

**LIVINGSTON PARISH LIBRARY
COMMISSION
LIVINGSTON, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2016**

**LIVINGSTON PARISH LIBRARY COMMISSION
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DECEMBER 31, 2016**

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To the Board of Control
Livingston Parish Library Commission
Livingston Parish Council
Livingston, Louisiana 70754

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, 2016, 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. 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, 2016, 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 37-40 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, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 May 16, 2017 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
May 16, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016**

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 this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2016. 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, 2016, the Library's government wide assets of \$16,706,715 exceeded its liabilities by \$16,256,775 (net position). Of this amount, \$8,413,070 (unrestricted net position) may be used to meet the Library's ongoing obligations at its discretion and the balance of \$7,843,705 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 \$4,818,172 in revenue for current year ad valorem taxes. This was an increase of \$3,128 from 2015 ad valorem tax revenue of \$4,815,044. Total ad valorem taxes for the fiscal year ended December 31, 2016, also included \$40,187 of prior year ad valorem tax revenue.
- Total revenue for 2016 was \$5,120,738 as compared to the 2015 total of \$5,157,586, a \$36,848 decrease. This revenue includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for photocopies and faxes, fines, donations, and miscellaneous fees.
- On the fund financial statements, library expenditures for 2016 increased by \$871,887 from \$4,628,158 in 2015 to \$ 5,500,045. This increase was primarily due to the increase in capital outlay.

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016**

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 sendees 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.

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016**

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
2016 and 2015**

Governmental Activities	#	#	2015
Assets:			
Current and Other Assets	\$	8,862,995.00	\$ 9,125,270.00
Capital Assets		7,843,705.00	7,091,959.00
Other Non-Current Assets		15.00	15.00
Total Assets		16,706,715.00	16,217,244.00
Deferred Outflows - Pension		546,564	247,071
Liabilities:			
Long-Term Debt Obligations		412,347	100,251
Other Liabilities		522,314	420,001
Total Liabilities		934,661	520,252
Deferred Inflows - Pension		61,843.00	51,856.00
Net Position:			
Net Investment in Capital Assets		7,843,705	7,091,959
Unrestricted		8,413,070	8,880,248
Total Net Position	\$	16,256,775	\$ 15,972,207

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016**

The Library's assets at December 31, 2016, exceeded liabilities by \$16,256,775 (net position), with the Library reporting positive balances in both categories of net position. Of the total net position, \$8,413,070 is Unrestricted Net position. The balance of net position includes a total of \$7,843,705 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 \$2,980,737, consisting of funds in certificates of deposit, and receivables consisting primarily of an ad valorem tax receivable of \$4,746,426 and state revenue sharing receivable of \$56,980.

Current Liabilities, totaling \$522,314 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, 2016 and 2015**

Governmental Activities	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 38,957	\$ 54,985
Operating grants and contributions	1,000	5,110
General Revenues:		
Ad Valorem Taxes	4,818,172	4,815,044
State Revenue Sharing	163,108	166,285
Interest Income	36,183	32,299
Donations	3,564	8,345
Miscellaneous	81,522	98,671
Gain on Sale of Assets		
Total Revenues	\$ 5,142,506	\$ 5,180,739
Program Expenses:		
Library Services	4,792,657	4,668,375
Total Expenses	4,792,657	4,668,375
Change in Net Position	349,849	512,364
Beginning Net Position	15,892,207	15,219,132
Restatement of beginning net position (Note 16)	14,719	160,711
Beginning net position, as restated	15,906,926	15,379,843
Ending net position	\$ 16,256,775	\$ 15,892,207

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016**

The major component of Program Revenues, totaling \$38,957, consists of charges for fines and fees at branch library locations. The major General Revenue sources are ad valorem taxes totaling \$4,818,172, state revenue sharing totaling \$163,108, and interest earnings totaling \$36,183.

