LIVINGSTON PARISH LIBRARY COMMISSION LIVINGSTON, LOUISIANA

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2019

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#### INDEPENDENT AUDITOR'S REPORT

# **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Livingston Parish Library Commission (a component unit of the Livingston Parish Council, Louisiana), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Livingston Parish Library Commission's basic financial statements as listed in the table of contents.

# Management's Responsibility for the Financial Statements

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

# Auditor's Responsibility

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

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

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

# Opinions

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

#### INDEPENDENT AUDITOR'S REPORT (continued)

#### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, Schedule of Livingston Parish Library Commission's Proportionate Share of the Net Pension Liability, and the Schedule of Livingston Parish Library Commission's Contributions on pages 3-9 and pages 36-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express and opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Parish Library Commission's basic financial statements. The accompanying schedules listed as Other Supplemental Information in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation Paid to Board Members and the Schedule of Compensation, Benefits and Other Payments made to the Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2020 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Baxley & Associates, LLC

Plaquemine, Louisiana June 5, 2020 MANAGEMENT'S DISCUSSION AND ANALYSIS

#### General Information

The Livingston Parish Library Commission (Library) is a public library system established in 1946 to assemble, organize, maintain, and make easily available a collection of books and other materials to provide for the recreational, informational, and educational needs of the citizens of the parish of Livingston.

The Livingston Parish Library Commission is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards are more fully described in Footnote 1 - *Summary> of Significant Accounting Policies*.

The Management's Discussion and Analysis (MD&A) for the Library, offers readers of the Library's financial statements a narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2019. This MD&A is designed to provide an objective and easy to read analysis of the Library's financial activities based on currently known facts, decisions, or conditions.

The Library's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Livingston Parish Library Commission's financial activity, (c) identify changes in the Library's financial position, (d) identify any significant variations from the Library's financial plan, and (e) identify individual fund issues or concerns.

Since MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Library's financial statements, which follow this section.

#### **Financial Highlights**

- At December 31, 2019, the Library's government wide assets of \$18,630,253 exceeded its liabilities by \$17,712,888 (net position). Of this amount, \$8,625,576 (unrestricted net position) may be used to meet the Library's ongoing obligations at its discretion and the balance of \$9,087,212 represents its net investment in capital assets.
- Ad Valorem taxes reflect a 10-year, 10.00 mill tax approved by the voters in 2014. The ad valorem tax expires in 2024. The millage resulted in \$5,619,203 in revenue for current year ad valorem taxes. This was an increase of \$321,418 from 2018 ad valorem tax revenue of \$5,297,785.
- Total revenue for 2019 was \$6,036,893 as compared to the 2018 total of \$5,678,440, a \$358,453 increase. This revenue includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for photocopies and faxes, fines, donations, federal emergency post-flood recovery funding, and miscellaneous fees.
- On the fund financial statements, library expenditures for 2019 increased by \$443,793 from \$5,156,652 in 2018 to \$5,600,445 in 2019. This increase is largely due to expenses in salaries and benefits.

#### **Overview of the Annual Financial Report**

The financial statement focus is on both the Library as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Library's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Library's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary' information in addition to the basic financial statements.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Library's assets and liabilities using the accrual basis of accounting, in a similar manner to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, increases and decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The Statement of Activities presents information showing how the Library's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Library's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Library's activities are a single type:

Governmental activities - All of the Library's basic services are reported here and are financed primarily by ad valorem tax revenue.

The government-wide financial statements include only the Livingston Parish Library Commission (a component unit of the Livingston Parish Council) and can be found on pages 11 and 12.

# **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Library uses one category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for all of the Library's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the Library's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. The fund financial statements begin on page 13 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Library's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 13 and 15.

#### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the government-wide and fund financial statements. The notes to the financial statements can be found beginning on pages 16 of this report.

#### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Library's net position for the current year as compared to the prior year. For more detailed information on the current fiscal year, see the Statement of Net Position on page 11 of this report.

#### Condensed Statement of Net Position 2019 and 2018

#### **Governmental Activities**

	2019	2018
Assets:		
Current and Other Assets	\$9,543,026	\$8,663,362
Capital Assets	9,087,212	9,440,861
Other Non-Current Assets	15	15
Net Pension Asset	(445,776)	201,284
Total Assets	18,630,253	18,305,522
Deferred Outflows - Pension	585,441	249,164
Liabilities:		
Long-Term Debt Obligations	98,424	67,025
Other Liabilities	856,457	413,241
Total Liabilities	1,400,657	480,226
Deferred Inflows - Pension	102,149	345,514
Net Position:		
Net Investment in Capital Assets	9,087,212	9,440,861
Unrestricted	8,625,576	8,288,045
Total Net Position	\$17,712,888	\$17,728,906

The Library's assets at December 31, 2019, exceeded liabilities by \$17,712,888 (net position), with the Library reporting positive balances in both categories of net position. Of the total net position, \$8,625,676 is Unrestricted Net position. The balance of net position includes a total of \$9,087,212 in net investment in Capital Assets, consisting of the Library's net investment in library equipment and vehicles, books, and facilities' improvements. The Investment in Capital Assets matches the amount recorded for Capital Assets (net of depreciation) since the Library has not incurred, and applicable statutes prohibit, the Library from incurring, long-term debt.

The largest components of the "Current and Other Assets" category are investments totaling \$2,840,011, consisting of funds in certificates of deposit, and receivables consisting primarily of an ad valorem tax receivable of \$5,424,159 and state revenue sharing receivable of \$58,060.

Current Liabilities, totaling \$856,457 consist primarily of accounts payable, payroll related liabilities, and deductions from property tax distributions for pension fund obligations.

# Condensed Statement of Changes in Net Position for the years ended December 31, 2019 and 2018

#### **Governmental Activities**

Governmental Activities				
	2	019	2	018
Revenues:				
Program revenues:				
Charges for services	\$ 79,069		\$ 90,690	
Operating grants and contributions		5,026		16,775
General Revenues:				
Ad Valorem Taxes		5,619,203		5,297,785
State Revenue Sharing		173,194		173,364
Interest Income		120,097		36,346
Donations		3,094		7,940
Miscellaneous		37,210		75,586
Gain on Sale of Assets		-		-
Total Revenues	\$ 6,036,893		\$ 5,698,756	
Program Expenses:				
Library Services		6,074,557		5,173,572
Total Expenses		6,074,557		5,173,572
Change in Net Position		(16,018)		525,184
Beginning Net Position		17,728,906		17,203,722
Ending Net position	\$ 17,712,888		\$ 17,728,906	

The major component of Program Revenues, totaling \$79,069, consists of charges for fines and fees at branch library locations. The General Revenue sources are: ad valorem taxes totaling \$5,619,203, state revenue sharing totaling \$173,194, and interest earnings totaling \$120,097.

Library expenditures for 2019 totaled \$6,074,557, compared to \$5,698,756 in 2018, an increase due to

payroll, taxes, and benefits, increasing cost of repairs and maintenance, wider offerings of electronic databases, increased marketing efforts, and depreciation expense. **Fund Financial Analysis** 

As previously noted, the Library's only governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements can be found on pages 13 to 15 of this report. Within the fund statements, the Library recorded an excess of revenues over expenditures of \$436,448 resulting in a fund balance of \$8,686,584 at December 31, 2018. The reader of these financial statements should refer to Footnote 14 - Fund Balances for a description of how the Livingston Parish Library Commission Board of Control has planned in advance and designated funds for future projects and contingencies.

#### **Capital Assets**

The net investment in capital assets as of December 31, 2019 was \$9,087,212. The gross value of capital assets increased but the net value decreased due to depreciation expense. The following table provides a summary of the Library's capital assets at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

#### Capital Assets (Net of Depreciation) 2019 and 2018

<b>Governmental Activities</b>		
Capital Assets	2019	2018
Land	\$ 1,386,020	\$ 1,386,020
Library Collection	3,401,309	2,924,612
Building	8,627,424	8,478,871
Vehicles	282,241	282,241
Equipment and Furniture	1,202,424	1,164,629
Construction in Progress		
Subtotal Capital Assets	14,899,418	14,236,373.00
Less: Accumulated Depreciation	(5,812,207)	(4,795,573.00)
Capital Assets, Net	\$ 9,087,211	\$ 9,440,860.00

# Library collections of \$476,697 were recorded for the fiscal year ended, with \$0 of fully depreciated collections recorded for disposals. Other Furniture and Equipment, including data processing software, computers, and equipment primarily for the Livingston Parish Library and Library Administration Building, and other miscellaneous equipment and furniture purchases, was recorded for \$37,795. The Library also recorded \$148,553 in buildings and improvement.

#### **Budgetary Highlights**

The Library demonstrated legal compliance by adopting its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within

5% of budgeted revenues and other sources, and the Library's actual expenditures and other uses did not exceed budgeted expenditures and other uses by 5%.

