

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2014
With Supplemental Information Schedules

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Annual Financial Statements
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Independent Auditor's Report

BIENVILLE PARISH LIBRARY
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Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Bienville Parish Library, a component unit of the Bienville Parish Police Jury, as of December 31, 2014, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana
Independent Auditor's Report.
December 31, 2014

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Bienville Parish Library as of December 31, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 9, the budgetary comparison information on pages 31 through 32, and the schedule of funding progress for the retiree healthcare plan on page 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

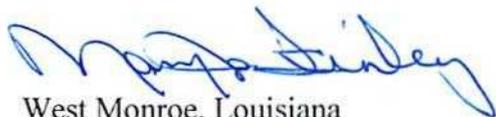
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bienville Parish Library's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

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

BIENVILLE PARISH LIBRARY
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Independent Auditor's Report,
December 31, 2014

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 2, 2015, on my consideration of the Bienville Parish Library's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bienville Parish Library's internal control over financial reporting and compliance.



West Monroe, Louisiana
June 2, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Management's Discussion and Analysis
December 31, 2014

As management of the Bienville Parish Library, I offer readers of the Bienville Parish Library's financial statements this narrative overview and analysis of the financial activities of the Bienville Parish Library for the year ended December 31, 2014. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Bienville Parish Library exceeded liabilities by \$5,780,846. Approximately 29% of the Bienville Parish Library's Net Position reflects its investment in

capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

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

STATEMENT OF NET POSITION

ASSETS	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$2,802,306	\$2,155,004
Receivables	1,511,226	1,510,215
Capital assets (not depreciated)	14,350	14,350
Capital assets (net of accumulated depreciation)	<u>1,650,831</u>	<u>1,798,641</u>
TOTAL ASSETS	<u>\$5,978,713</u>	<u>\$5,478,210</u>
LIABILITIES		
Accounts payable	\$71,943	\$64,877
Withholdings payable	8,836	1,447
Payroll payable	6,921	7,632
Compensated absences payable	7,666	6,368
Net OPEB obligation	<u>102,501</u>	<u>86,618</u>
TOTAL LIABILITIES	<u>197,867</u>	<u>166,942</u>
NET POSITION		
Invested in capital assets, net of related debt	1,665,181	1,812,991
Unrestricted	<u>4,115,665</u>	<u>3,498,277</u>
TOTAL NET POSITION	<u>\$5,780,846</u>	<u>\$5,311,268</u>

STATEMENT OF ACTIVITIES

	<u>2014</u>	<u>2013</u>
Culture and recreation:		
Personal services	\$596,750	\$566,687
Operating services	178,592	215,656
Materials and supplies	38,486	26,237
Travel	10,045	10,882
Intergovernmental	46,236	45,667
Depreciation expense	<u>259,480</u>	<u>269,263</u>
Total Program Expenses	<u>1,129,589</u>	<u>1,134,392</u>
Program revenues:		
Fines and forfeitures	<u>23,936</u>	<u>20,707</u>
Net Program Expenses	<u>(1,105,653)</u>	<u>(1,113,685)</u>
General revenues		
Taxes - ad valorem	1,493,788	1,525,211
Intergovernmental:		
State revenue sharing	25,259	24,027
Other state grants	21,875	1,767
Interest earned	31,067	8,528
Other revenue	5,532	20,189
Gain (loss) on disposal of assets	<u>(2,290)</u>	<u>(125)</u>
Total general revenues	1,575,231	1,579,597
Change in Net Position	469,578	465,912
Net Position - Beginning of year	<u>5,311,268</u>	<u>4,845,356</u>
Net Position - End of year	<u>\$5,780,846</u>	<u>\$5,311,268</u>

Financial Analysis of the Government's Funds

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

As of December 31, 2014, the General Fund unreserved, undesignated fund balance of \$4,225,832 showed an increase of \$634,569 over December 31, 2013.

General Fund Budgetary Highlights

There were no amendments to the budget.