The ad valorem taxes, including prior year taxes, stayed virtually the same, increasing only by \$3,128 from last year. State revenue sharing decreased \$3,177 from last year

Library expenditures for 2016 totaled \$4,792,657, compared to \$ 4,668,375 in 2015, a minor increase of 2.6% due to the Library Board and Library Administration's prudent approach to spending. In particular, due to the anticipated revenue shortfall associated with the post-disaster reassessment of properties, the library spent less in many accounts when compared to 2015. For example, Databases expenditures decreased by \$12,821; Repairs and Maintenance decreased by \$28,415; Capital outlay expenditures decreased by \$187,593.

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 a deficit of expenditures and other sources over revenues and other uses of \$379,307 resulting in a fund balance of \$8,340,696 at December 31, 2016. The reader of these financial statements should refer to Footnote 15 - 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, 2016 was \$7,843,705. There was an overall increase in net capital assets of \$751,746, primarily due to construction, and furniture and equipment purchases associated with the construction project.

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 7 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2016 and 2015**

Governmental Activities Capital Assets	2016	2015
Land	\$ 1,386,020.00	\$ 1,386,020
Library Collection	2,860,776.00	2,995,725.00
Building	5,048,707.00	5,048,707.00
Vehicles	59,114.00	59,114.00
Equipment and Furniture	898,144.00	832,172.00
Construction in Progress	1,366,540.00	214,222.00
Subtotal Capital Assets	11,619,301.00	10,495,960.00
Less: Accumulated Depreciation	(3,775,596.00)	(3,404,001.00)
Capital Assets, Net	\$ 7,843,705.00	\$ 7,091,959.00

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016**

Library collections of \$260,736 were recorded for the fiscal year ended, with \$355,685 of fully depreciated collections recorded for disposals. The Library also recorded \$1,152,318 in construction in progress for the planning of the Denham Spring/Walker Branch Expansion.

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%.

Other Factors Affecting the Library

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 programming and services to the public. Despite of the devastating flood of 2016, the Board has kept its promise to the community to expand library facilities to accommodate the rising use and population in the parish. The five library branches that serve the public are all operational with 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, 2016**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,027,356
Investments	2,980,737
Receivables, net:	
Ad Valorem taxes	4,746,426
State revenue sharing	56,980
Prepaid insurance	39,533
Prepaid expense	11,963
Capital assets, net of accumulated depreciation	7,843,705
Utility deposits	15
Total Assets	16,706,715
DEFERRED OUTFLOWS - PENSION	
Pension Related	546,564
LIABILITIES	
Accounts payable	182,487
Retainage payable	52,270
Accrued salaries payable	70,569
Deductions from ad valorem taxes	191,945
Other accrued liabilities	1,883
Accrued vacation payable	23,160
Long Term Liabilities	
Accrued sick leave payable	87,911
Net pension liability	324,436
Total Liabilities	934,661
DEFERRED INFLOWS - PENSION	
Pension Related	61,843
Net Position	
Net invested in capital assets	7,843,705
Unrestricted	8,413,070
TOTAL NET POSITION	\$ 16,256,775

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Program Revenues</u>			<u>Net (Expenses) Revenues from Activities</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Culture and Recreation				
Support Services				
Library	\$ 4,792,657	\$ 38,957	\$ 1,000	\$ (4,752,700)
Total Governmental Activities	<u>\$ 4,792,657</u>	<u>\$ 38,957</u>	<u>\$ 1,000</u>	<u>\$ (4,752,700)</u>

General Revenues:	
Ad valorem taxes	4,818,172
Intergovernmental revenue	163,108
Investment earnings	36,183
Other general revenues	85,086

Total General Revenues 5,102,549

Change in Net Position \$ 349,849

Net Position at Beginning of the Year	15,892,207
Restatement of Beginning Net Position	14,719