#### New Accounting Pronouncements

The Library adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions, an Amendment to GASB Statement No. 27. The adoption of GASB 68 required substantial changes to the financial statements of the Library. The Library recognized a net pension liability as of the year ended December 31, 2016 and recognized deferred inflows and outflows based on changes in actual and projected experiences based on actuarial studies.

#### Conclusion

The Livingston Parish Library Commission's management approach is conservative. This is reflected in conformance to enacted budgets and in the efforts of the Library to control the level of expenditures. The Livingston Parish Library Commission is maintaining its level of service to the community by continuing to offer excellent programming and services to the public. The five library branches offer extended and convenient hours to serve patrons. The library has over one hundred fifty public computers available for library users, as well as extensive book, audio/video, periodical collections, and online databases. Enthusiastic staff members continue to develop successful programs to better serve the public, while continuing to offer regular programs, such as computer classes, programs for adults, children's programs and events.

The annual operations and maintenance budget enables the Library to provide building and ground maintenance, insurance, staffing, resources, and materials to continue serving the needs of Livingston Parish's citizens.

#### Contacting the Library's Financial Management

This financial report is designed to provide a general overview of the Livingston Parish Library Commission's finances. Questions regarding this report or requests for additional information should be addressed to the Giovanni Tairov, Library Director, Livingston Parish Library, P.O. Box 397, Livingston, LA 70754.

# **BASIC FINANCIAL STATEMENTS**

# LIVINGSTON PARISH LIBRARY COMMISSION STATEMENT OF NET POSITION DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,077,511
Investments	2,840,011
Receivables, net:	
Ad Valorem taxes	5,484,159
State revenue sharing	58,060
Other receivables	1,152
Prepaid insurance	74,707
Prepaid expense	7,426
Capital assets, net of accumulated depreciation	9,087,212
Utility deposits	15
Net pension asset	-
Total Assets	18,630,253
DEFERRED OUTFLOWS - PENSION	
Pension Related	585,441
LIABILITIES	
Accounts payable	69,426
Deferred revenue	408,677
Accrued salaries payable	118,198
Deductions from ad valorem taxes	223,189
Other accrued liabilities	8,888
Accrued vacation payable	28,079
Non Current Liabilities	
Pension	445,776
Accrued sick leave payable	98,424
Total Liabilities	1,400,657
DEFERRED INFLOWS - PENSION	
Pension Related	102,149
Net Position	
Net invested in capital assets	9,087,212
Unrestricted	8,625,676
TOTAL NET POSITION	\$ 17,712,888

# LIVINGSTON PARISH LIBRARY COMMISSION STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenues					
	Expenses		arges for ervices	Gra	erating ants and tributions	Re	t (Expenses) venues from Activities
Governmental Activities:						-	
Culture and Recreation							
Support Services							
Library	\$6,074,557	\$	79,069	\$	5,026	\$	(5,990,462)
Total Governmental Activities	\$6,074,557	\$	79,069	\$	5,026	\$	(5,990,462)

General Revenues:		
Ad valorem taxes		5,619,203
Intergovernmental revenue		173,194
Investment earnings		120,097
Other general revenues	_	61,950
Total General Revenues	-	5,974,444
Change in Net Position	\$	(16,018)
Net Position at Beginning of the Year		17,728,906
Net Position at End of the Year	\$	17,712,888

#### LIVINGSTON PARISH LIBRARY COMMISSION GOVERNMENTAL FUNDS COMBINED BALANCE SHEET DECEMBER 31, 2019

	Total Genera Fund	
ASSETS		
Cash and cash equivalents	\$	1,077,511
Investments		2,840,011
Receivables, net:		
Ad valorem taxes		5,484,159
State revenue sharing		58,060
Other receivables		1,152
Prepaid insurance		74,707
Prepaid expense		7,426
Utility deposits		15
TOTAL ASSETS	\$	9,543,041
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$	69,426
Deferred revenue		408,677
Accrued vacation payable		28,079
Accrued salaries		118,198
Other accrued liabilities		8,888
Deductions from ad valorem taxes		223,189
Total Liabilities		856,457
Fund Balance		
Nonspendable		82,133
Committed		3,678,000
Unassigned		4,926,451
Total Fund Balances	-	8,686,584
TOTAL LIABILITIES AND FUND BALANCES		
Amounts reported for governmental activities in the statement of net position	are different because	
Capital assets used in governmental activities are not financial resources	s and,	
therefore, are not reported in the funds.		9,087,212
Deferred Outflow		585,441
Long-term liabilities, including bonds payable, loans payable, and compensa payable in the current period and, therefore, are not reported in the governme		due and
Accrued sick leave		(98,424)

Net position of governmental activities	\$ 17,712,888
Deferred inflow	(102, 149)
Net pension asset	(445,776)
Accided sick leave	(00,464)

#### LIVINGSTON PARISH LIBRARY COMMISSION STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Total General Fund
REVENUES	
Ad valorem taxes	\$ 5,619,203
State revenue sharing	173,194
Fines and fees	79,069
State and Local grants	5.026
Federal funds	
Interest	120,097
Donations	3,094
Miscellaneous	37,210
TOTAL REVENUES	6,036,893
EXPENDITURES	
Personnel services:	
Salaries	2,537,109
Benefits	502,274
Payroll taxes	194,920
Operating services:	Linda A states
Advertising	50,594
Contracts, licenses and permits	87,502
Insurance	122,871
Professional services	131,274
Miscellaneous	35,363
Postage	4,841
Repairs and maintenance	344,061
Rentals	8,296
Software purchases	1,986
Telephone	16,663
Utilities	174,737
Travel	48,281
Library material and supplies:	
Databases	122,593
Library books and periodicals (non-capital)	212.020
Office supplies	82,212
Reading program	36,614
Intergovernmental expenditures	223,189
Capital outlays	663,045
TOTAL EXPENDITURES	5,600,445
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	436,448
FUND BALANCE, Beginning	8,250,136
FUND BALANCE, Ending	\$ 8,686,584

LIVINGSTON PARISH LIBRARY COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Net Change in fund balances - total governmental funds (page 14)		\$ 436,448
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.		
Non-employer contributions to cost-sharing pension plan		21,647
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of other reconciling items related to capital assets, which are also not recorded in governmental funds.		
Expenditures for capital assets	\$ 663,045	
Less: Current year depreciation	(1,016,694)	(353,649)
Pension expense		(89,065)
Compensated absences payable after one year are not recorded as an		
expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities.		(31,398)
Change in net position of governmental activities (page 12)		\$ (16,017)

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Livingston Parish Library Commission (Library) was created by the Livingston Parish Council, as provided by Louisiana Revised Statutes. The Library provides citizens of the parish access to library materials, books, magazines, recordings, and films. The Library is governed by a board of seven members, which are appointed by the Livingston Parish Council. The members of the board serve without pay. Primary financing is provided by ad valorem taxes and interest earned on investments.

The financial statements of the Library have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34*, established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Library Commission is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the Library.

# A. Governmental-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all nonfiduciary activities of the Library. For the most part the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Library does not have any business-type activities and reports only governmental activities. The Library has no component units.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments,* as amended by GASB statements described in the following paragraphs. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), a statement of activities, and statement of cash flows. The definition and composition of these statements, as originally defined in GASB statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Library has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the Library to be presented as a change in net position.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for financial statement periods ending after December 15, 2012, provided guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined Deferred Outflows of Resources as a consumption of net assets by the government that is applicable to a future reporting period, and Deferred Inflows of Resources as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement No. 4 identifies net position as a residual of all other elements presented in a statement of financial position. This Statement amended the net asset reporting requirement in Statement No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in Footnote I - Net Position and Fund Balance. As required by the GASB, the Library implemented GASB Statement No. 63 during the year ended December 31, 2012.

During the year ended December 31, 2012, the Library also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead of general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. The Library reports two funds: both governmental funds – the general fund and the capital projects fund.

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associates with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

The Library reports the following major fund:

#### **Major Fund**

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) program-specific operating grants and contributions; and 3) program-specific capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the Library considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. Deposits and Investments

The Livingston Parish Library Commission's cash and cash equivalents include cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Library may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the maturities are 90 days or less, they are classified as cash equivalents. Investments in the Library are reported at fair value.

#### D. Receivables and Revenue

Receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

#### E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Library did not have any inventory at December 31, 2019. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

# F. Restricted Assets

Certain amounts shown as governmental restricted assets are to be used for specified purposes, such as servicing general obligation bond debt and construction of capital assets. Such assets have been restricted by bond indenture, law, or contractual obligations. The Library did not have any restricted assets at December 31, 2019.

