JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Control
Jefferson Davis Parish Library
Jennings, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Library, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish 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 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund information of the Jefferson Davis Parish Library, as of December 31, 2018, 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

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 27 to 28 and the required supplementary information entitled Additional Pension/ Retirement Information on pages 29 to 31 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.

Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* I have also issued my report dated June 27, 2019 on my consideration of Jefferson Davis 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 results of that testing, and not to provide an opinion on the 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 Jefferson Davis Parish Library's internal control over financial reporting and compliance.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 27, 2019

BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH LIBRARY
Governmental Funds Balance Sheet / Statement of Net Position
December 31, 2018 **Statement A**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	38,517		38,517
Investments	850,450		850,450
Receivables:			
Due from other governments:			
Property taxes	1,109,464		1,109,464
State revenue sharing	20,134		20,134
Prepaid Expenses	12,116		12,116
Capital assets:			
Land and construction in progress	-	238,230	238,230
Exhaustible capital assets, net of depreciation		2,432,633	2,432,633
Other Long-term assets:			-
Net Pension asset		45,175	45,175
Total Assets	2,030,681	2,716,038	4,746,719
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow amounts on pension	-	104,303	104,303
Total Deferred Outflows of Resources	-	104,303	104,303
LIABILITIES			
Accounts payable	14,724		14,724
Payroll and related liabilities	14,086		14,086
Compensated absences		6,744	6,744
Total Liabilities	28,810	6,744	35,554
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	1,263,475		1,263,475
Deferred state revenue sharing revenue	30,202		30,202
Deferred inflow amounts on pension		133,896	133,896
Total Deferred Inflows of Resources	1,293,677	133,896	1,427,573
FUND BALANCE			
Nonspendable-prepaid expense	12,116	(12,116)	-
Unassigned	696,078	(696,078)	-
Total Fund Balance	708,194	(708,194)	-
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	$ 2,030,681		
NET POSITION			
Investment in capital assets		2,670,863	2,670,863
Unrestricted		717,032	717,032
Total Net Position		$ 3,387,895	3,387,895

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2018 **Statement B**

Total Ending Fund Balances - Governmental Funds (Statement A)			$ 708,194
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial			
Costs of capital assets	$	4,865,354	
Accumulated depreciation		(2,194,491)	2,670,863
Other long-term assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Other long-term assets at year-end consist of:			
Net pension asset		45,175	
			45,175
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:			
Compensated absences payable	$	(6,744)	
			(6,744)
Deferred outflow and inflow of resources asscoiated with pension and retirement are not current financial resources or uses and therefore are not reported in the governmental funds.			
Deferred outflows-pension	$	104,303	
Deferred inflows-pension		(133,896)	(29,593)
Net Position			$ 3,387,895

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2018 **Statement C**

	General Fund	Adjustments	Statement of Activities
EXPENDITURES/ EXPENSES			
Current			
Culture and Recreation-Library Services:			
Salaries and related benefits	$ 573,323	3,070	576,393
Operating services	278,620		278,620
Materials and supplies	47,727		47,727
Travel and other charges	15,672		15,672
Deduction from property taxes	38,647		38,647
Depreciation expense		152,281	152,281
Capital outlay	293,838	(293,838)	-
Total Expenditures / Expenses	1,247,827	(138,487)	1,109,340
PROGRAM REVENUES			
Fees, fines and other charges for service	19,272		19,272
Operating grants and contributions	45,873		45,873
Total Program Revenues	65,145	-	65,145
Net Program Expenses			(1,044,195)
GENERAL REVENUES			
Property taxes, levied for general purposes	1,247,163	(2,534)	1,244,629
State revenue sharing	30,283		30,283
Interest earnings	22,276		22,276
Miscellaneous	2,616	-	2,616
Total General Revenues	1,302,338	(2,534)	1,299,804
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	119,656	(119,656)	-
CHANGE IN NET POSITION		255,609	255,609
FUND BALANCE / NET POSITION:			
Beginning of the Year	588,538	2,543,748	3,132,286
End of the Year	$ 708,194	2,679,701	3,387,895