Net Position Beginning, as restated 15,906,926

Net Position at End of the Year \$ 16,256,775

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2016**

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,027,356	\$ -	\$ 1,027,356
Investments	2,980,737	-	2,980,737
Receivables, net:			
Ad valorem taxes	4,746,426	-	4,746,426
State revenue sharing	56,980	-	56,980
Other receivables	-	-	-
Prepaid insurance	39,533	-	39,533
Prepaid expense	11,963	-	11,963
Utility deposits	15	-	15
	\$ 8,863,010	\$ -	\$ 8,863,010
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 182,487	\$ -	\$ 182,487
Retainage payable	52,270	-	52,270
Accrued vacation payable	23,160	-	23,160
Accrued salaries	70,569	-	70,569
Other accrued liabilities	1,883	-	1,883
Deductions from ad valorem taxes	191,945	-	191,945
	Total Liabilities 522,314	-	522,314
Fund Balance			
Nonspendable	51,496	-	51,496
Committed	3,678,000	-	3,678,000
Unassigned	4,611,200	-	4,611,200
	Total Fund Balances 8,340,696	-	8,340,696
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,863,010	\$ -	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,843,705
Deferred Outflow	546,564

Long-term liabilities, including bonds payable, loans payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued sick leave	(87,911)
Net pension liability	(324,436)
Deferred inflow	(61,843)

Net position of governmental activities	\$ 16,256,775
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The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 4,818,172	\$ -	\$ 4,818,172
State revenue sharing	163,108	-	163,108
Fines and fees	38,957	-	38,957
Grants	1,000	-	1,000
Interest	36,183	-	36,183
Donations	3,564	-	3,564
Miscellaneous	59,754	-	59,754
TOTAL REVENUES	<u>5,120,738</u>	<u>-</u>	<u>5,120,738</u>
EXPENDITURES			
Personnel services:			
Salaries	2,223,944	-	2,223,944
Benefits	393,112	-	393,112
Payroll taxes	171,074	-	171,074
Operating services:			
Advertising	5,229	-	5,229
Dues and subscriptions	3,802	-	3,802
Insurance	111,370	-	111,370
Professional services	45,123	-	45,123
Miscellaneous	13,332	-	13,332
Postage	3,822	-	3,822
Repairs and maintenance	280,620	-	280,620
Rentals	-	-	-
Telephone	14,854	-	14,854
Utilities	197,619	-	197,619
Travel	14,944	-	14,944
Library material and supplies:			
Databases	75,245	-	75,245
Library books and periodicals (non-capital)	997	-	997
Office supplies	237,763	-	237,763
Reading program	30,006	-	30,006
Intergovernmental expenditures	191,945	-	191,945
Capital outlays	326,708	1,152,318	1,479,026
TOTAL EXPENDITURES	<u>4,347,727</u>	<u>1,152,318</u>	<u>5,500,045</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	773,011	(1,152,318)	(379,307)
OTHER FINANCING SOURCES (USES)			
Operating transfer in (out) - capital projects fund	<u>(1,152,318)</u>	<u>1,152,318</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(379,307)	-	(379,307)
FUND BALANCE, Beginning	8,705,284	-	8,705,284
Restatement of Beginning Fund Balance	14,719	-	14,719
FUND BALANCE, Beginning as restated	<u>8,720,003</u>	<u>-</u>	<u>8,720,003</u>
FUND BALANCE, Ending	<u>\$ 8,340,696</u>	<u>\$ -</u>	<u>\$ 8,340,696</u>

The accompanying notes are an integral part of this statement.

**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, 2016**

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

Net Change in fund balances - total governmental funds (page 14)		\$ (379,307)
<p>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.</p>		
Non-employer contributions to cost-sharing pension plan		21,770
<p>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.</p>		
Expenditures for capital assets	\$ 1,479,026	
Less:		
Current year depreciation	(727,280)	751,746
Pension expense		(51,234)
<p>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.</p>		
		6,874
Change in net position of governmental activities (page 12)		\$ 349,849

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

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 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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

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 and non-major governmental funds:

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.

Major Fund

The *Capital Projects Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition of capital facilities and other capital assets.

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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

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, 2016. 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, 2016.

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:

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Description	Estimated Lives
Library Collection	4 to 7 years
Computer Equipment	5 years
Office Furniture and Equipment	5 to 10 years
Buildings	40 years
Vehicles	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 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:

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

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, construction, 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 proceeds or deferred inflows or resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not 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, 2016, 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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

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 1st of each year. Taxes are levied in September or October and billed to taxpayers in November. Billed taxes become delinquent on January 1st 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.