Capital Asset and Debt Administration

Capital assets. The Bienville Parish Library's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$1,665,181 (net of accumulated depreciation). This investment includes furniture and equipment, automation and library materials. The increase in capital assets for the year was \$113,960, and the decrease was \$29,476.

Long-term debt. At the end of the fiscal year, Bienville Parish Library had \$7.666 debt outstanding for compensated absences. The Bienville Parish Library also contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the library's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2014 is \$102,501.

Requests for Information

This financial report is designed to provide a general overview of the Bienville Parish Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bienville Parish Library, 2768 Maple Street, Arcadia, LA 71001.

June 2, 2015

BASIC FINANCIAL STATEMENTS

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

STATEMENT OF NET POSITION
December 31, 2014

ASSETS

Cash and cash equivalents	\$2,802,306
Receivables	1,511,226
Capital assets (not depreciated)	14,350
Capital assets (net of accumulated depreciation)	<u>1,650,831</u>
TOTAL ASSETS	<u>\$5,978,713</u>

LIABILITIES

Accounts payable	\$71,943
Salaries payable	8,836
Withholdings payable	6,921
Compensated absences payable	7,666
Net OPEB obligation	<u>102,501</u>
TOTAL LIABILITIES	<u>197,867</u>

NET POSITION

Invested in capital assets, net of related debt	1,665,181
Unrestricted	<u>4,115,665</u>
TOTAL NET POSITION	<u>\$5,780,846</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2014

Culture and recreation:	
Personal services	\$596,750
Operating services	178,592
Materials and supplies	38,486
Travel	10,045
Intergovernmental	46,236
Depreciation expense	259,480
Total Program Expenses	<u>1,129,589</u>
Program revenues:	
Fines and forfeitures	<u>23,936</u>
Net Program Expenses	<u>(1,105,653)</u>
General revenues	
Taxes - ad valorem	1,493,788
Intergovernmental:	
State revenue sharing	25,259
Other state grants	21,875
Interest earned	31,067
Other revenue	<u>5,532</u>
Total general revenues	1,577,521
Gain (loss) on disposal of assets	<u>(2,290)</u>
Change in Net Position	469,578
Net Position - Beginning of year	<u>5,311,268</u>
Net Position - End of year	<u><u>\$5,780,846</u></u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
 Arcadia, Louisiana
 GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2014

ASSETS

Cash and cash equivalents
 Receivables

\$2,802,306
1,511,226

TOTAL ASSETS

\$4,313,532

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable
 Payroll Payable
 Withholdings payable

\$71,943
 8,836
6,921

TOTAL LIABILITIES

87,700

Fund Equity - fund balances -unassigned

4,225,832

TOTAL LIABILITIES AND FUND EQUITY

\$4,313,532

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

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

For the Year Ended December 31, 2014

Total Fund Balances - Governmental Funds (Statement C)		\$4,225,832
Cost of capital assets	\$4,646,304	
Less: Accumulated depreciation	<u>(2,981,123)</u>	1,665,181
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable		(7,666)
Net OPEB obligation		<u>(102,501)</u>
Net Position (Statement A)		<u>\$5,780,846</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended December 31, 2014

REVENUES

Taxes - ad valorem	\$1,493,788
Intergovernmental revenues:	
State revenue sharing	25,259
Other state grants	21,875
Fines and forfeitures	23,936
Use of money and property - interest earnings	31,067
Other revenues	5,532
Total revenues	<u>1,601,457</u>

EXPENDITURES

Culture and recreation:	
Current:	
Personal services	579,569
Operating services	178,592
Materials and supplies	38,486
Travel and other charges	10,045
Capital outlay	113,960
Intergovernmental	46,236
Total expenditures	<u>966,888</u>

EXCESS OF REVENUES OVER EXPENDITURES 634,569

FUND BALANCES AT BEGINNING OF YEAR 3,591,263

FUND BALANCES AT END OF YEAR \$4,225,832

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

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

For the Year Ended December 31, 2014

Total net change in fund balances - governmental funds (Statement D)	\$634,569
Amounts reported for governmental activities in the Statement of Activities are different because:	
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(15,883)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(145,520)
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(2,290)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>(1,298)</u>
Change in net position of governmental activities (Statement B)	<u>\$469,578</u>

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

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

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The library's current operations require only the use of governmental funds (General Fund). Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

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

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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

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

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2014, the library has cash and cash equivalents (book balances) totaling \$2,802,306.