# G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated costs if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$1,200 or more for capitalizing vehicles, furniture, and equipment.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated Lives
4 to 7 years
5 years
5 to 10 years
40 years
5 years

The Library has adopted the policy that the library collection will be reported on a composite basis by making adjustments to total value to reflect increases or decreases in total value.

The costs of normal maintenance and repairs that to do not add to the value of the asset or materially extend asset lives are not capitalized.

#### H. Compensated Absences

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

Permanent employees of the Library earn between ten and fifteen days of vacation leave each year, depending on their length of service and job classification. Vacation time can be accumulated up to 40 hours at year-end. Any hours, in excess of this maximum amount must be taken by the end of the year or it is forfeited. Upon separation, employees are paid at their current rate of pay for accrued vacation leave. Employees earn between five and ten days of sick leave each year. Sick leave may be accumulated from year to year, but upon separation any accumulated sick leave is forfeited. However, any unused sick leave may be added to service time and credited to the employee at the time of retirement.

In accordance with GASB Statement No. 16, Accounting for Compensated Absences, unused employee sick leave has been accrued on the Statement of Net Position.

#### I. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments,* required reclassification of net position into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Net Investment in Capital Assets Component of Net Position The net investment in capital assets component of net position consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources should be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. Debt does not enter into the calculation of this category of net position since the Library cannot legally hold long-term indebtedness.
- Restricted Component of Net Position The restricted component of net position consists
  of restricted assets reduced by liabilities and deferred inflows of resources related to those
  assets. Generally, a liability relates to restricted assets if the asset results from a resource
  flow that also results in the recognition of a liability or if the liability will be liquidated with the
  restricted assets reported. As of December 31, 2019, the Library has no restricted net
  position.
- Unrestricted Component of Net Position The unrestricted component of net position is the net position amount of the assets, deferred outflows of resources, liabilities, deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Library adopted GASB 54 for the year ended December 31, 2011. As such fund balances of governmental funds are classified as follows:

- Nonspendable These are amounts that cannot be spent either, because they are in a
  nonspendable form or because they are legally or contractually required to be maintained
  intact.
- Restricted These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Library.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Assigned These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- Unassigned These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned for those purposes.

#### J. Ad Valorem Taxes

On April 23, 2005, voters of Livingston Parish originally approved a 10-year 10.00 mill ad valorem tax assessed on all property subject to taxation in Livingston Parish for the purpose of "acquiring, contracting, improving, maintaining, and operating the Livingston Parish Library." The original tax began with the year 2005 and ended with the year 2014. The tax was renewed by the votes and Livingston Parish Ordinance No. 14-08 was approved extending the levied tax through October 1, 2024.

Ad valorem taxes attach as an enforceable lien on property as of January 1<sup>st</sup> of each year. Taxes are levied in September or October and billed to taxpayers in November. Billed taxes become delinquent on January 1<sup>st</sup> of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Livingston Parish Library Commission's taxes are collected by the Livingston Parish Sheriff and are remitted to the Library monthly. The Library pays the Sheriff's Office a fee for this service. The following is a summary of authorized and levied ad valorem taxes.

IVI II	age Milla	age of Milla	AD
	) mills 10.00		

#### K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### L. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented within the governmental fund balance sheet of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented as the "Reconciliation of the Statement of Revenues and Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" of the basic financial statements.

#### M. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Library utilizes the following budgetary practices:

The Director prepares the annual budget, which is based on what is expected to be collected and/or levied during the fiscal year and is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Director to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved by the Board before payment.

The Library adopted a budget for the General Fund on the modified accrual basis each year in accordance with generally accepted accounting principles (GAAP). The budget for the fiscal year ended December 31, 2019 was legally adopted on November 20, 2018. The budget is monitored by the Board and amended as needed. The budget was amended for the fiscal year ended December 31, 2019 on November 25, 2019. Unexpended budget balances lapse at year-end.

#### NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2019, the Library has cash and cash equivalents (book balances) as follows:

	12/31/			
Demand deposits	\$	1,077,511		
Certificates of deposits held as investments (Note 4)		2,840,011		
	\$	3,917,522		

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.

# NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

At December 31, 2019, the Library had \$4,003,606 in deposits (collected bank balances) consisting of \$1,163,595 in demand deposits and \$2,840,011 in certificates of deposits held in banks and classified as investments. The demand deposits were secured from risk by \$250,000 of federal deposit insurance and the remaining \$3,753,606 was covered by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$3,753,606 was exposed to custodial credit risk because while the amount was secured by pledged securities, such securities were held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities were considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

Investments are categorized into these three categories of credit risk:

- 1. Insured or registered, or securities held by the Library or its agent in the Library's name
- Uninsured and unregistered with securities held by the counterparty's trust department or agent in the Library's name
- 3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Library's name

The Library held assets that qualified as investments consisting of certificates of deposits with a market value of \$2,840,011 within one local bank at December 31, 2019. All investments held by the Library fall into Category 1 credit risk above. In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and For External Investment Pools, all investments, when held, are carried at fair market value, with the estimated fair market value bases on quoted market prices.

Interest Rate Risk: The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

*Custodial Credit Risk – Deposits –* In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library invests in certificates of deposits that are backed by FDIC and pledged securities, and United States government securities. The Library has adopted the state investment policy at LA 49:327 and does not have any other policy that would further limit the investment choices. As of December 31, 2019, 100% of the Library's investment balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

Concentration of Credit Risk – The Library has no limits on the amount they may invest in any one issuer.

#### NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

At December 31, 2019, the Library held certificates of deposit, with an original maturity greater than 90 days, totaling \$2,840,011. These investments are stated on the balance sheet at market value and are as follows:

Descriptions	Cost	F	Fair Value	Maturity Date	Interest Rate
Certificates of Deposit	\$ 792,306	\$	792,306	1/31/2022	1.10%
Certificates of Deposit	\$ 613,997	\$	613,997	1/19/2022	0.88%
Certificates of Deposit	\$ 611,150	\$	611,150	2/22/2022	2.22%
Certificates of Deposit	\$ 822,558	\$	822,558	7/19/2020	1.15%
Total	\$ 2,840,011	\$	2,840,011		

#### NOTE 4 – RECEIVABLES AND REVENUES

Ad valorem taxes attach as an enforceable lien on property as of January 1<sup>st</sup> of each year. Taxes were levied by the Livingston Parish Assessor in September or October and billed to taxpayers in November. Billed taxes become delinquent on January 1<sup>st</sup> of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Governmental Fund accounts receivable consists of the following at December 31, 2019:

vernmental Activities
\$ 1,152
5,484,159
 58,060
\$ 5,543,371

# NOTE 5 - AD VALOREM TAXES

For the year ended December 31, 2019, taxes of 10.00 mills were levied on property with assessed valuations totaling \$571,266,515. Total taxes levied were \$5,712,665.

# NOTE 5 – AD VALOREM TAXES (continued)

Total taxes assessed and taxes receivable at December 31, 2019, are as follows:

		General Operations 10.00 Mills
Property tax assessed	\$	5,712,665
Less: Current amounts deemed uncollectible		(228,506)
Net 2018 property taxes deemed collectible		5,484,159
Prior year taxes collected in excess of prior year receivable in 2019		-
Net property tax revenues	\$	5,484,159
Net property taxes deemed collectible	\$	-
Less: Amounts collected prior to December 31, 2019	-	-
Taxes receivable - current year	20	5,484,159
Prior year tax receivable at December 31, 2018	10	5,183,223
Less: Prior year tax collected in 2019		-
Prior year taxes collected in 2019		5,183,223
Total property taxes receivable at December 31, 2019	\$	5,484,159

#### NOTE 6 - CAPITAL ASSETS

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

		Balance cember 31, 2018	Increases	Deci	reases	De	Balance cember 31, 2019
Governmental Activities Capital Assets:			45	_			
Capital assets not being depreciated: Land	\$	1,386,020	\$	2		\$	1,386,020
Construction in progress	Ψ	1,000,020	Ψ	Ψ.	-	\$	1,300,020
Total capital assets not being depreciated		1,386,020					1,386,020
Capital assets being depreciated							
Furniture and equipment		1,164,629	37,795		-		1,202,424
Vehicles		282,241	1		$\overline{\sigma}$		282,241
Buildings		8,478,871	148,553		÷.		8,627,424
Library collection		2,924,612	476,697				3,401,309
Total capital assets being depreciated		12,850,353	663,045		÷		13,513,398
Less Accumulated Depreciation for:							
Furniture and equipment		803,785	69,863		-		873,648
Vehicles		60,652	34,819		2		95,471
Buildings		2,091,712	430,491		-		2,522,203
Library collection		1,839,364	481,521		8		2,320,885
Total Accumulated Depreciation		4,795,513	1,016,694				5,812,207
Total capital assets being depreciated, net		8,054,840	(353,649	)	<u>.</u>		7,701,191
Total Governmental Activities Capital							
Assets, Net	\$	9,440,860	\$ (353,649	) \$	-	\$	9,087,211

Depreciation was charged to governmental functions as follows: Library services

\$ 1,016,694

Library collections of \$476,697 were recorded for the fiscal year ended, with \$0 of fully depreciated collections recorded for disposals. Other Furniture and Equipment, including data processing software, computers, and equipment primarily for the Livingston Library and the Library Administration Building, and other miscellaneous equipment and furniture purchases, was recorded for \$37,795. The Library also recorded \$148,553 in buildings and improvements.