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018 **Statement D**

Total Net Change in Fund Balance - Governmental Funds (Statement B)		$ 119,656
Amounts reported for governmental activities in the statement of activities are different because:		
In statement of activities pension expense is based on proportionate share computation based on changes in total net pension liability, and in governmental funds pension expense is measured by the amount of financial resources used (essentially employer contribution paid).		(4,711)
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 depreciation expense exceeds capital outlays in the period:		
Depreciation expense	(152,281)	
Capital outlays	293,838	141,557
In the statement of activities, certain operating expenses - compensated absences (vacations and other 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):		
Change in compensated absences payable		(893)
Change In Net Position of Governmental Activities		$ 255,609
		-

The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

The Jefferson Davis Parish Library (Library) was established by the parish governing authority under the provisions of Louisiana Revised Statue 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 that 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 pay. The Library operates through four facilities in Jefferson Davis Parish. The main facility is in Jennings, and others are located in Elton, Welsh, and Lake Arthur. The library has approximately twenty employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the 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 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.

B. REPORTING ENTITY

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Jefferson Davis Parish Police Jury, which holds the library's corporate powers. For this reason, the Library is a component unit of the Jefferson Davis 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 of the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial 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.

D. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B 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 revenue, 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 Library operations.

The amounts reflected in the General Fund of Statements A and B 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 recognized as revenue in the period for which levied, thus the 2017 property taxes which are being levied to finance the 2017 budget will be recognized as revenue in 2018. The 2018 tax levy has been recorded as deferred revenue in the Library's 2018 financial statements. Charges for services are recorded when earned since they are measurable and available. Fines, forfeitures, and miscellaneous revenues are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received. Grant revenues are recognized at the time the Library is entitled to the funds. Interest income represents amounts earned on deposits and investments with financial institutions. Interest earned is recorded when earned and available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for vacation leave, which is recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Library as a whole. These statements include all the financial activities of the Library. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.*

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

E. INVESTMENTS

Investments are limited by Louisiana Revised Statue (R.S.) 33:2955. The Library does not have a formal investment policy, but does adhere to State laws regarding allowable investments.

State statutes authorize the Library to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit 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.

The Library participates in the LAMP which is an external investment pool that is not SEC-registered. Because LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

Investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc, 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

F. ACCOUNTS RECEIVABLE

The financial statements for the Library contain an allowance for uncollectible accounts of $16,642. Uncollectible amounts for ad valorem taxes are estimated and recognized as bad debts based on historical trends and amounts for other receivables are recognized at the time information becomes available which would indicate the collectability of the particular receivable.

G. PREPAID EXPENSES

Prepaid items are recorded as assets on the balance sheet and statement of net position. The Library uses the consumption method to recognize these items as expenses in the period in which the service applies or the goods are utilized.

H. CAPITAL ASSETS

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets, except the library collections, purchased or acquired with an original cost of $1,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The library collection is valued at historical cost. Library collection items disposed of are accounted for at 100% of the average cost of the item. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and building improvements	40 years
Furniture and fixtures	5 – 12 years
Vehicles	5 years
Library Collections	7 years

I. NON-CURRENT LIABILITIES

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Fund Financial Statements

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

Government-wide Financial Statements

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligation consists of net pension liability.

J. COMPENSATED ABSENCES

All full-time staff members accrue vacation leave on January 1 of each year for work performed during the previous 12 months. One-half of the vacation leave earned each year may be carried forward. All fulltime employees receive 10 days of vacation. All employees who work 5 cumulative years will be given an additional day of vacation each anniversary of employment until the employee reaches a maximum of 20 days of vacation. Part time employees working half time or more on a regular schedule receive the same proportionate vacation allowance as is given full time staff employees. Employees working less than half time or on a temporary basis receive no vacation time. Employees are allowed one day sick leave per month and may accumulate up to 60 days of sick leave. Upon termination of employment, employees may be paid for accumulated unused vacation leave.

Vacation and compensatory time that is expected to be liquidated with expendable available financial resources is reported as expenditures and a fund liability in the fund financial statements. The amount not expected to be paid with current resources is not reported in the fund financial statements. The entire compensated absence liability is reported in the government-wide financial statements.

