliance and other matters is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**INDEPENDENT AUDITORS' 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***

Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pointe Coupee Parish Library, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated September 11, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ducote & Company
Certified Public Accountants
Marksville, Louisiana
September 11, 2020

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana
Schedule of Findings and Responses
As of and for the Year Ended December 31, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Deficiency(s) in internal control identified not
considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

Section I – Internal Control and Compliance Material to the Financial Statements:

Finding 18-1

Criteria: Louisiana Revised Statute 39:1311(A)(2) states that total expenditures and other uses for the remainder of the year, within a fund, shall not exceed the total budgeted expenditures and other uses by 5% or more.

Condition: The Library's actual expenditures and other uses within the General Fund exceeded budgeted expenditures and other uses by 5% or more.

Effect: It results in the Library to be in violation of Louisiana Revised Statute 39:1311(A)(2) regarding budgetary authority and control.

Cause: Upon preparation of the budget, management underestimated expected transfers out from the General Fund to the Capital Projects Fund. Actual expenditures and other uses totaled \$2,156,976 and budgeted expenditures and other uses totaled \$1,628,852 which is a difference of \$528,124 and represents a 32.42% difference.

Recommendation: Management should monitor actual revenues and expenditures and compare to budgeted amounts more frequently including closer to the fiscal year end and amend the budget if necessary.

Management's Response: Management has indicated this was an isolated event resulting from underestimating the amount of transfers out to be incurred through the end of the year from the General Fund to the Capital Projects Fund and will be more conservative in the budgeting of transfers going forward.

Current Status: Resolved

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

No management letter issued.

**POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana**

**Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 2019**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completed</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
Not applicable.				
Section II – Internal Control and Compliance Material to Federal Awards				
Not applicable.				
Section III – Management Letter:				
No management letter issued.				