

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2020

JEFFERSON DAVIS PARISH LIBRARY
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 Annual Financial Statements
 As of and for the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Control
Jefferson Davis Parish Library
Jennings, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Library, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund information of the Jefferson Davis Parish Library, as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 27 to 28 and the required supplementary information entitled Additional Pension/ Retirement Information on pages 29 to 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 27, 2021 on my consideration of Jefferson Davis Parish Library's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson Davis Parish Library's internal control over financial reporting and compliance.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
August 27, 2021

BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH LIBRARY
Governmental Funds Balance Sheet / Statement of Net Position
December 31, 2020

Statement A

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	55,909		55,909
Investments	1,000,208		1,000,208
Receivables:			
Due from other governments:			
Property taxes	1,412,425		1,412,425
State revenue sharing	19,970		19,970
Other	2,509		2,509
Prepaid Expenses	11,547		11,547
Capital assets:			
Land and construction in progress		118,363	118,363
Exhaustible capital assets, net of depreciation		2,684,138	2,684,138
Total Assets	<u><u>2,502,568</u></u>	<u><u>2,802,501</u></u>	<u><u>5,305,069</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow amounts on pension	-	89,183	89,183
Total Deferred Outflows of Resources	<u><u>-</u></u>	<u><u>89,183</u></u>	<u><u>89,183</u></u>
LIABILITIES			
Accounts payable	23,130		23,130
Payroll and related liabilities	20,546		20,546
Compensated absences		8,358	8,358
Long-term liabilities:			
Net pension liability	-	2,730	2,730
Total Liabilities	<u><u>43,676</u></u>	<u><u>11,088</u></u>	<u><u>54,764</u></u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	1,425,419		1,425,419
Deferred state revenue sharing revenue	29,955		29,955
Deferred inflow amounts on pension		127,211	127,211
Total Deferred Inflows of Resources	<u><u>1,455,374</u></u>	<u><u>127,211</u></u>	<u><u>1,582,585</u></u>
FUND BALANCE			
Nonspendable-prepaid expense	11,547	(11,547)	-
Unassigned	991,971	(991,971)	-
Total Fund Balance	<u><u>1,003,518</u></u>	<u><u>(1,003,518)</u></u>	<u><u>-</u></u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	<u><u>\$ 2,502,568</u></u>		
NET POSITION			
Investment in capital assets		2,802,501	2,802,501
Unrestricted		954,402	954,402
Total Net Position		<u><u>\$ 3,756,903</u></u>	<u><u>3,756,903</u></u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2020

Statement B

Total Ending Fund Balances - Governmental Funds (Statement A) \$ 1,003,518

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

Capital assets used in governmental activities are not financial

Costs of capital assets	\$ 4,937,662	
Accumulated depreciation	<u>(2,135,161)</u>	2,802,501

Other long-term assets used in governmental activities are not
financial resources and therefore are not reported as assets in
governmental funds. Other long-term assets at year-end
consist of:

Net pension liability	(2,730)	(2,730)
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Long-term liabilities are not due and payable in the current
period and therefore are not reported as liabilities in the
governmental funds. Long-term liabilities at year-end consist
of:

Compensated absences payable	\$ (8,358)	(8,358)
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Deferred outflow and inflow of resources associated with
pension and retirement are not current financial resources or
uses and therefore are not reported in the governmental
funds.

Deferred outflows-pension	\$ 89,183	
Deferred inflows-pension	<u>(127,211)</u>	(38,028)

Net Position \$ 3,756,903

JEFFERSON DAVIS PARISH LIBRARY
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2020