#### NOTE 7 - PENSION PLAN

#### Plan Description:

Substantially all employees of the Livingston Parish Library Commission are members of the Parochial Employees' Retirement System of Louisiana (PERS), a multiple-employer, cost-sharing, defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute. The System provides retirement benefits of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. The System issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

#### **Retirement Benefits:**

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 for any member of Plan B shall consist of an amount equal to two 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.

#### Survivor Benefits:

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.

#### 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.

# NOTE 7 – PENSION PLAN (continued)

In lieu of terminating employment and accepting a service retirement, any member of Plan B who is eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of the 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 specified period of participation, a participant in 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.

#### **Disability Benefits:**

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 65 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 or 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.

#### NOTE 7 – PENSION PLAN (continued)

#### Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, actuarially determined rate was 7.01% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2017 was 7.50% for Plan B. According to state statute, the System also received 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.

Under the Plan B, members are required by state statute to contribute 3.00% (depending on date of hire) of their annual covered salary and the Library is required to contribute an actuarially determined rate. The rate for the year ended December 31, 2019 was 7.50%. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The Library's contributions to the System under Plan B for the years ended December 31, 2019, 2018, and 2017, were \$155,146, \$129,463, and \$129,641, respectively.

# Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:

At December 31, 2019, the Library reported a liability of \$445,776 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the Library's proportion was 1.650014%, which was an increase of 0.050243% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, the Library recognized pension expense of \$243,995 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$216.

At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

#### NOTE 7 – PENSION PLAN (continued)

	0	Deferred utflows of esources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$		\$	(99,322)	
Changes of assumptions		123,865		-	
Net difference between projected and actual earnings on pension plan investments		305,250		-	
Changes in proportion and differences between Employer contributions and proportionate share of contributions		1,180		(2,827)	
Employer contributions subsequent to the measurement date	-	155,146		-	
Total	S	585,441	\$	(102,149)	

The Library reported a total of \$155,146 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2018, which will be recognized as a reduction in net pension liability for the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year	
2	2020	\$ 104,053
2	2021	46,581
2	2022	43,909
2	2023	133,603
		\$ 328,146

#### NOTE 7 – PENSION PLAN (continued)

#### Actuarial Assumptions:

A summary of actuarial methods and assumptions used in determining the total net pension liability as of December 31, 2018 is 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	6.50%, net of investment expense, including inflation
Projected Salary Increases	4.25%
Cost of Living Adjustments	ine present value or ruture retirement penetits 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
Mortality	authorized by the Board of Trustees. Pub-2010 Public Retirement Plans Mortality Lable
	for Health Retirees multiplied by 130% for males and
	125% for females using MP2018 scale for annuitant
	and beneficiary mortality. For employees, the Pub-
	2010 Public Retirement Plans Mortality Table for
	General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-
	2010 Public Retirement Plans Mortality Table for
	General Disabled Retirees multiplied by 130% for
	males and 125% for females using MP2018 scale for
	disabled annuitants.
Inflation Rate	2.40%

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 7.43% for the year ended December 31, 2018. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

#### NOTE 7 – PENSION PLAN (continued)

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

#### Mortality Rate:

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

#### Discount Rate:

The discount rate used to measure the total pension liability was 6.50% 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.

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

The following table represents the Library's proportionate share of the net pension liability (NPL) using the discount rate as well as the Library's proportionate share of the NPL if it were calculated using the discount rate that is one percentage-point lower or one percentage-point higher than the current rate used:

	Current					
	1.0% Decrease 5.50%		Discount Rate 6.50%		1.0% Increase 7.50%	
Net Pension Liability	\$	1,172,799	\$	445,776	\$	(161,613)

# NOTE 8 - COMPENSATED ABSENCES

At December 31, 2019, employees of the Library have accumulated and vested employee leave benefits, which was computed in accordance with GASB Codification Section C60. The total amount of \$28,079 accrued vacation leave is recorded as an obligation of the general fund.

Policies of the Library do not allow payment directly to the employee for sick leave upon termination. However, unused sick leave may be carried forward and added to service time and credited to the employee upon retirement. The accrued sick leave at December 31, 2019 totaling \$98,424 represents a long-term obligation and is recorded on the government-wide financial statements.

# NOTE 9 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The Governmental Funds payables consist of the following at December 31, 2019:

Governmental Funds Payable		2019		
Accounts payable	\$	69,426		
Accrued vacation payable		28,079		
Accrued salaries		118,198		
Deferred revenue		408,677		
Other accrued liabilities		8,888		
Deduction from ad valorem taxes		223,189		
<b>Total Government Funds Payable</b>	\$	856,457		

#### NOTE 10 - OPERATING LEASES

At December 31, 2019, the Library has operating leases with Angelo's Lawn-Scape, Gallo's Mechanical, and Xerox for lawn maintenance, maintenance, and equipment rental, respectively. The lease with Angelo's Lawn-Scape renews every May and the lease with Gallo's Mechanical and Xerox is renewed every year and ends on December 31, 2020.

	Vendor				
Future Lease Payments	Angelo's Lawn Service	Gallo's Mechanical	Xerox	Tot	tal by Year
2020	66,276	81,114	16,083	\$	163,473

# NOTE 11 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library attempts to minimize risk from significant losses through the purchase of commercial insurance.

# LIVINGSTON PARISH LIBRARY COMMISSION NOTES TO FINANCIAL STATEMENTS

# NOTE 12 - CONTINGENT LIABILITIES

During the year 2019, the Library filed a suit against Brunt Construction, Inc., Professional Service Industries, Inc., Cockfield Jackson architects and its insurers for alleged defective and incomplete work associated with the Denham Springs/Walker branch library expansion project. The lawsuit was filed in the 21<sup>st</sup> Judicial District Court, Parish of Livingston. The Library filed a Motion to Stay the lawsuit because there is a requirement for arbitration in the contracts with Brunt and with Cockfield which would also be applicable to their insurers and bonding companies. Brunt filed a Motion for Mandamus requesting the Court order the Library to release the remaining funds held. The Court denied this Motion and writs were not taken. The Court also denied the Library's Motion to Stay. The Library filed writs with the First Circuit Court of Appeal and is awaiting a ruling. It is expected the Court of Appeal will reverse the trial court and order arbitration and the Library should recover most of its damages.

# NOTE 13 - FINANCING OF LIBRARY BUILDINGS BY PRIMARY GOVERNMENT

On October 4, 2003, the voters of Livingston parish approved the issuance of \$8,900,000 (Series 2004) General Obligation Bonds. The proceeds of these bonds were used to pay the cost of construction and acquitting the improvement of public libraries for the Parish, and acquiring the necessary land, equipment, and furnishings. These bonds will be payable for the annual levy and collection of unlimited ad valorem taxes on all the taxable property within the Parish. These bonds were issued on March 1, 2004 with scheduled maturities through 2024. The bonds were issued in the name of the Livingston Parish Council and hence are recorded on the books of the Council. The Council administered the construction funds as they were spent on the construction of the new libraries. In addition, the Council collects and administers the ad valorem taxes collected and used to repay the outstanding bonds. At December 31, 2009, the Livingston Parish Council had spent the \$8,900,000 on the constructions of new libraries from the bond proceeds. In addition, the Library transferred an accumulated amount of \$2,682,517 (\$2,500,000 in 2006, \$180,442 in 2007, and \$2,075 in 2008) of its funds to the Livingston Parish Council to assist the Parish Council in the completion of the construction costs.

### NOTE 14 – FUND BALANCES

At December 31, 2019, the General Fund of the Library had nonspendable fund balance of \$82,133 consisting of prepaid insurance premiums. Pursuant to formal action of the Livingston Parish Library Board of Control on April 1, 2015, the board also committed \$3,678,000 of the fund balance for future projects. Of the \$3,678,000 commitment, a total of \$3,000,000 was committed for future construction, expansion, and improvement of Livingston Parish Library facilities, and \$678,000 was committed as contingency for emergency facility repairs caused by natural disasters.

# LIVINGSTON PARISH LIBRARY COMMISSION NOTES TO FINANCIAL STATEMENTS

# NOTE 15- NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Library will include the requirements of this standard, as applicable, in its December 31, 2021 financial statement. All of the Library's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Library is unknown at this time.