K. PENSION/ RETIREMENT SYSTEM

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (PERS), and additions to/deductions from PERSs' and fiduciary net position have been determined on the same basis as they are reported by PERS. PERS's fiduciary net position was determined using the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. DEFERRED OUTFLOW/ INFLOWS OF RESOURCES

In addition to assets the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. All of the items that qualify for reporting in this category are related to pension amounts. See pension/ retirement footnote for further details of these items. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

In the current year, this separate financial statement element reflects an increase in net assets that applies to a future period. Deferred inflow of resources reported in the accompanying statements relate to property tax revenues and state revenue sharing revenues assessed in 2018, but levied to finance the Library's 2019 expenditures. The Library will not recognize the related revenues until 2019. Additionally, items related to pension amounts qualify for reporting in this category. See pension/ retirement footnote for further details of these items.

M. FUND EQUITY

Fund Financial Statements

Governmental funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance- This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance- These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the organization's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance- This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance- This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Library's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Library's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Government-wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Equity on the government-wide financial statements is classified as net position and displayed in three categories:

Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by the balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Library's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – Consists of all other net position that does not meet the definition of the above two components and is available for general use by the Library.

When both restricted and unrestricted net position are available for use, it is the Library's policy to use restricted net position first, then unrestricted net position as they are needed.

N. USE OF ESTIMATES

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

2. LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide tax	5.78	5.78	2018

Property taxes are levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Jefferson Davis Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date which is usually in June. Properties for which taxes have not been paid are sold for the amount of the taxes. Taxes levied November 1, 2017 and the related state revenue sharing is for budgeted expenditures in 2018 and will be recognized as revenue in 2018.

3. DEPOSITS AND INVESTMENTS

Bank Deposits

The year end balances of deposits are as follows:

Deposit Type		Bank Balances		Reported Amount
Cash –on hand	$	-	$	624
Cash -demand deposits		38,939		37,893
Totals	$	38,939	$	38,517

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.

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of December 31, 2018 the Library had deposits (collected bank balances) totaling $38,939. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the Library.

Investments

At December 31, 2018, the Library had the following investments and maturities:

Investment Type		Fair Value		Investment Maturities (in Years) Less Than 1
Louisiana Asset Management Pool (LAMP)	$	850,450	$	850,450
Totals	$	850,450	$	850,450

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. LAMP is rated AAAm by Standard & Poor's.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments (to reset) is 35 days and (to final) is 91 days as of May 31, 2019.

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of cash on hand	$	624
Reported amount of deposits		37,893
Reported amount of investments		850,450
Total	$	888,967
Classified as:		
Cash	$	38,517
Investments		850,450
Total	$	888,967

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in capital assets is a follows:

	Balance Beginning	Additions	Dispositions/ Reclassifica-tions	Balance Ending
Capital assets not being depreciated:				
Land	$ 118,363	$ -	$ -	$ 118,363
Construction in progress	-	119,867	-	119,867
Total capital assets not being depreciated	118,363	119,867	-	238,230
Capital assets being depreciated:				
Buildings and improvements	2,756,248	94,763	-	2,851,011
Furniture and equipment	407,071	24,267	(20,598)	410,740
Vehicles	185,766	-	-	185,766
Library collections	1,201,363	54,941	(76,697)	1,179,607
Total capital assets being depreciated	4,550,448	173,971	(97,295)	4,627,124
Less accumulated depreciation for:				
Buildings and improvements	641,142	64,057	-	705,199
Furniture and equipment	320,355	23,066	(19,839)	323,582
Vehicles	185,766	-	-	185,766
Library collections	992,242	64,399	(76,697)	979,944
Total accumulated depreciation	2,139,505	151,522	(96,536)	2,194,491
Total capital assets being depreciated, net	2,410,943	22,449	(759)	2,432,633
Capital assets, net	$ 2,529,306	142,316	(759)	2,670,863

5. PENSION PLAN

General Information about the Pension Plan

The employer pension schedules for the Parochial Employees' Retirement System of Louisiana are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description and Eligibility Requirements
The Parochial Employees' Retirement System of Louisiana (PERS) is a cost-sharing multiple-employer defined benefit pension plan established by R.S. 11:1901 of the Louisiana Revised Statues (Act 205 of the 1952 regular session of the Legislature of the State of Louisiana) to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

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, justices of the peace and parish presidents may no longer join the Retirement System.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Library only participates in Plan A, as of December 31, 2018.

PERS is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana. PERS issues a publicly available financial report that can be obtained at www.persla.org.

Benefits Provided
The following is a description of the plan and its benefits and is provided for general informational purposes only. PERS provides normal retirement, survivor's benefits, deferred retirement option (DROP), and disability benefits. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits:

A. Normal Retirement

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.