	Authorized Millage	Levied Millage	Expiration Date of Millage
General fund - Ad Valorem	10.00 mills	10.00 mills	10/1/2024

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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

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 Commission 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, 2016 was legally adopted on November 12, 2015. The budget is monitored by the Board and amended as needed. The budget was amended for the fiscal year ended December 31, 2016 on December 6, 2016. Unexpended budget balances lapse at year-end.

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2016, the Library has cash and cash equivalents (book balances) as follows:

	<u>12/31/2016</u>
Demand deposits	\$ 1,027,356
Certificates of deposits held as investments (Note 4)	<u>2,980,737</u>
	<u>\$ 4,008,093</u>

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

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.

At December 31, 2016, the Library had \$4,241,181 in deposits (collected bank balances) consisting of \$1,260,444 in demand deposits and \$2,980,737 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 \$3,991,181 was covered by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$3,991,181 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.

NOTE 4 – INVESTMENTS

Investments are categorized into these three categories of credit risk:

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

The Commission held assets that qualified as investments consisting of certificates of deposits with a market value of \$2,980,737 within one local bank at December 31, 2016. All investments held by the Commission 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 Commission 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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – RECEIVABLES AND REVENUES

Ad valorem taxes attach as an enforceable lien on property as of January 1st 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 1st 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, 2016:

Description	Governmental Activities
Ad Valorem Taxes	\$ 4,746,426
State Revenue Sharing	56,980
Total Governmental Receivables	\$ 4,803,406

NOTE 6 – AD VALOREM TAXES

For the year ended December 31, 2016, taxes of 10.00 mills were levied on property with assessed valuations totaling \$494,419,412. Total taxes levied were \$4,944,194.

Total taxes assessed and taxes receivable at December 31, 2016, are as follows:

	General Operations 10.00 Mills
Property tax assessed	\$ 4,944,194
Less: Current amounts deemed uncollectible	(197,768)
Net 2016 property taxes deemed collectible	4,746,426
Prior year taxes collected in excess of prior year receivable in 2016	(1,232)
Net property tax revenues	\$ 4,745,194
Net property taxes deemed collectible	\$ 4,746,426
Less: Amounts collected prior to December 31, 2016	-
Taxes receivable - current year	4,746,426
Prior year tax receivable at December 31, 2015	4,139,721
Less: Prior year tax collected in 2016	4,138,489
Prior year taxes collected in excess of prior year receivable in 2016	1,232
Total property taxes receivable at December 31, 2016	\$ 4,746,426

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2016 for governmental activities is as follows:

	<u>Balance December 31, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2016</u>
Governmental Activities Capital Assets:				
Capital assets not being depreciated:				
Land	\$ 1,386,020	\$ -	\$ -	\$ 1,386,020
Construction in progress	214,222	1,152,318	-	1,366,540
Total capital assets not being depreciated	<u>1,600,242</u>	<u>1,152,318</u>	<u>-</u>	<u>2,752,560</u>
Capital assets being depreciated				
Furniture and equipment	832,172	65,972	-	898,144
Vehicles	59,114	-	-	59,114
Buildings	5,048,707	-	-	5,048,707
Library collection	2,955,725	260,736	(355,685)	2,860,776
Total capital assets being depreciated	<u>8,895,718</u>	<u>326,708</u>	<u>(355,685)</u>	<u>8,866,741</u>
Less Accumulated Depreciation for:				
Furniture and equipment	579,892	105,056	-	684,948
Vehicles	43,168	2,944	-	46,112
Buildings	1,113,963	254,671	-	1,368,634
Library collection	1,666,978	364,609	(355,685)	1,675,902
Total Accumulated Depreciation	<u>3,404,001</u>	<u>727,280</u>	<u>(355,685)</u>	<u>3,775,596</u>
Total capital assets being depreciated, net	<u>5,491,717</u>	<u>(400,572)</u>	<u>-</u>	<u>5,091,145</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 7,091,959</u>	<u>\$ 751,746</u>	<u>\$ -</u>	<u>\$ 7,843,705</u>

Depreciation was charged to governmental functions as follows:

Library services	<u><u>\$ 727,280</u></u>
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Library collections of \$260,736 were recorded for the fiscal year ended, with \$355,685 of fully depreciated collections recorded for disposals. Other Furniture and Equipment, including data processing software, security gages, and equipment primarily for the Livingston Library and the Library Administration Building, and other miscellaneous equipment and furniture purchases, was recorded for \$65,972. The Library also recorded \$1,152,318 in construction in progress for the planning of the Denham Springs/Walker Branch Expansion.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – 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 issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (225) 928-1361.