Statement C

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/ EXPENSES			
Current			
Culture and Recreation-Library Services:			
Salaries and related benefits	\$ 658,425	(13,504)	644,921
Operating services	301,946		301,946
Materials and supplies	74,057		74,057
Travel and other charges	9,889		9,889
Deduction from property taxes	42,156		42,156
Depreciation expense		169,274	169,274
Capital outlay	<u>123,874</u>	<u>(123,874)</u>	<u>-</u>
Total Expenditures / Expenses	<u>1,210,347</u>	<u>31,896</u>	<u>1,242,243</u>
PROGRAM REVENUES			
Fees, fines and other charges for service	11,946		11,946
Operating grants and contributions	55,064		55,064
Total Program Revenues	<u>67,010</u>	<u>-</u>	<u>67,010</u>
Net Program Expenses			<u>(1,175,233)</u>
GENERAL REVENUES			
Property taxes, levied for general purposes	1,343,126	(2,152)	1,340,974
State revenue sharing	30,368		30,368
Interest earnings	10,472		10,472
Miscellaneous	4,823	-	4,823
Total General Revenues	<u>1,388,789</u>	<u>(2,152)</u>	<u>1,386,637</u>
SI OTHER FINANCING SOURCES (USES)			
Gain (Loss) on the sale of assets	<u>-</u>		<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	245,452	(245,452)	-
CHANGE IN NET POSITION		<u>211,404</u>	<u>211,404</u>
FUND BALANCE / NET POSITION:			
Beginning of the Year	<u>758,066</u>	<u>2,787,433</u>	<u>3,545,499</u>
End of the Year	<u>\$ 1,003,518</u>	<u>2,753,385</u>	<u>3,756,903</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

Statement D

Total Net Change in Fund Balance - Governmental Funds (Statement B) \$ 245,452

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

In statement of activities pension expense is based on proportionate share computation based on changes in total net pension liability, and in governmental funds pension expense is measured by the amount of financial resources used (essentially employer contribution paid).

14,107

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	(169,274)	
Capital outlays	123,874	(45,400)

In the statement of activities, certain operating expenses - compensated absences (vacations and other absences) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid):

Change in compensated absences payable		(2,755)
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Change In Net Position of Governmental Activities \$ 211,404

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NOTES TO THE BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH LIBRARY

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

The Jefferson Davis Parish Library (Library) was established by the parish governing authority under the provisions of Louisiana Revised Statute 25:211. The Library provides citizens of the parish access to library materials, books, magazines, records, and films. The Library is governed by a board of control that is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without pay. The Library operates through four facilities in Jefferson Davis Parish. The main facility is in Jennings, and others are located in Elton, Welsh, and Lake Arthur. The library has approximately twenty employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Jefferson Davis Parish Police Jury, which holds the library's corporate powers. For this reason, the Library is a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Library and do not present information of the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

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

Governmental Funds

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

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

D. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenue, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Library operations.

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

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recognized as revenue in the period for which levied, thus the 2019 property taxes which are being levied to finance the 2019 budget will be recognized as revenue in 2020. The 2020 tax levy has been recorded as deferred revenue in the Library's 2020 financial statements. Charges for services are recorded when earned since they are measurable and available. Fines, forfeitures, and miscellaneous revenues are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received. Grant revenues are recognized at the time the Library is entitled to the funds. Interest income represents amounts earned on deposits and investments with financial institutions. Interest earned is recorded when earned and available.

Expenditures

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

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements (GWFS)

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

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

E. INVESTMENTS

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

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

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

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

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

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

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

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

F. ACCOUNTS RECEIVABLE

The financial statements for the Library contain an allowance for uncollectible accounts of \$18,775. Uncollectible amounts for ad valorem taxes are estimated and recognized as bad debts based on historical trends and amounts for other receivables are recognized at the time information becomes available which would indicate the collectability of the particular receivable.

G. PREPAID EXPENSES

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

H. CAPITAL ASSETS

Fund Financial Statements

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

Government-wide Financial Statements

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

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

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

I. NON-CURRENT LIABILITIES

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

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Fund Financial Statements

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

Government-wide Financial Statements

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

J. COMPENSATED ABSENCES

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

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

K. PENSION/ RETIREMENT SYSTEM

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

L. DEFERRED OUTFLOW/ INFLOWS OF RESOURCES

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

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

In the current year, this separate financial statement element reflects an increase in net assets that applies to a future period. Deferred inflow of resources reported in the accompanying statements relate to property tax revenues and state revenue sharing revenues assessed in 2020, but levied to finance the Library's 2021 expenditures. The Library will not recognize the related revenues until 2021. Additionally, items related to pension amounts qualify for reporting in this category. See pension/retirement footnote for further details of these items.