Any member of Plan B can retire providing he/she meets one of the following criteria:
For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. 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.

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

B. 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.

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

C. 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 or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (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 the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan 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 this Plan 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 the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

D. 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.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was 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 B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

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. (RS 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.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A and 6.75% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2018 was 11.5% for Plan A and 8.00% for Plan B.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. The Library recognized $7,059 of non-employer contributions.

The Library's contractually required employer contribution rate for the year ended December 31, 2018 was 11.5% of annual covered wages. Employer contributions to the pension plan from the Library were $46,949 for the year ended December 31, 2018.

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

At December 31, 2018, the Library reported an asset of $45,175 for its proportionate share of the Net Pension Asset. The Net Pension Asset was measured as of December 31, 2017 and the total pension liability 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 Asset 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, 2017, the Library's proportion was .060863%, which was a decrease of .000348% points from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Library recognized pension expense of $57,198 plus/(less) employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $(1,012).

At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ -	$ 29,243
Net difference between projected and actual earnings on pension plan investments	-	104,368
Changes of Assumptions	57,018	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	336	285
Employer contribution subsequent to the measurement date	46,949	-
Total	$ 104,303	$ 133,896

Deferred outflows of resources of $46,949 related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as an adjustment of the Net Pension (Liability) /Asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended June 30:	
2019	$ 7,019
2020	(7,010)
2021	(35,186)
2022	(41,365)
Thereafter	-

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being 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. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

Actuarial Methods and Assumptions

The net pension asset was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

Valuation Date	December 31, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Expected Remaining Service Lives	4 years
Investment rate of return	6.75% net of investment expenses, including inflation
Projected salary increases	5.75% (2.75% Merit/2.50% Inflation)
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.
Mortality	RP-2000 Employee Sex Distinct Tables were selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disable Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 6.75% for Plan A and 6.75% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/ asset.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the participating employers as of December 31, 2017 calculated using the discount rate of 6.75%, as well as what the employers' net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

Plan A:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 222,731	$ (45,175)	$ (283,728)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS December 31, 2017 Annual Financial Report at www.persla.org.

Payables to the Pension Plan

As of December 31, 2018, the Library owed $0 in legally required contributions to PERS.

6. LONG-TERM OBLIGATIONS

The Library did not have any long-term obligations as of December 31, 2018, except for net pension liability as described in Note 5.

7. LITIGATION AND CLAIMS

At December 31, 2018, the Library is not involved in any litigation and is not aware of any pending claims.

8. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Library carries commercial insurance to cover all of these risks except theft. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. ON-BEHALF PAYMENTS FOR FRINGE ENEFITS AND SALARIES

Retirement plan payments in the amount of $7,059 were made by the Sheriff, acting in his capacity as Ex Officio Tax Collector, to The Parochial Employees' Retirement System of Louisiana on behalf of the Board. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to The Parochial Employees' Retirement System of Louisiana on behalf of the Board. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24. *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

10. Leases

The Library leases nine copier machines and one digital mailing machine under noncancelable operating leases requiring minimum annual rentals of $14,249 in 2018. Future minimum rental payments due under these leases are as follows:

Year Ending June 30,	Amount
2019	14,238
2020	12,164
2021	7,253
2022	249
2023	-
	$ 33,904

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH LIBRARY
GOVERNMENTAL FUND - GENERAL FUND **Schedule 1**
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Final Budget Positive (Negative)
REVENUES				
Fees, fines and other charges for service	$ 16,850	18,855	$ 19,272	$ 417
Ad valorem taxes	1,162,860	1,132,500	1,247,163	114,663
State revenue sharing	30,390	30,390	30,283	(107)
Other grants	46,356	45,306	45,873	567
Interest earned	8,000	20,000	22,276	2,276
Miscellaneous	2,000	2,250	2,616	366
Total Revenues	1,266,456	1,249,301	1,367,483	118,182
EXPENDITURES				
Culture and recreation:				
Salaries and related benefits	630,344	565,420	573,323	(7,903)
Operating services	283,965	321,635	278,620	43,015
Materials and supplies	45,375	42,175	47,727	(5,552)
Travel and other charges	15,000	10,000	15,672	(5,672)
Deduction from ad valorem taxes	38,000	38,647	38,647	-
Capital outlay	412,926	391,391	293,838	97,553
Total Expenditures	1,425,610	1,369,268	1,247,827	121,441
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(159,154)	(119,967)	119,656	239,623
FUND BALANCES BEGINNING OF YEAR	520,056	520,056	588,538	68,482
FUND BALANCES END OF YEAR	$ 360,902	$ 400,089	$ 708,194	$ 308,105

See accompanying note to budgetary comparision schedule.