# NOTE 16 - SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through June 5, 2020, the date the financial statements were available for issuance. No events were noted that require recording or disclosure in the financial statements for the year ending December 31, 2019. As a result of COVID-19, coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Library is closely monitoring its financial statements for 2020 impacts.

REQUIRED SUPPLEMENTARY INFORMATION

#### LIVINGSTON PARISH LIBRARY COMMISSION STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019

Original Budget         Final Budget         Actual Amounts GAAP Basis         Favorable (Unfavorable Budget           Ad valorem taxes         \$ 5,129,232         \$ 5,385,163         \$ 5,519,203         \$ 234,0           Ad valorem taxes         \$ 5,129,232         \$ 5,385,163         \$ 5,519,203         \$ 234,0           Fines and fees         88,600         84,300         79,069         (5,23)           Donations         8,326         7,875         5,029,203         (10,565)           Donations         9,200         2,700         3,094         33           Interest         19,900         77,453         120,097         42,66           Miscellaneous         8,748         38,627         37,210         (1,44           Personnel services:         5,647,402         5,669,383         6,036,693         167,51           Sataries         2,356,810         2,468,960         2,637,109         (68,24)           Benefits         452,007         505,534         502,274         3,22           Operating services:         34,753         123,050         194,920         (11,42)           Operating services         34,753         123,050         194,920         (2,37)           Insurance         135,344		Budgete	d Amounts		Variance
REVENUES         5         5,129,232         \$         5,535,163         \$         5,619,203         \$         234,0           Ad valorem taxes         \$         5,129,232         \$         5,535,163         \$         2,619,203         \$         234,0           Fines and fees         98,800         84,300         77,00         173,194         44           Fines and fees         98,800         84,300         77,00         3,094         33           Carants         8,335         7,875         5,026         (2,86           Donations         9,200         2,700         3,094         33           Interest         19,500         77,453         120,097         42,66           Exerencip Recovery Fund         109,692         100,655         -         (100,56           Miscellaneous         2,358,910         2,468,860         2,537,109         (68,24           Banefits         4,52,007         505,534         502,274         3,22           Operating services:         3         180,173         183,500         194,920         (11,42           Contracts, licenses and permits         50,000         52,500         50,594         1,92           Dues and subscriptions		Original	Final	· · · · · · · · · · · · · · · · · · ·	Favorable
Ad valorem taxes       \$ 5,5129.232       \$ 5,385,163       \$ 5,519,203       \$ 234,0         State revenue sharing       173,695       172,700       173,194       44         Fines and fees       88,600       84,300       79,069       62,22         Grants       8,835       7,875       6,026       (2,8)         Donations       9,200       2,700       3,094       33         Interest       19,600       77,453       120,097       42,64         Emergency Recovery Fund       109,592       100,665       -       (100,65         Miscellaneous       8,748       38,627       37,210       (14,47,47)         EXPENDITURES       Salaries       2,358,910       2,468,860       2,537,109       (68,24         Payroll taxes       180,173       183,500       194,920       (11,42         Operating services:       34,763       123,050       50,594       1,900         Contracts, licenses and permits       59,000       85,130       87,502       (2,37)         Dues and subscriptions       -       -       -       -       -         Insurance       135,344       144,549       122,871       22,670       87,562       (2,33)	DEVENUES	Budget	Budget	GAAP Basis	(Unfavorable)
State revenue sharing         173,695         172,700         173,194         44           Fines and fees         88,800         84,300         79,069         (5,2)           Grants         8,335         7,875         5,026         (2,8)           Donations         9,200         2,700         3,094         33           Interest         19,500         77,453         120,097         42,64           Emergency Recovery Fund         109,592         100,565         -         (100,56           Miscellaneous         8,748         38,627         37,210         (1,4)           Benefits         5,547,402         5,869,383         6,035,893         167,57           Parsonnel services:         Salaries         2,458,960         2,537,109         (68,22           Benefits         452,007         505,534         502,274         3,22           Payroll taxes         180,173         183,500         194,920         (11,42)           Operating services:         34,753         122,871         21,67           Insurance         135,344         144,549         122,871         21,67           Professional services         3,000         5,000         3,000         8,286         70		¢ c 400 000	P F 555 400	A	*
Fines and fees         98 600         84,300         79,069         (5,22)           Grants         8,335         7,875         5,026         (2,4)           Donations         9,200         2,700         3,094         33           Interest         19,500         77,453         120,097         42,66           Emergency Recovery Fund         109,592         100,655         -         (100,56           Miscalianeous         8,748         38,627         37,210         (1,4)           Personnel services:         Salaries         2,356,910         2,468,860         2,537,109         (68,24           Benefits         452,007         505,534         502,274         3,26           Payroll taxes         180,173         183,500         194,920         (1,1,4)           Contracts, licenses and permits         59,000         52,500         50,594         1,90           Insurance         135,344         144,549         122,871         21,67           Insurance         135,344         144,549         122,871         21,67           Professional services         34,753         123,050         131,274         (62,24)           Miscellaneous         1,036         657         35,363		+ -,			
Grants         8,836         7,875         5,026         (2,8)           Donations         9,200         2,700         3,094         33           Interest         19,500         77,453         120,097         42,66           Emergency Recovery Fund         109,592         100,565         -         (100,56           Miscellaneous         6,748         38,627         37,210         (1,41           Sataries         6,036,893         167,51         6,036,893         167,51           EXPENDITURES         Personnel services:         -         38,627         37,210         (1,44           Operating services:         -         452,007         505,534         502,274         3,22           Operating services:         -         180,173         183,500         194,920         (11,42           Operating services:         -         -         -         -         -           Advertising         50,000         52,500         50,594         1,902         (2,37           Dues and subscriptions         -         -         -         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services					494
Donations         9,200         2,700         3,094         33           Interest         19,500         77,453         120,097         42,64           Emergency Recovery Fund         109,562         100,565         -         (100,565           Miscellaneous         8,748         38,627         37,210         (1,41           TOTAL REVENUES         5,547,402         5,869,383         6,036,893         167,57           EXPENDITURES         Personnel services:         32         32,500         104,920         (11,42           Operating services:         180,173         183,500         194,920         (11,42           Contracts, licenses and permits         59,000         82,130         87,502         (2,37)           Des and subscriptions         -         -         -         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         3,4753         120,000         8,296         70           Insurance         135,344         144,549         122,871         21,67           Professional services         3,900         5,000         4,841         16           Repairs and maintenance         624,986					(5,231)
Interest         19,500         77,453         120,097         42,64           Emergency Recovery Fund         109,592         100,565         -         (100,56           Miscellaneous         8,748         38,627         37,210         (1,44           Salaries         5,547,402         5,869,383         6,035,693         167,51           EXPENDITURES         Personnel services:         5         3alaries         2,558,910         2,468,860         2,537,109         (68,24)           Benefits         452,007         505,534         502,274         3,22         Payroll taxes         19,920         (11,42)           Operating services:         180,173         183,500         194,920         (11,42)           Advertising         50,000         52,500         50,594         1,900           Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -         -         -         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         34,900         5,000         48,261         3,00           Software purchases         10,036         657			and the second se		(2,849)
Emergency Recovery Fund         109,592         100,565         -         (100,56           Miscellaneous         TOTAL REVENUES         5,547,402         5,869,383         6,036,893         167,51           EXPENDITURES         Personnel services:         Sataries         2,358,910         2,468,860         2,537,109         (68,22           Benefits         452,007         505,534         502,274         3,262           Payroll taxes         180,173         183,500         194,920         (11,42           Operating services:         452,007         505,534         502,274         3,262           Payroll taxes         180,173         183,500         194,920         (11,42           Operating services:         180,173         183,500         194,920         (11,42           Insurance         135,344         144,549         122,871         21,67           Insurance         135,344         144,549         122,871         21,67           Professional services         34,056         347,159         344,061         3,09           Repairs and maintenance         624,986         347,159         344,061         3,09           Rentals         9,000         9,000         8,286         70					394
Miscellaneous         8,748         38,627         37,210         (1,41           EXPENDITURES         F,547,402         5,869,383         6,036,893         167,55           Salaries         2,358,910         2,468,860         2,537,109         (68,24           Benefits         452,007         505,534         502,274         3,22           Payroll taxes         180,173         183,500         194,920         (11,41           Operating services:         Advertising         50,000         52,500         50,594         1,90           Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -         -         -         160,000         48,411         16           Professional services         34,753         123,050         131,274         (8,22)         6,000         7,002         48,411         16           Repairs and maintenance         624,986         347,753         344,061         3,000         8,296         70           Software purchases         12,000         1,180         1,986         (80)         1,226         1,226         1,226         1,226         1,226         1,226         1,226         1,226         <				120,097	42,644
TOTAL REVENUES         5,547,402         5,869,383         6,038,693         167,57           EXPENDITURES         Personnel services:         Salaries         2,358,910         2,468,860         2,537,109         (68,24)           Benefits         462,007         505,534         502,274         3,22           Payroll taxes         180,173         183,500         194,920         (11,42)           Operating services:         -         -         -         -           Advertising         50,000         52,500         50,594         1,902           Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -         -         -         -         -           Insurance         135,344         144,549         122,871         2,867         -           Postage         3,900         5,000         4,841         16         -	and the second	an included the All of the	(1) (1) (0) (0) (1) (1) (2) (2)		(100,565)
EXPENDITURES         10000         10000         10000         100000         100000         100000		The second secon		the second	(1,417)
Personnel services:         Salaries         2,358,910         2,468,860         2,537,109         (68,24)           Benefits         452,007         505,534         502,274         3,26           Payroll taxes         180,173         183,500         194,920         (11,42)           Operating services:         -         -         -         -           Advertising         50,000         52,500         50,594         1,90           Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -         -         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         34,753         132,060         131,274         (8,22)           Miscellaneous         1,036         657         35,363         (34,70)           Repairs and maintenance         624,986         347,159         344,061         3,00           Rentals         9,000         9,000         8,296         700           Software purchases         12,000         1,180         1,986         (60,00)           Telephone         13,000         15,400         16,663	TOTAL REVENUES	5,547,402	0,009,000	0,030,093	107,510
Salaries         2,358,910         2,468,860         2,537,109         (68,24           Benefits         452,007         505,534         502,274         3,26           Payroll taxes         180,173         183,500         194,920         (11,42           Operating services:         -         -         -         -           Advertising         50,000         52,500         50,594         1,90           Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -         -         -         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         34,753         123,050         131,274         (8,22           Miscellaneous         1,036         657         35,363         (34,70)           Postage         3,900         5,000         4,841         16           Renatis         9,000         9,000         8,296         70           Software purchases         12,000         1,830         1,946         (42,98)           Utilitites         202,097         191,859         174,737         17,12	EXPENDITURES				
Benefits         452,007         505,534         502,274         3,22           Payroll taxes         180,173         183,500         194,920         (11,42           Operating services:         180,173         183,500         194,920         (11,42           Advertising         50,000         52,500         50,594         1,90           Contracts, licenses and permits         59,000         85,130         87,502         (2,37           Dues and subscriptions         -         -         -         -         -           Insurance         135,344         144,549         122,871         21,67         (8,22           Miscellaneous         1,036         657         35,363         (34,70         -         -           Postage         3,900         5,000         4,841         16         -         -         -           Repairs and maintenance         62,986         347,159         344,061         3,06         -         -         -         -           Software purchases         12,000         1,180         1,986         (80         -         -         -         -         -         -         -         -         -         -         -         -	Personnel services:				
Payroll taxes         180,173         183,500         194,920         (11,42)           Operating services:         -	Salaries	2,358,910	2,468,860	2,537,109	(68,249)
Operating services:         Advertising         50,000         52,500         50,594         1,90           Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -         -         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         34,753         123,050         131,274         (8,22           Miscellaneous         1,036         657         35,363         (34,70           Postage         3,900         5,000         4,841         16           Repairs and maintenance         624,986         347,159         344,061         3,09           Rentals         9,000         9,000         8,296         70           Software purchases         12,000         1,180         1,986         (60)           Telephone         13,000         15,400         16,663         (12,60)           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library bocks and periodicals (non-capital)         142,000         223,350         <	Benefits	452,007	505,534	502,274	3,260