M. FUND EQUITY

Fund Financial Statements

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

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

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

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

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

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

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements

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

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

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

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

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

N. USE OF ESTIMATES

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

2. LEVIED TAXES

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

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide tax	5.72	5.72	2028

Property taxes are levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Jefferson Davis Parish Assessor’s Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date which is usually in June. Properties for which taxes have not been paid are sold for the amount of the taxes. Taxes levied November 1, 2019 and the related state revenue sharing is for budgeted expenditures in 2020 and will be recognized as revenue in 2020.

Taxes receivable at December 31, 2020, were \$1,412,425 net of allowance for uncollectible taxes of \$18,775.

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

3. DEPOSITS AND INVESTMENTS

Bank Deposits

The year end balances of deposits are as follows:

Deposit Type	Bank Balances	Reported Amount
Cash –on hand	\$ -	\$ 680
Cash -demand deposits	58,670	55,229
Totals	\$ 58,670	\$ 55,909

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank.

Custodial credit risk is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. The Library’s deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of December 31, 2020, the Library had deposits (collected bank balances) totaling \$58,670. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution’s agent in the name of the Library.

Investments

At December 31, 2020, the Library had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1
Louisiana Asset Management Pool (LAMP)	\$ 1,000,208	\$ 1,000,208
Totals	\$ 1,000,208	\$ 1,000,208

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

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools like LAMP by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The Library’s investment is with the pool, not the securities that make up the pool; therefore no disclosure is required.

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

JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS

investments. The WAM for LAMP's total investments (to reset) is 50 days and (to final) is 77 days as of July 28, 2021.

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

Reported amount of cash on hand	\$	680
Reported amount of deposits		55,229
Reported amount of investments		1,000,208
Total	\$	<u>1,056,117</u>
Classified as:		
Cash	\$	55,909
Investments		1,000,208
Total	\$	<u>1,056,117</u>

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in capital assets is as follows:

	Balance Beginning	Additions	Dispositions/ Reclassifica- tions	Balance Ending
Capital assets not being depreciated:				
Land	\$ 118,363	\$ -	\$ -	\$ 118,363
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>118,363</u>	<u>-</u>	<u>-</u>	<u>118,363</u>
Capital assets being depreciated:				
Buildings and improvements	3,199,496	12,883	-	3,212,379
Furniture and equipment	440,731	41,788	(33,180)	449,339
Vehicles	185,766	-	-	185,766
Library collections	1,169,355	69,202	(266,743)	971,814
Total capital assets being depreciated	<u>4,995,348</u>	<u>123,874</u>	<u>(299,923)</u>	<u>4,819,299</u>
Less accumulated depreciation for:				
Buildings and improvements	774,611	74,564	-	849,175
Furniture and equipment	340,986	25,623	27,149	339,460
Vehicles	185,766	-	-	185,766
Library collections	964,446	59,958	263,644	760,760
Total accumulated depreciation	<u>2,265,809</u>	<u>160,145</u>	<u>290,793</u>	<u>2,135,161</u>
Total capital assets being depreciated, net	<u>2,729,539</u>	<u>284,019</u>	<u>(9,129)</u>	<u>2,684,138</u>
Capital assets, net	<u>\$ 2,847,902</u>	<u>284,019</u>	<u>(9,129)</u>	<u>2,802,501</u>

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

5. PENSION PLAN

General Information about the Pension Plan

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

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

Plan Description and Eligibility Requirements

The Parochial Employees' Retirement System of Louisiana (PERS) is a cost-sharing multiple-employer defined benefit pension plan established by R.S. 11:1901 of the Louisiana Revised Statutes (Act 205 of the 1952 regular session of the Legislature of the State of Louisiana).