JEFFERSON DAVIS PARISH LIBRARY
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2018

A. BUDGETARY PRACTICES

General Budget Practices The Jefferson Davis Parish Library follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the Jefferson Davis Parish Library is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the Library's Director develops a proposed annual budget for the general fund. The budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a board meeting in order to obtain public input. The budget is subsequently adopted by the Board through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Board of Control.

Budget Basis of Accounting The governmental fund budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Library cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Library to amend the budget to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Fund	Final Budget	Actual	Unfavorable Variance
None	$	$	$

Schedule 2

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2018*

Parochial Retirement System of Louisiana:

Plan A:

Year Ending December 31st	Employer's proportion of net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.060863%	$(45,175)	$374,623	-12.06%	101.98%
2017	0.061211%	126,065	362,845	34.74%	94.15%
2016	0.061963%	163,104	355,266	45.91%	92.23%
2015	0.073283%	20,036	392,686	5.10%	99.15%

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

*The amounts presented have a measurement date of the previous fiscal year end. Note that the Library did not participate in Plan B during the current fiscal year.

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer Contributions
For the Year Ended December 31, 2018

Parochial Retirement System of Louisiana:

Plan A:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	$46,949	$46,949	-	$408,251	11.50%
2017	46,828	46,828	-	374,623	12.50%
2016	47,170	47,170	-	362,845	13.00%
2015	51,514	51,514	-	355,266	14.50%

Additional Comments - Note that the Library did not participate in Plan B during the current fiscal year.

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

Schedule 4

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

Parochial Retirement System of Louisiana:

Plan A:

Changes of Benefit Terms: None.

Changes of Assumptions: None.

Additional Comments - Note that the Library did not participate in Plan B during the current fiscal year.

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON DAVIS PARISH LIBRARY
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018 **Schedule 5**

Agency Head Name: Linda LeBert Corbello

Salary	$	70,660
Benfits- insurance		5,633
Benefits- retirement		8,126
Benefits- Medicare		927
Benefits-Southern Life Insurance		252
Benefits-Worker Compensation Insurance		184
Travel		281
Registration fees		330
	$	86,393

OTHER REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

Mike B. Gillespie

Certified Public Accountant
A Professional Accounting Corporation

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

Board of Control
Jefferson Davis Parish Library
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Library (Library), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued my report thereon dated June 27, 2019.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the 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 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 27, 2019

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Jefferson Davis Parish Library.
2. No significant deficiencies were disclosed during the audit of the financial statements and reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the Jefferson Davis Parish Library, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. Since the Jefferson Davis Parish Library did not require a Single Audit, a report on significant deficiencies conditions concerning internal control over major federal award programs was not applicable.
5. Since the Jefferson Davis Parish Library did not require a Single Audit, an auditor's report on compliance for the major federal award programs was not applicable.
6. Since the Jefferson Davis Parish Library did not require a Single Audit, a report of audit findings relative to the major federal award programs was not applicable.
7. A management letter was not issued.
8. The programs tested as major programs included:

CFDA No.	Program Name
Not applicable	Not applicable

9. The threshold used for distinguishing between Type A and B federal award programs was not applicable.
10. A statement as to whether the auditee qualified as a low-risk auditee under OMB Circular Q-133 was not applicable.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS

No findings reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
MANAGEMENT'S STATUS OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2018

SECTION I –INTERNAL CONTROL AND COMPLIANCE FINDINGS

2017-1 Internal Control Deficiency in Operation – Purchase Order Policy

Criteria/Specific Requirement: Written purchase order policy was not followed on some purchases during the year.

Recommendation: Management should review the established written purchase order policy and implement a periodic monitoring of compliance with this policy.

Management's response: Management agrees with the finding and has implemented a new threshold limit for the purchase order policy. Management is also periodically monitoring the compliance of this policy. This finding is considered resolved.