Petty cash	\$250
Demand deposits	18,136
Time deposits	<u>2,783,920</u>
Total	<u>\$2,802,306</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2014, are secured as follows:

BIENVILLE PARISH LIBRARY
 Arcadia, Louisiana
 Notes to the Financial Statements (Continued)

Bank balances	<u>\$2,807,704</u>
Federal deposit insurance	\$2,546,608
Pledged securities (uncollateralized)	<u>500,376</u>
Total	<u>\$3,046,984</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the library, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the library's name.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

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

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

G. ANNUAL AND SICK LEAVE

Employees receive from ten to twenty days of vacation leave each year, depending on length of service and professional status. Sick leave is earned at the rate of twelve days each year and employees may accumulate sick leave. There is no maximum number of sick days that can be accumulated. Upon separation of service, employees are compensated for accumulated vacation leave earned, but are not compensated for sick leave. In the case of

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

retirement by a member of the staff who is qualified to draw retirement funds based on Library service within the Library Service System, the unused accumulation of sick time may be counted toward service time.

At December 31, 2014, employees of the library have accumulated and vested \$6,368 of employee leave benefits, computed in accordance with GASB Codification Section C60.

H. RISK MANAGEMENT

The library is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2014.

2. LEVIED TAXES

The ad valorem tax millage levied by the library was 3.96 mills for the year ended December 31, 2014. The authorized millage for the year ended December 31, 2014, was 3.52 mills. The current tax expires in 2023. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2014 assessed valuation (amounts expressed in thousands):

	2014 Assessed Valuation	Per cent of Total Assessed Valuation
ETC Tiger Pipeline, LLC	\$52,319	13.14%
Gulf South Pipeline Company	37,541	9.43%
QEP Energy Company	20,947	5.26%
Bear Creek Storage Company	19,737	4.96%
Regency Intrastate	18,913	4.75%
Enable Gas Transmission	16,686	4.19%
Wildhorse Resources II	13,717	3.44%
QEP Field Services	9,570	2.40%
QEP Energy Company	9,388	2.36%
Conocophillips Company	7,983	2.00%
Total	<u>\$206,801</u>	<u>51.93%</u>

BIENVILLE PARISH LIBRARY
 Arcadia, Louisiana
 Notes to the Financial Statements (Continued)

3. RECEIVABLES

The General Fund receivables of \$1,511,226 at December 31, 2014, are as follows:

<u>Class of receivables:</u>	
Taxes - ad valorem	\$1,493,996
Intergovernmental revenues - state revenue sharing (net)	17,230
Total	<u>\$1,511,226</u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2014, follows:

	<u>Balance at January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31,</u>
Land	\$14,350			\$14,350
Buildings and improvements	2,409,187	\$7,842		2,417,029
Equipment	628,660	2,163	(\$7,552)	623,271
Books	1,483,024	75,314	(21,924)	1,536,414
Vehicles	26,599	28,641		55,240
Total	<u>4,561,820</u>	<u>113,960</u>	<u>(29,476)</u>	<u>4,646,304</u>
Less accumulated depreciation	<u>(2,748,830)</u>	<u>(259,480)</u>	<u>27,187</u>	<u>(2,981,123)</u>
Net capital assets	<u>\$1,812,990</u>	<u>(\$145,520)</u>	<u>(\$2,289)</u>	<u>\$1,665,181</u>

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Bienville Parish Library’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Parochial Employees’ Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and 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.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

Fund Policy – Until 2011, the Bienville Parish Library recognized the cost of providing post-employment medical benefits (the Bienville Parish Library’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the Bienville Parish Library’s portion of health care funding cost for retired employees totaled \$11,976 and \$9,825, respectively.