The system provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have its own retirement system and which elects to become members of the system.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

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

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Library only participates in Plan A, as of December 31, 2020.

Benefits Provided

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

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Retirement Benefits:

A. Normal Retirement

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2% of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

B. Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

C. Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

D. Disability Benefits

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

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Cost of Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 11.11% of member's compensation for Plan A and 7.39% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2020 was 12.25% for Plan A and 7.50% for Plan B.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. The Library recognized \$6,846 of non-employer contributions.

The Library's contractually required employer contribution rate for the year ended December 31, 2020 was 12.25% of annual covered wages. Employer contributions to the pension plan from the Library were \$50,103 for the year ended December 31, 2020.

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

At December 31, 2020, the Library reported a liability of \$2,730 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Library's proportion of the Net Pension Liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the Library's proportion was .057995%, which was a decrease of .008414% points from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Library recognized pension expense of \$42,227 plus/(less) employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$201.

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

At December 31, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 24,440
Net difference between projected and actual earnings on pension plan investments		102,337
Changes of Assumptions	38,129	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	177	434
Employer contribution subsequent to the measurement date	50,103	-
Total	<u>\$ 89,183</u>	<u>\$ 127,211</u>

Deferred outflows of resources of \$50,103 related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as an adjustment of the Net Pension (Liability) /Asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended June 30:	
2021	\$ (26,983)
2022	(32,394)
2023	(8,063)
2024	(46,280)
Thereafter	-

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

Actuarial Methods and Assumptions

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2020, are as follows:

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Valuation Date	December 31, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Expected Remaining Service Lives	4 years
Investment rate of return	6.50% net of investment expenses, including inflation
Projected salary increases	Plan A 4.75% Plan B 4.25%
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The discount rate used to measure the total pension liability was 6.50% for Plan A and 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.

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

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

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

The following presents the net pension liability/(asset) of the participating employers as of December 31, 2019 calculated using the discount rate of 6.50%, as well as what the employers' net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

Plan A:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset)	\$ 295,070	\$ 2,730	\$ (242,245)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS December 31, 2019 Annual Financial Report at www.persla.org.

Payables to the Pension Plan

As of December 31, 2020, the Library owed \$0 in legally required contributions to PERS.

6. LONG-TERM OBLIGATIONS

The Library did not have any long-term obligations as of December 31, 2020, except for net pension liability as described in Note 5.

**JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS**

7. LITIGATION AND CLAIMS

At December 31, 2020, the Library is not involved in any litigation and is not aware of any pending claims.

8. RISK MANAGEMENT

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

9. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

Retirement plan payments in the amount of \$6,846 were made by the Sheriff, acting in his capacity as Ex Officio Tax Collector, to The Parochial Employees' Retirement System of Louisiana on behalf of the Board. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to The Parochial Employees' Retirement System of Louisiana on behalf of the Board. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

10. Leases

The Library leases nine copier machines and one digital mailing machine under noncancelable operating leases requiring minimum annual rentals of \$18,252 in 2020. Future minimum rental payments due under these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	12,602
2022	4,937
2023	4,684
2024	1,652
2025	-
	<u>\$ 23,875</u>