SECION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

SECTION III –MANAGEMENT LETTER

No findings reported.

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THIS REPORT HAS BEEN PREPARED BY MANAGEMENT

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2018

SECTION I –INTERNAL CONTROL AND COMPLIANCE FINDINGS

No findings reported.

SECION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

SECTION III –MANAGEMENT LETTER

No findings reported.

* * * * *

THIS REPORT HAS BEEN PREPARED BY MANAGEMENT

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCREDURES

To the Board of Control,
Jefferson Davis Parish Library
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Jefferson Davis Parish Library (Library) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

   Finding: Written policies and procedures were obtained that address the functions noted above.

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

   Finding: Written policies and procedures were obtained that address functions noted above.

   c) ***Disbursements***, including processing, reviewing, and approving

   Finding: Written policies and procedures were obtained that address the functions noted above.

   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Finding: Written policies and procedures were obtained that address the functions including receiving, recording, and preparing deposits, but do not specifically address management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Finding: Written policies and procedures were obtained that address the functions noted above.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Finding: Written policies and procedures were obtained that address the functions noted above.

g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Finding: With the exception of fuel cards, written policies and procedures pertaining to credit cards were obtained that address the functions noted above.

h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Finding: Written policies and procedures were obtained that address the functions noted above.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Finding: Written policies and procedures were obtained that address the functions noted above.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Finding: Written policies and procedures were obtained that address the functions noted above.

Collections

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

   Finding: Obtained listing of the deposit sites and management's representation that the listing is complete.

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

Finding: Obtained listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location from the one deposit site of the entity, obtained and inspected written policies and procedures relating to employee job duties for the collection location, and observed that job duties are properly segregated at the collection location for the following functions listed below.

a) Employees that are responsible for cash collections do not share cash drawers/registers.

Finding: No exceptions noted.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Finding: No exceptions noted.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Finding: No exceptions noted.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Finding: No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding: Inquired with management and observed insurance documentation to confirmed that all employees who have access to cash are covered by an insurance policy for theft.

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

Finding: Procedure #3 "Bank Reconciliations" was excluded from current year testing. However, we still included the "Bank Reconciliations" sample selection procedures for procedure #7 "Collections". W obtained a listing of client bank accounts for the fiscal period and management's representation that the listing is complete. Selected the entity's only bank account (operating account) and randomly selected one month from the fiscal period. Then we randomly selected two deposit dates from the selected month, obtained supporting documentation for each of the two deposits, and tested for the following procedures listed below.

a) Observe that receipts are sequentially pre-numbered.

Finding: Exception. Client does not use sequentially pre-numbered receipts.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding: With the exception, of being unable to trace sequentially pre-numbered receipts. We traced systems reports and other related collection documentation to the deposit slip without exception.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Finding: No exceptions noted.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).

Finding: Exceptions.

Deposit #1 totaling $197 was comprised of fifteen daily collection receipts collected from four different collection locations. All fifteen collections were not deposited within one business day of receipt at the collection location.

Deposit #2 totaling $428 was comprised of twenty-three daily collection receipts collected from four different collection locations. All twenty-three collections were not deposited within one business day of receipt at the collection location.

e) Trace the actual deposit per the bank statement to the general ledger.

Finding: No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards: This Section is Not Applicable

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

   Finding: A listing of all active credit cards and fuel cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards and management's representation that the listing is complete was obtained.

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

   Finding: We randomly selected five cards that were used during the fiscal period from the listed prepared by management, randomly selected one monthly statement for each card, obtained supporting documentation, and tested for the following functions listed below.

   a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

   Finding: No exceptions noted.

   b) Observe that finance charges and late fees were not assessed on the selected statements.
   Finding: Not applicable.

10. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to

testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding: Using the monthly statements we randomly selected under #12 above, excluding fuel cards, we selected all transactions (all transactions if less than 10) from each statement, obtained supporting documentation for all transactions. We observed that each transaction was supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only) without exception.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

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

    Finding: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. We randomly selected five reimbursements, obtained related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation and observed for the following functions listed below.

    a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

       Finding: No exceptions noted.

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

       Finding: No exceptions noted.

    c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

       Finding: No exceptions noted.

    d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

       Finding: No exceptions noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Mike B. Gillespie, CPA, APAC

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 27, 2019