Operating services:         50,000         52,500         50,594         1,90           Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -         -         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         34,753         123,050         131,274         (8,22)           Miscellaneous         1,036         657         35,363         (34,70)           Postage         3,900         5,000         4,841         16           Repairs and maintenance         624,966         347,159         344,061         3,090           Rentals         9,000         9,000         8,296         700           Software purchases         12,000         1,180         1,936         (80)           Telephone         13,000         15,400         16,663         (1,26)           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library bocks and periodicals (non-capital)         142,000         223,350         212,020 <t< td=""><td>Payroll taxes</td><td>180,173</td><td>183,500</td><td>194,920</td><td>(11,420)</td></t<>	Payroll taxes	180,173	183,500	194,920	(11,420)
Contracts, licenses and permits         59,000         85,130         87,502         (2,37)           Dues and subscriptions         -	Operating services:				
Dues and subscriptions         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         34,753         123,050         131,274         (8,22)           Miscellaneous         1,036         657         35,363         (34,70)           Postage         3,900         5,000         4,841         16           Repairs and maintenance         624,986         347,159         344,061         3,09           Rentais         9,000         9,000         8,296         70           Software purchases         12,000         1,180         1,986         (80)           Telephone         13,000         15,400         16,663         (1,26)           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library materials and supplies:         100,000         107,000         122,593         (15,59)           Databases         100,000         107,000         122,593         (15,59)           Library bocks and periodicals (non-capital)         142,000         223,350         212,020         11,33	Advertising	50,000	52,500	50,594	1,906
Dues and subscriptions         -         -           Insurance         135,344         144,549         122,871         21,67           Professional services         34,753         123,050         131,274         (8,22)           Miscellaneous         1,036         657         35,363         (34,70)           Prostage         3,900         5,000         4,841         16           Repairs and maintenance         624,986         347,159         344,061         3,090           Rentals         9,000         9,000         8,296         70           Software purchases         12,000         1,180         1,986         (80)           Telephone         13,000         15,400         16,663         (1,26)           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library materials and supplies:         100,000         107,000         122,593         (15,59)           Databases         100,000         107,000         122,593         (15,59)           Library bocks and periodicals (non-capital)         142,000         223,350         212,020         11,33	Contracts, licenses and permits	59,000	85,130	87,502	(2,372)
Professional services         34,753         123,050         131,274         (8,22           Miscellaneous         1,036         657         35,363         (34,70           Postage         3,900         5,000         4,841         16           Repairs and maintenance         624,986         347,159         344,061         3,09           Rentals         9,000         9,000         8,296         70           Software purchases         12,000         1,180         1,986         (80           Telephone         13,000         15,400         16,663         (1,26           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98           Library materials and supplies:         00,000         107,000         122,593         (15,59           Databases         100,000         107,000         122,593         (15,59           Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,46           Reading programs         41,275         35,933         36,614	Dues and subscriptions	-	-	10 A	
Professional services         34,753         123,050         131,274         (8,22           Miscellaneous         1,036         657         35,363         (34,70           Postage         3,900         5,000         4,841         16           Repairs and maintenance         624,986         347,159         344,061         3,09           Rentals         9,000         9,000         8,296         70           Software purchases         12,000         1,180         1,986         (80           Telephone         13,000         15,400         16,663         (1,26           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98           Library materials and supplies:         00,000         107,000         122,593         (15,59           Databases         100,000         107,000         122,593         (15,59           Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,46           Reading programs         41,275         35,933         36,614	Insurance	135,344	144,549	122,871	21,678
Postage         3,900         5,000         4,841         16           Repairs and maintenance         624,986         347,159         344,061         3,09           Rentals         9,000         9,000         8,296         70           Software purchases         12,000         1,180         1,986         (80           Telephone         13,000         15,400         16,663         (1,26           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98           Library materials and supplies:         Databases         100,000         107,000         122,593         (15,59           Databases         100,000         107,000         122,593         (15,59           Library bocks and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,16           Reading programs         41,275         35,933         36,614         (68           Intergovernmental expenditures         205,170         210,742         223,189         (12,44           Capital outlays         769,592	Professional services	34,753	123,050	131,274	(8,224)
Postage         3,900         5,000         4,841         15           Repairs and maintenance         624,986         347,159         344,061         3,09           Rentals         9,000         9,000         8,296         70           Software purchases         12,000         1,180         1,986         (80           Telephone         13,000         15,400         16,663         (1,26           Utilities         202,097         191,859         174,737         17,12           Travel         30,000         48,281         (4,98           Library materials and supplies:         Databases         100,000         107,000         122,593         (15,59           Databases         100,000         107,000         122,593         (15,59         (12,66           Library bocks and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,16           Reading programs         41,275         35,933         36,614         (68           Intergovernmental expenditures         205,170         210,742         223,189         (12,44           Capital outlays         5,495,243	Miscellaneous	1,036	657	35,363	(34,706)
Rentals         9,000         9,000         8,296         700           Software purchases         12,000         1,180         1,986         (80           Telephone         13,000         15,400         16,663         (1.26           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library materials and supplies:         0         100,000         107,000         122,593         (15,59)           Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,44)           Reading programs         41,275         35,933         36,614         (68           Intergovernmental expenditures         205,170         210,742         223,189         (12,44)           Capital outlays         769,592         663,683         663,045         63           EXCESS (DEFICIENCY) OF REVENUES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136	Postage	3,900	5,000	4,841	159
Rentals         9,000         9,000         8,296         700           Software purchases         12,000         1,180         1,986         (80)           Telephone         13,000         15,400         16,663         (1,26)           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library materials and supplies:         0         100,000         107,000         122,593         (15,59)           Databases         100,000         107,000         122,593         (15,59)         11,33           Office supplies         66,000         70,045         82,212         (12,16)           Reading programs         41,275         35,933         36,614         (68)           Intergovernmental expenditures         205,170         210,742         223,189         (12,44)           Capital outlays         769,592         663,683         663,045         63           EXCESS (DEFICIENCY) OF REVENUES         5,495,243         5,487,431         5,600,445         (113,01)           EXCESS (DEFICIENCY) OF REVENUES         52,159         381,952         436,448         54,49           FUND BALANC	Repairs and maintenance	624,986	347,159	344,061	3,098
Telephone         13,000         15,400         16,663         (1,26)           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library materials and supplies:         043,300         107,000         122,593         (15,59)           Databases         100,000         107,000         122,593         (15,59)           Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,16)           Reading programs         41,275         35,933         36,614         (68)           Intergovernmental expenditures         205,170         210,742         223,189         (12,44)           Capital outlays         769,592         663,683         663,045         63           EXCESS (DEFICIENCY) OF REVENUES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136	Rentals	9,000	9,000		704
Telephone         13,000         15,400         16,663         (1,26)           Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library materials and supplies:         00,000         107,000         122,593         (15,59)           Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,16)           Reading programs         41,275         35,933         36,614         (68)           Intergovernmental expenditures         205,170         210,742         223,189         (12,44)           Capital outlays         TOTAL EXPENDITURES         5,495,243         5,487,431         5,600,445         (113,01)           EXCESS (DEFICIENCY) OF REVENUES         0VER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136         136,0136	Software purchases	12,000	1,180	1,986	(806)
Utilities         202,097         191,859         174,737         17,12           Travel         35,000         43,300         48,281         (4,98)           Library materials and supplies:         Databases         100,000         107,000         122,593         (15,59)           Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,16)           Reading programs         41,275         35,933         36,614         (68)           Intergovernmental expenditures         205,170         210,742         223,189         (12,44)           Capital outlays         769,592         663,683         663,045         63           EXCESS (DEFICIENCY) OF REVENUES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136	Telephone	13,000	15,400		(1.263)
Travel       35,000       43,300       48,281       (4,98)         Library materials and supplies:       00,000       107,000       122,593       (15,59)         Databases       100,000       107,000       122,593       (15,59)         Library books and periodicals (non-capital)       142,000       223,350       212,020       11,33         Office supplies       66,000       70,045       82,212       (12,16)         Reading programs       41,275       35,933       36,614       (68)         Intergovernmental expenditures       205,170       210,742       223,189       (12,44)         Capital outlays       769,592       663,683       663,045       63         EXCESS (DEFICIENCY) OF REVENUES       5495,243       5,487,431       5,600,445       (113,01)         EXCESS (DEFICIENCY) OF REVENUES       52,159       381,952       436,448       54,49         FUND BALANCE, Beginning       8,250,136       8,250,136       8,250,136       8,250,136	Utilities	202.097	191,859	174,737	17,122
Library materials and supplies:       100,000       107,000       122,593       (15,59)         Library books and periodicals (non-capital)       142,000       223,350       212,020       11,33         Office supplies       66,000       70,045       82,212       (12,16)         Reading programs       41,275       35,933       36,614       (68)         Intergovernmental expenditures       205,170       210,742       223,189       (12,44)         Capital outfays       769,592       663,683       663,045       63         TOTAL EXPENDITURES       5,495,243       5,487,431       5,600,445       (113,01)         EXCESS (DEFICIENCY) OF REVENUES       0VER EXPENDITURES       52,159       381,952       436,448       54,49         FUND BALANCE, Beginning       8,250,136       8,250,136       8,250,136       8,250,136	Travel	35,000			(4,981)
Databases         100,000         107,000         122,593         (15,59)           Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,16)           Reading programs         41,275         35,933         36,614         (68)           Intergovernmental expenditures         205,170         210,742         223,189         (12,44)           Capital outflays         769,592         663,683         663,045         63           TOTAL EXPENDITURES         5,495,243         5,487,431         5,600,445         (113,01)           EXCESS (DEFICIENCY) OF REVENUES         0VER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136         136,000	Library materials and supplies:				(1,001)
Library books and periodicals (non-capital)         142,000         223,350         212,020         11,33           Office supplies         66,000         70,045         82,212         (12,16           Reading programs         41,275         35,933         36,614         (68           Intergovernmental expenditures         205,170         210,742         223,189         (12,44           Capital outlays         769,592         663,683         663,045         63           TOTAL EXPENDITURES         5,495,243         5,487,431         5,600,445         (113,01           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136         8,250,136	이는 가지, 것은 것은 것을 것 같은 것을 가지 않는 것이 가지 않는 것은 것을 하지 않는 것을 하는 것이다.	100,000	107.000	122 593	(15,593)
Office supplies Reading programs         66,000         70,045         82,212         (12,16           Reading programs         41,275         35,933         36,614         (68           Intergovernmental expenditures         205,170         210,742         223,189         (12,44           Capital outflays         769,592         663,683         663,045         63           TOTAL EXPENDITURES         5,495,243         5,487,431         5,600,445         (113,01           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136         8,250,136	Library books and periodicals (non-capital)				
Reading programs         41,275         35,933         36,614         (68           Intergovernmental expenditures         205,170         210,742         223,189         (12,44           Capital outlays         TOTAL EXPENDITURES         5,495,243         663,683         663,045         63           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136         8,250,136					(12,167)
Intergovernmental expenditures         205,170         210,742         223,189         (12,44           Capital outlays         TOTAL EXPENDITURES         663,683         663,045         63           TOTAL EXPENDITURES         5,495,243         5,487,431         5,600,445         (113,01           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136         54,250,136	A DECOMPANY A DECOMPANY AND A DECOMPANY				(681)
Capital outlays         769,592         663,683         663,045         63           TOTAL EXPENDITURES         5,495,243         5,487,431         5,600,445         (113,01           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136         8,250,136		and the second se			(12,447)
TOTAL EXPENDITURES         5,495,243         5,487,431         5,600,445         (113,01           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136         8,250,136	Capital outlays	Constant a second			638
OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136		the second se	In the second distance in the second state	The second se	(113,014)
OVER EXPENDITURES         52,159         381,952         436,448         54,49           FUND BALANCE, Beginning         8,250,136         8,250,136         8,250,136	EVAPAS /DEFIAIEUAU AS SEVEN				and a second
FUND BALANCE, Beginning 8,250,136 8,250,136 8,250,136		E0 450	204 050	100 110	F 1 100
					54,496
FUND BALANCE, Ending \$ 8,302,295 \$ 8,632,088 \$ 8,686,584 \$ 54,49	FUND BALANCE, Beginning	8,250,136	8,250,136	8,250,136	
	FUND BALANCE, Ending	\$ 8,302,295	\$ 8,632,088	\$ 8,686,584	\$ 54,496