REQUIRED SUPPLEMENTAL INFORMATION

**JEFFERSON DAVIS PARISH LIBRARY
GOVERNMENTAL FUND - GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2020**

Schedule 1

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fees, fines and other charges for service	\$ 17,300	9,490	\$ 11,946	\$ 2,456
Ad valorem taxes	1,162,860	1,162,860	1,343,126	180,266
State revenue sharing	30,202	30,311	30,368	57
Other grants	50,406	55,064	55,064	-
Capital grants			-	-
Interest earned	22,500	10,500	10,472	(28)
Proceeds from sale of assets		1,029	-	(1,029)
Miscellaneous	1,050	3,745	4,823	1,078
Total Revenues	<u>1,284,318</u>	<u>1,272,999</u>	<u>1,455,799</u>	<u>182,800</u>
EXPENDITURES				
Culture and recreation:				
Salaries and related benefits	661,223	649,608	658,425	(8,817)
Operating services	250,627	289,640	301,946	(12,306)
Materials and supplies	39,667	33,574	74,057	(40,483)
Travel and other charges	18,000	10,200	9,889	311
Deduction from ad valorem taxes	40,000	42,156	42,156	-
Capital outlay	264,550	187,240	123,874	63,366
Total Expenditures	<u>1,274,067</u>	<u>1,212,418</u>	<u>1,210,347</u>	<u>2,071</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	10,251	60,581	245,452	184,871
FUND BALANCES BEGINNING OF YEAR	708,000	758,000	758,066	66
FUND BALANCES END OF YEAR	<u>\$ 718,251</u>	<u>\$ 818,581</u>	<u>\$ 1,003,518</u>	<u>\$ 184,937</u>

See accompanying note to budgetary comparison schedule.

JEFFERSON DAVIS PARISH LIBRARY
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2020

A. BUDGETARY PRACTICES

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

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

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

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

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

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

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

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

Fund	Final Budget	Actual	Unfavorable Variance
General	\$	\$	\$

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2020*

Parochial Retirement System of Louisiana:

Plan A:

Year Ending December 31st	Employer's proportion of net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered- employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.053346%	\$2,730	\$367,731	0.68%	99.89%
2019	0.066408%	294,744	408,251	72.20%	88.86%
2018	0.060863%	(45,175)	374,623	-12.06%	101.98%
2017	0.061211%	126,065	362,845	34.74%	94.15%
2016	0.061963%	163,104	355,266	45.91%	92.23%
2015	0.073283%	20,036	392,686	5.10%	99.15%

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

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

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer Contributions
For the Year Ended December 31, 2020

Parochial Retirement System of Louisiana:

Plan A:

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2020	\$50,103	\$50,103	-	\$409,008	12.25%
2019	42,289	\$42,289	-	367,731	11.50%
2018	46,949	46,949	-	408,251	11.50%
2017	46,828	46,828	-	374,623	12.50%
2016	47,170	47,170	-	362,845	13.00%
2015	51,514	51,514	-	355,266	14.50%

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

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

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Notes to Required Supplementary Information
For the Year Ended December 31, 2020

Parochial Retirement System of Louisiana:

Plan A:

Changes of Benefit Terms: None.

Changes of Assumptions: None.

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

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON DAVIS PARISH LIBRARY
Schedule of Compensation, Benefits and Other Payments to Agency Head
or Chief Executive Officer
For the Year Ended December 31, 2020

Schedule 5

Agency Head Name: Clare McNally Coleman, Director

Salary	\$	62,308
Benefits- insurance		8,583
Benefits- retirement		7,633
Benefits- Medicare		803
Benefits-Southern Life Insurance		78
Benefits-Worker Compensation Insurance		156
Per Diem		275
Conference Travel		166
Registration fees		1,703
	\$	<u>81,705</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

Mike B. Gillespie
Certified Public Accountant
A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA

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

Board of Control
Jefferson Davis Parish Library
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Library (Library), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued my report thereon dated August 27, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
August 27, 2021

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

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

<u>CFDA No.</u>	<u>Program Name</u>
Not applicable	Not applicable

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

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS

No findings reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
MANAGEMENT'S STATUS OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2020

SECTION I –INTERNAL CONTROL AND COMPLIANCE FINDINGS

No finding reported.

SECTION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

SECTION III –MANAGEMENT LETTER

No findings reported.

* * * *

THIS REPORT HAS BEEN PREPARED BY MANAGEMENT

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2020

SECTION I –INTERNAL CONTROL AND COMPLIANCE FINDINGS

No findings reported.

SECTION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

SECTION III –MANAGEMENT LETTER

No findings reported.

* * * * *

THIS REPORT HAS BEEN PREPARED BY MANAGEMENT