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – PENSION PLAN (continued)

Survivor Benefits:

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

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

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

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 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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – PENSION PLAN (continued)

Disability Benefits:

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

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Cost of Living Increases:

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

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2015, actuarially determined rate was 10.40% of member's compensation for Plan A and 6.91% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2015 was 14.50% for Plan A and 9.00% 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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – PENSION PLAN (continued)

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, 2016 was 8.00%. 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, 2016, 2015, and 2014, were \$144,680, \$158,386, and \$163,932, respectively.

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

At December 31, 2016, the Library reported a liability of \$324,436 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 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, 2015, the Library's proportion was 1.822210%, which was a decrease of 0.145872% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Library recognized pension expense of \$196,144 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$230).

At December 31, 2016, 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 Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (61,239)
Changes of assumptions	42,350	-
Net difference between projected and actual earnings on pension plan investments	357,462	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	2,072	(604)
Employer contributions subsequent to the measurement date	144,680	-
Total	<u>\$ 546,564</u>	<u>\$ (61,843)</u>

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – PENSION PLAN (continued)

The Library reported a total of \$144,680 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2015, which will be recognized as a reduction in net pension liability for the year ended December 31, 2017.

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

<u>Year</u>	<u>Pension Expense</u>
2016	\$ 83,354
2017	83,354
2018	99,346
2019	73,987
	<u>\$ 340,041</u>

Actuarial Assumptions:

A summary of actuarial methods and assumptions used in determining the total net pension liability as of December 31, 2015 is as follows:

Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.00%, net of investment expense
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not year authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – PENSION PLAN (continued)

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 7.55% for the year ended December 31, 2015. 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, 2015 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real Assets	3%	0.19%
Totals	100%	5.55%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.55%

Mortality Rate:

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

Discount Rate:

The discount rate used to measure the total pension liability was 7.00% for Plan A and 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.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – PENSION PLAN (continued)

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:

	1.0% Decrease 6.00%	Current Discount Rate 7.00%	1.0% Increase 8.00%
Net Pension Liability	\$ 958,177	\$ 324,436	\$ (210,048)

NOTE 9 – COMPENSATED ABSENCES

At December 31, 2016, 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 \$23,160 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, 2016 totaling \$87,911 represents a long-term obligation and is recorded on the government-wide financial statements.

NOTE 10 – ACCOUNTS, SALARIES, AND OTHER PAYABLES

The Governmental Funds payables consist of the following at December 31, 2016:

Governmental Funds Payable	2016
Accounts payable	\$ 182,487
Accrued vacation payable	23,160
Accrued salaries	70,569
Retainage payable	52,270
Other accrued liabilities	1,883
Deduction from ad valorem taxes	191,945
Total Government Funds Payable	\$ 522,314

NOTE 11 – OPERATING LEASES

At December 31, 2016, the Library has operating leases with Angelo’s Lawn-Scape, Detel Wireless, and Pitney Bowes for lawn maintenance, internet access, and equipment rental, respectively. The latest terms of the leases end June 30, 2017. The future lease payments for 2017 are \$26,394.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 – 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.

NOTE 13 – CONTINGENT LIABILITIES

At December 31, 2016, the Library was not involved with any outstanding litigation or claims.