#### LIVINGSTON PARISH LIBRARY COMMISSION SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED DECEMBER 31, 2019

Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Pro Sh Ne	Employer oportionate are of the t 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
2019	1.650014%	\$	445,776	\$ 1,971,015	-22.6166%	91.93%
2018	1.599771%	\$	(201,284)	\$ 1,717,902	11.7168%	104.02%
2017	1.815415%	\$	235,836	\$ 1,621,157	14.5474%	95.50%
2016	1.822210%	\$	324,436	\$ 1,808,497	17.9395%	93.48%
2015	1.968082%	\$	5,466	\$ 1,750,029	00.3123%	99.89%

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

### LIVINGSTON PARISH LIBRARY COMMISSION SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31, 2019

Year Ended December 31,	R	ntractually lequired ntribution	Re Co F	tributions in elation to ontractual Required ntributions	Defi	ribution ciency ccess)		mployer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2019	\$	155,146	\$	155,146	\$	-	\$	1,971,015	7.8714%
2018	\$	129,463	\$	129,463	\$		\$	1,717,902	7.5361%
2017	\$	129,641	\$	129,641	S		\$	1,621,157	7.9968%
2016	\$	144,680	\$	144,680	\$		S	1,808,497	8.0000%
2015	\$	158,386	\$	158,386	\$	-	\$	1,750,029	9.0505%

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

OTHER SUPPLEMENTARY INFORMATION

## LIVINGSTON PARISH LIBRARY COMMISSION SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS FOR THE YEAR ENDED DECEMBER 31, 2019