Effective January 1, 2011, the Bienville Parish Library implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Bienville Parish Library’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>	<u>2013</u>
Normal cost	\$ 9,362	\$ 10,731
30-year UAL amortization amount	20,042	29,288
Annual required contribution (ARC)	<u>\$ 29,404</u>	<u>\$ 40,018</u>

Net Post-employment Benefit Obligation (Asset) – The table below shows the Bienville Parish Library’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$86,618	\$57,449
Annual required contribution	29,404	40,018
Interest on Net OPEB Obligation	3,465	2,298
ARC Adjustment	<u>(5,009)</u>	<u>(3,322)</u>
OPEB Cost	27,860	38,994
Current year retiree premium	<u>(11,976)</u>	<u>(9,825)</u>
Change in Net OPEB Obligation	<u>15,883</u>	<u>29,169</u>
Ending Net OPEB Obligation	<u>\$102,501</u>	<u>\$86,618</u>

The following table shows the Bienville Parish Library’s annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

BIENVILLE PARISH LIBRARY
 Arcadia, Louisiana
 Notes to the Financial Statements (Continued)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2014	\$ 27,860	42.99%	\$ 102,501
December 31, 2013	\$ 38,994	25.20%	\$ 86,618

Funded Status and Funding Progress – In 2014 and 2013, the Bienville Parish Library made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2014 was \$360,438 which is defined as that portion, as determined by a particular actuarial cost method (the Bienville Parish Library uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 360,438	\$ 486,966
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 360,438	\$ 486,966
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 469,530	\$ 426,013
UAAL as a percentage of covered payroll	76.77%	114.31%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Bienville Parish Library and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Bienville Parish Library and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Bienville Parish Library and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 3%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P. as described above under "Plan Description". The three years represents the three years in the D.R.O.P. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retirees (not dependents), but only after Medicare eligibility at age 65.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

6. PENSION PLAN

Substantially all employees of the Bienville Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. 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.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available 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, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Bienville Parish Library is required to contribute at an actuarially determined rate. The current rate is 16.00 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (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 Bienville Parish Library are established and may be amended by state statute. As provided by Louisiana

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Notes to the Financial Statements (Continued)

Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Bienville Parish Library's contributions to the System under Plan A for the years ending December 31, 2014, 2013, and 2012, were \$51,031, \$49,681 and \$44,086, respectively, equal to the required contributions for each year.

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

Long-term obligations at January 1, 2014	\$6,368
Additions	26,915
Deletions	(25,929)
Adjustments ¹	<u>312</u>
Long-term obligations at December 31, 2014	<u>\$7,666</u>

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay.

8. LITIGATION AND CLAIMS

The Bienville Parish Library is not involved in any litigation at December 31, 2014, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2014

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes - ad valorem	\$1,350,000	\$1,493,788	\$143,788
Intergovernmental revenues:			
State revenue sharing	24,582	25,259	677
Other state grants	4,000	21,875	17,875
Fines and forfeitures	20,000	23,936	3,936
Use of money and property - interest earnings	10,000	31,067	21,067
Other revenues	11,000	5,532	(5,468)
Total revenues	<u>1,419,582</u>	<u>1,601,457</u>	<u>181,875</u>
EXPENDITURES			
Culture and recreation:			
Current			
Personal services and related benefits	562,916	579,569	(16,653)
Operating services	312,500	178,592	133,908
Materials and supplies	85,000	38,486	46,514
Travel and other charges	26,000	10,045	15,955
Capital outlay	358,166	113,960	244,206
Intergovernmental	45,000	46,236	(1,236)
Total expenditures	<u>1,389,582</u>	<u>966,888</u>	<u>422,694</u>
EXCESS OF REVENUES OVER EXPENDITURES	30,000	634,569	604,569
FUND BALANCE AT BEGINNING OF YEAR	<u>2,100,000</u>	<u>3,591,263</u>	<u>1,491,263</u>
FUND BALANCE AT END OF YEAR	<u><u>\$2,130,000</u></u>	<u><u>\$4,225,832</u></u>	<u><u>\$2,095,832</u></u>