NOTE 14 – 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 15 – FUND BALANCES

At December 31, 2016, the General Fund of the Library had nonspendable fund balance of \$51,496, 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.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

During the process of reconciling accounts payable at December 31, 2016, the client discovered in QuickBooks that credits were not being applied to vendors listed in accounts payable. This deficiency caused accounts payable to be overstated at year end by \$14,719. The Library consulted with an outside accountant to correct the problem in QuickBooks. The net effect on the entity-wide Statement of Net Position and the Statement of Revenues, Expenditures, and Changes in Fund Balance for the prior year was \$14,719. The net position and fund balances as restated at the beginning of the year is as follows:

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 – PRIOR PERIOD ADJUSTMENT (continued)

	<u>Net Position</u>	<u>Fund Balance</u>
Total Net Position/Fund Balance, December 31, 2015, as previously reported	\$ 15,892,207	\$ 8,705,284
Prior period adjustment	<u>14,719</u>	<u>14,719</u>
Total Net Position/Fund Balance, December 31, 2015, as restated	<u>\$ 15,906,926</u>	<u>\$ 8,720,003</u>

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 16, 2017, 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, 2016.

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, 2016**

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Ad valorem taxes	\$ 4,700,000	\$ 4,809,260	\$ 4,818,172	\$ 8,912
State revenue sharing	166,000	161,318	163,108	1,790
Fines and fees	50,000	30,000	38,957	8,957
Grants	4,583	3,700	1,000	(2,700)
Donations	5,850	3,960	3,564	(396)
Interest	23,549	23,640	36,183	12,543
Miscellaneous	65,660	56,342	59,754	3,412
TOTAL REVENUES	<u>5,015,642</u>	<u>5,088,220</u>	<u>5,120,738</u>	<u>32,518</u>
EXPENDITURES				
Personnel services:				
Salaries	2,218,497	2,157,047	2,223,944	(66,897)
Benefits	370,842	377,735	393,112	(15,377)
Payroll taxes	169,715	165,014	171,074	(6,060)
Operating services:				
Advertising	-	-	5,229	(5,229)
Dues and subscriptions	3,200	3,200	3,802	(602)
Insurance	102,351	114,635	111,370	3,265
Professional services	55,762	44,553	45,123	(570)
Miscellaneous	48,420	26,310	13,332	12,978
Postage	6,000	4,400	3,822	578
Repairs and maintenance	605,430	286,500	280,620	5,880
Rentals	-	8,200	-	8,200
Software purchases	5,000	6,220	6,218	2
Telephone	-	-	14,854	(14,854)
Utilities	199,382	192,602	197,619	(5,017)
Travel	28,000	24,000	14,944	9,056
Library materials and supplies:				
Databases	99,000	87,207	75,245	11,962
Library books and periodicals (non-capital)	160,900	77,697	997	76,700
Office supplies	119,700	84,021	237,763	(153,742)
Reading programs	41,000	25,267	30,006	(4,739)
Intergovernmental expenditures	188,000	189,867	191,945	(2,078)
Capital outlays	593,700	393,083	326,708	66,375
TOTAL EXPENDITURES	<u>5,014,899</u>	<u>4,267,558</u>	<u>4,347,727</u>	<u>(80,169)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>743</u>	<u>820,662</u>	<u>773,011</u>	<u>(47,651)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer (out) - capital projects fund	-	-	(1,152,318)	(1,152,318)
NET CHANGE IN FUND BALANCE	<u>743</u>	<u>820,662</u>	<u>(379,307)</u>	<u>(1,199,969)</u>
FUND BALANCE, Beginning	8,705,284	8,705,284	8,705,284	-
Restatement of beginning fund balance	14,719	14,719	14,719	-
FUND BALANCE, Beginning as restated	<u>8,720,003</u>	<u>8,720,003</u>	<u>8,720,003</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 8,720,746</u>	<u>\$ 9,540,665</u>	<u>\$ 8,340,696</u>	<u>\$ (1,199,969)</u>

**LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Capital Projects Fund</u>
REVENUES	
Ad valorem taxes	\$ -
State revenue sharing	-
Fines and fees	-
Grants	-
Donations	-
Interest	-
Miscellaneous	-
TOTAL REVENUES	<u>-</u>
EXPENDITURES	
Personnel services:	
Salaries	-
Benefits	-
Payroll taxes	-
Operating services:	
Advertising	-
Dues and subscriptions	-
Insurance	-
Professional services	-
Miscellaneous	-
Postage	-
Repairs and maintenance	-
Rentals	-
Software purchases	-
Telephone	-
Utilities	-
Travel	-
Library materials and supplies:	
Databases	-
Library books and periodicals (non capital)	-
Office supplies	-
Reading programs	-
Intergovernmental expenditures	-
Capital outlays	1,152,318
TOTAL EXPENDITURES	<u>1,152,318</u>
EXPENDITURES	<u>(1,152,318)</u>
OTHER FINANCING SOURCES	
Operating transfer in - capital projects fund	1,152,318
NET CHANGE IN FUND BALANCE	-
FUND BALANCE, Beginning	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>

**LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Year Ended December 31,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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, 2016**

<u>Year Ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2016	\$ 144,680	\$ 144,680	\$ -	\$ 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, 2016

<u>Board Member</u>	<u>Compensation Received</u>
Jo Ann Graul, President	\$ -
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, 2016**

Agency Head Name: Giovanni Tairov, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,815
Employer paid payroll taxes	6,298
Benefits - retirement	6,586
Cell phone reimbursement	827
Travel - mileage reimbursements	174
Conference registration and expenses	2,234
Dues	404
Total	\$ 95,338

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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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 ACCORDANCE 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, 2016, 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 May 16, 2017.

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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 2016-001.

**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***

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
May 16, 2017

**LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 was one significant deficiency 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

2016-001 LIMITED SEGREGATION OF DUTIES

Condition:

Duties throughout the financial reporting process, which are considered incompatible, are being performed by the Commission's bookkeeper or Director. Specifically, the individual that makes deposits also records transactions into the general ledger and reconciles the bank accounts, and the individual with authority over expenditures also signs checks and approves payroll direct deposits.

The Commission has implemented compensating controls that include, but are not limited to: separate individuals opening mail; maintaining copies of supporting documents; dual signatures on checks; review of bank statements and bank reconciliations by Director (separate from the person reconciling the accounts and recording the transactions in the general ledger); time entry system and payroll review by Director (separate from the person processing payroll); review of all source documents by Director; board review of financial data; and board review and approval of the budget process.

Criteria:

Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, and maintaining custody of related assets.

Effect:

Inadequate segregation of duties exposes the Commission to several risks, including, but not limited to misappropriation of assets and inaccurate or fraudulent financial reporting.

**LIVINGSTON PARISH LIBRARY COMMISISON
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Recommendation:

Management should remain vigilant in identifying compensating controls and ensuring that those implemented are operating effectively. Specifically, we recommend that the Board attempt to meet more frequently in order to increase the frequency with which it reviews financial data. We also recommend review of the accounting system's general ledger by a designated board member on an unannounced basis.

Management's Response:

Management has been wanting to hire an accountant for quite some time, but they will not have enough task/duties to assign to two full-time positions of a bookkeeper and an accountant.

**LIVINGSTON PARISH LIBRARY COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016**

**2015-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE
WITH GAAP**

Condition:

Duties throughout the financial reporting process, which are considered incompatible, are being performed by the Commission's bookkeeper or Director. Specifically, the individual that makes deposits also records transactions into the general ledger and reconciles the bank accounts, and the individual with authority over expenditures also signs checks and approves payroll direct deposits.

The Commission has implemented compensating controls that include, but are not limited to: separate individuals opening mail; maintaining copies of supporting documents; dual signatures on checks; review of bank statements and bank reconciliations by Director (separate from the person reconciling the accounts and recording the transactions in the general ledger); time entry system and payroll review by Director (separate from the person processing payroll); review of all source documents by Director; board review of financial data; and board review and approval of the budget process.

Recommendation:

Management should remain vigilant in identifying compensating controls and ensuring that those implemented are operating effectively. Specifically, we recommend that the Board attempt to meet more frequently in order to increase the frequency with which it reviews financial data. We also recommend review of the accounting system's general ledger by a designated board member on an unannounced basis.

Current Status:

This condition still exists in the current year.