Board Member	Compensat	ion Received
Jo Ann Graul, President	5	÷.
Ronnie Bencaz, Vice President		-
J. Lindsay Varnado		-
Juanette Courtney		
Kathy deGeneres		-
Debbie Henson		~
Shelly Davis		-
Layton Ricks, Ex-Officio		-
Total Compensation	\$	-

### LIVINGSTON PARISH LIBRARY COMMISSION SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD FOR THE YEAR ENDED DECEMBER 31, 2019

# Agency Head Name: Giovanni Tairov, Director

Purpose	/	Amount		
Salary	\$	92,574		
Employer paid payroll taxes		6,889		
Benefits - retirement		6,943		
Cell phone expense		1,350		
Travel		3,851		
Conference registration and expenses		115		
Dues		455		
Tota	al \$	112,177		

# OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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# **BAXLEY AND ASSOCIATES, LLC**

P. O. Box 482 58225 Belleview Drive Plaquemine, Louisiana 70764 Phone (225) 687-6630 Fax (225) 687-0365 Margaret A. Pritchard, CPA/CGMA Matthew L. Berthelot, CPA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA/CVA – Retired To the Board of Commissioners Livingston Parish Library Commission Livingston Parish Council Livingston, Louisiana 70754

# 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 ACCORANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing* Standards issued by the Comptroller of the United States, the financial statements of the governmental activities and each major fund of the Livingston Parish Library Commission, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Livingston Parish Library Commission's basic financial statements and have issued our report thereon dated June 5, 2020.

#### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies in internal control over financial reporting as Finding Number 2019-001, 2019-002, and 2019-003.

# 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 ACCORANCE WITH GOVERNMENT AUDITING STANDARDS

### **Compliance and Other Matters**

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

#### Livingston Parish Library Commission's Response to Findings

Livingston Parish Library Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### Purpose of this Report

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

Baxley & Associates, LLC

Plaquemine, Louisiana June 5, 2020

### LIVINGSTON PARISH LIBRARY COMMISSION SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

### A. SUMMARY OF AUDITOR'S RESULTS

- 1. The auditor's report expresses an unqualified opinion on the financial statements of the Livingston Parish Library Commission.
- 2. There were three significant deficiencies relating to the audit of the financial statements 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.
- 3. No instances of noncompliance material to the financial statements of the Livingston Parish Library Commission were disclosed during the audit.

### B. FINDINGS – FINANCIAL STATEMENT AUDIT

### 2019-001 CHECK DATES

<u>Condition:</u> The 12-29-2019 payroll with a check date of 1-3-2020 and a partial payroll for 1-14-2020 with a check date of 1-17-2020 were both offset against cash in 2019 rather than accrued wages.

<u>Criteria:</u> Cash should be recorded as of the check date and accrued wages should be recorded in the proper period.

Effect: At year end, cash and accrued wages were understated by \$91,000.

Recommendation: Checks should not be posted to the cash account until the actual check date.

#### Management's Response:

The Library acknowledges the finding and will correct its procedures according to the recommendations.

#### 2019-002 YEAR END CLOSE

<u>Condition</u>: The cash and accounts payable balances at 12-31-2018 were different from the beginning balances at 1-1-2019. This caused the fund balance to be understated by more than \$22,000.

Criteria: Books were not properly closed at 12-31-2018.

Effect: Cash and fund balance were incorrectly stated throughout the year.

<u>Recommendation:</u> All audit adjustments should be properly posted. Fund balance should agree with the final trial balance. Bank reconciliations should be performed monthly and the cash balance should agree to the general ledger.

## LIVINGSTON PARISH LIBRARY COMMISSION SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

#### Management's Response:

The Library acknowledges the finding and will correct its procedures according to the recommendations.

#### 2019-003 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP

#### Condition:

The Library does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

### Criteria:

Sufficient year-end adjusting journal entries were not made to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

#### Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued AU-C 265 requires that we report the above condition as a control deficiency. The AU-C 265 does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

#### Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C 265's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies in auditor reports under AU-C 265. In this case we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

#### Management's Response:

The Library is aware of the condition and feels hiring an employee with requisite qualifications would be cost prohibitive. He feels that the most cost-effective solution is to have his external auditor assist in preparing year-end financial statements in accordance with GAAP.

# LIVINGSTON PARISH LIBRARY COMMISSION SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2019

#### 2018-001 LACK OF SUPPORT

#### Condition:

In performing tests of cash disbursements and other tests of expenditures, we noted a few original receipts were missing from travel and some receipts did not identify the participants on the meal receipts. We also noted in April and December 2018 that there was a large group of checks with only one signature.

#### Recommendation:

Management should review invoices for proper support, business purpose, participant names, and follow the Library's policies and procedures of dual signatures.

#### Current Status:

This has been corrected in the current year.

#### 2018-002 LONG-TERM OUTSTANDING CHECKS

#### Condition:

The Library had long-term outstanding checks on bank reconciliations that exceed one year.

#### Recommendation:

We recommend implementing a policy to void checks after a certain period of time while maintaining a report of checks voided in case the payee contacts the Library to claim their funds. We also recommend adhering to the State's escheat laws regarding unclaimed property.

#### Current Status:

This has been corrected in the current year.

# LIVINGSTON PARISH LIBRARY COMMISSION

# INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2019

# **BAXLEY AND ASSOCIATES, LLC**

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To the Board of Control Livingston Parish Library Commission Livingston Parish Council And the Louisiana Legislative Auditor's Office

#### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Livingston Parish Library Commission and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2019. The Livingston Parish Library Commission's management is responsible for those control and compliance 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

- 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
  - 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.
  - c) Disbursements, including processing, reviewing, and approving
  - 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).
  - e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time

and attendance records, including leave and overtime worked.

- 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
- 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)
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

#### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category for items a through j since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category for items a through j.

We received a copy of the Disaster Recovery/Business Continuity procedures.

No exceptions were noted as a result of applying the procedure to item k.

### Board (or Finance Committee, if applicable)

- Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted

fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

#### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

### Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### Findings:

We received a listing of the bank accounts along with management's representation that it is complete. We viewed the bank statements and reconciliations for the month selected for each of the accounts. There was evidence that the bank reconciliations were prepared within 2 months of the related statement closing date, there was evidence of review by a member of management, and there were no items outstanding greater than 12 months from the statement closing date.

No exceptions were noted as a result of applying the procedure.

### Collections

4. Obtain a listing of <u>deposit sites</u> 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).

### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

5. For each deposit site selected, obtain a listing of <u>collection locations</u> 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:

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

### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

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

### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

- 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:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

# Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

# Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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

# Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

# Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

# Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. 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.

Findings:

We were provided with a listing of all active credit cards, bank debit cards, fuel cards, and Pcards for the fiscal period, including the card numbers and the name of the persons who maintained possession of the cards along with management's representation that the listing was complete.

No exceptions were noted as a result of applying the procedure.

- 12. 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:
  - 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.)]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

### Findings:

We selected all cards since the Library has less than 5 cards. The monthly statements and supporting documentation included evidence that it was reviewed and approved by someone other than the authorized cardholder. There were no finance charges or late fees assessed on the selected statements.

No exceptions were noted as a result of applying the procedure.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel</u> <u>cards</u>, 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).

### Findings:

For each selected transaction, we observed the original itemized receipt that identified what was purchased, written documentation of the business/public purpose, and documentation of the individuals participating in meals as applicable.

No exceptions were noted as a result of applying the procedure.

### Travel and Expense Reimbursement

- 14. 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:
  - 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).

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- 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).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

#### Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, <u>excluding the practitioner's contract</u>, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

#### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

#### Payroll and Personnel

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

#### Findings:

We received a listing of all employees employed during the fiscal period along with management's representation that the listing was complete. The paid salaries and wages of the five selected employees agreed to the authorized salaries and wage rates in the personnel files.

No exceptions were noted as a result of applying the procedure.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

#### Findings:

All employees selected documented their daily attendance and leave which was approved timely by a supervisor. Any leave accrued or taken during the pay period was reflected in the entity's cumulative leave records.

No exceptions were noted as a result of applying the procedure.

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

### Findings:

We received a listing of all employees terminated during the fiscal period along with management's representation that the listing was complete. We were able to agree the hours paid out to the employees in their termination payments against their cumulative leave records. The pay rates used on the termination payments agreed to the authorized pay rates in the related personnel files.

No exceptions were noted as a result of applying the procedure.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### Findings:

We received management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions were noted as a result of applying the procedure.

### Ethics (excluding nonprofits)

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.

#### Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

#### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

#### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

#### Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

#### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

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

### Findings:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

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 control and compliance 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control of 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.

Baxley & Associates, LLC

Plaquemine, Louisiana June 5, 2020

# LIVINGSTON PARISH LIBRARY COMMISSION

# Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2019

# Management's Response to items:

Based upon the fact that prior year exceptions to the agreed upon procedures were corrected in the current year, no response is needed from management.