See accompanying note to budgetary comparison schedule.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2014

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

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

**Bienville Parish Library
Employee Health Care Plan
December 31, 2014**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2010	\$0	\$468,237	\$468,237	0.00%	\$279,913	167.28%
December 31, 2013	\$0	\$360,438	\$360,438	0.00%	\$469,530	76.77%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB Codification Section P50 were implemented starting with the year ended December 31, 2011, only two valuations are available. Additional information will be added after each of the next valuation. Subsequent to that, information will be presented for the latest three valuations.

BIENVILLE PARISH LIBRARY
Arcadia, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2014

PEGGY WALLS, DIRECTOR

PURPOSE	AMOUNT
Salary	\$61,916
Benefits-insurance	1,902
Benefits-retirement	9,907
Travel	1,629
Housing and lodging	1,142
Registration fees	450
Meals	193
Total	<u>\$77,139</u>

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

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

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

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

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bienville Parish Library, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the Bienville Parish Library's basic financial statements, and have issued my report thereon dated June 2, 2015.

Internal Control Over Financial Reporting

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

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

BIENVILLE PARISH LIBRARY

Arcadia, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 2014

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Bienville Parish Library's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 2014-001 in the accompanying schedule of findings and questioned costs..

Purpose of this Report

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



West Monroe, Louisiana

June 2, 2015

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Bienville Parish Library.
2. One instance of noncompliance material to the financial statements of the Bienville Parish Library was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2014-001 Need to Comply With LRS 33:2955(A)(1)(d)(i) Investments

Finding: The library did not comply with the Investment laws at LSA-R.S. 33:2955(A)(1)(d)(i) which states, among other things, that the library is authorized and directed to invest in time certificates of deposit of any bank domiciled or having a branch in Louisiana. Attorney General Opinion 13-0199 states that " 33:2955(A)(1)(d)(i) does not authorize political subdivisions to purchase brokered CDs from a broker or brokerage firm". The library purchased five certificates of deposit totaling \$2,250,000 from states other than Louisiana through Wells Fargo Advisors. The maturity dates range from 6 months to 10 years.

Recommendation: I recommend that the library purchase certificates of deposit from financial institutions domiciled or having a branch in Louisiana. The library should research investment requirements and comply with investment statutes.

BIENVILLE PARISH LIBRARY
Arcadia, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2014

13-01 **Finding:** The library did not comply with the Local Government Budget Act.

Recommendation: I recommend that the library publish a notice, at least ten days prior to the date of the public meeting, stating that the proposed budget is available for public inspection

Status: This finding has been corrected..

BIENVILLE PARISH LIBRARY

2768 Maple Street • Arcadia, LA 71001

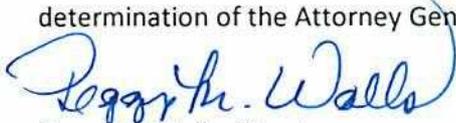
June 2, 2015

Legislative Auditor's Office

Dear Mr. Purpera,

Our understanding was that it was permissible to invest with a financial institution domiciled in the State of Louisiana or with a branch office within the State of Louisiana. We invested in Wells Fargo during 2014 with a branch office in Ruston, Louisiana. They invested our money in CD's in financial institutions outside of Louisiana.

We are in the process of requesting an Attorney General's opinion and will comply with the determination of the Attorney General's opinion with these funds and any investments in the future.



Peggy M. Walls, Director