
**LIVINGSTON PARISH LIBRARY
COMMISSION
LIVINGSTON, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2021**

**LIVINGSTON PARISH LIBRARY COMMISSION
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DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Library Commission, a component unit of the Livingston Parish Council, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Library Commission, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Livingston Parish Library Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Livingston Parish Library Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Livingston Parish Library Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Livingston Parish Library Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 4 through 10 and 39 through 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The Statement of Net Position -Compared to Prior Year Totals, Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (GAAP Basis) to

Actual, General Fund with Comparative Actual Amounts for Prior Year, Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Statement of Net Position -Compared to Prior Year Totals, Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (GAAP Basis) to Actual, General Fund with Comparative Actual Amounts for Prior Year, Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022 on our consideration of Livingston Parish Library Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Livingston Parish Library Commission 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Baxley & Associates. LLC

Plaquemine, Louisiana
June 13, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

General Information

The Livingston Parish 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) offers readers of the library's financial statements a narrative overview and analysis of the financial activities of the library for the fiscal year ended December 31, 2021. 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 MD&A is also 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 in changes, and currently known facts, please read it in conjunction with the library's financial statements, which follow this section.

Financial Highlights

- On December 31, 2021, the Library's government-wide assets of \$19,106,401 exceeded its liabilities by \$18,117,489 (net position). Of this amount, \$9,709,894 (unrestricted net position) may be used to meet the library's ongoing obligations at its discretion, and the balance of \$8,407,595 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 \$6,149,852 in revenue for the current year. This was an increase of \$53,816 from the 2020 ad valorem tax revenue of \$6,096,036.
- Total revenue for 2021 was \$6,483,276 as compared to the 2020 total of \$6,479,701, a \$3,575 increase. This includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for photocopies and faxes, fines, donations, federal funding, and miscellaneous fees.
- On the fund financial statements, library expenditures for 2021 increased by \$360,744 from \$5,831,579 in 2020 to \$6,192,323 in 2021. This increase is predominantly due to capital outlays.

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

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 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 the 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 the gross and net costs of various activities, both governmental and business-type, that are supported by the library's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidies 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 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 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, 2021**

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. A review of these differences provides the reader of the financial statements the insight into 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 page 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
2020 and 2021**

Governmental Activities

	2020	2021
Assets:		
Current and Other Assets	\$9,863,256	10,196,041
Capital Assets	8,671,557	8,407,593
Other Non-Current Assets	15	15
Net Pension Asset	128,390	502,767
Total Assets	18,663,203	19,106,401
Deferred Outflows - Pension	267,001	303,007
Liabilities:		
Long-Term Debt Obligations	129,993	132,665
Other Liabilities	528,415	550,005
Total Liabilities	658,408	682,660
Deferred Inflows - Pension	324,643	609,259
Net Position:		
Net Investment in Capital Assets	8,671,557	8,407,593
Unrestricted	9,275,596	9,709,894
Total Net Position	17,947,153	18,117,489

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

The library's assets on December 31, 2021, exceeded liabilities by \$18,117,489 (net position), with the library reporting positive balances in both categories of net position. Of the total net position, \$9,970,894 is Unrestricted Net position. The balance of net position includes a total of \$8,407,595 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 \$2,905,821, consisting of funds in certificates of deposit, and receivables consisting primarily of an ad valorem tax receivable of \$6,024,804 and state revenue sharing receivable of \$59,862.

Current Liabilities, totaling \$550,005 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, 2020 and 2021**

Governmental Activities

	2020	2021
Revenues:		
Program revenues:		
Charges for services	\$ 18,109	\$ 47,669
Operating grants and contributions	6,775	2,265
General Revenues:		
Ad Valorem Taxes	6,096,036	6,149,852
State Revenue Sharing	174,656	178,260
Interest Income	77,587	51,128
Donations	13,115	2,252
Miscellaneous	39,956	25,027
Gain on Sale of Assets	-	-
Total Revenues	\$ 6,479,836	\$ 6,503,518
Program Expenses:		
Library Services	6,270,320	6,362,874
Total Expenses	6,270,320	6,362,874
Change in Net Position	234,265	170,336
Beginning Net Position	17,712,888	17,947,153
Ending Net position	\$ 17,947,153	\$ 18,117,489

The major component of Program Revenues, totaling \$47,669, consists of charges for fines and fees at branch library locations. The General Revenue sources are ad valorem taxes totaling \$6,149,852, state revenue sharing totaling \$178,260, and interest earnings totaling \$51,128.

Library expenditures for 2021 totaled \$6,362,874, compared to \$6,270,320 in 2020 -- a 92,554 increase due to payroll, taxes, and benefits, increasing cost of repairs and maintenance, wider offerings of electronic databases, and post-pandemic increases in programming, service, and marketing efforts.

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

Fund Financial Analysis

As previously noted, the library's only governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements can be found on pages 13 to 15 of this report. Within the fund statements, the Library recorded an excess of revenues over expenditures of \$311,195, resulting in a fund balance of \$9,646,036 on December 31, 2021. The reader of these financial statements should refer to Footnote 14 - Fund Balances for a description of how the Livingston Parish Library Commission Board of Control has planned and designated funds for future projects and contingencies.

Capital Assets

The net investment in capital assets as of December 31, 2021, was \$8,407,593. The gross value of capital assets increased, but the net value decreased due to depreciation expense. The following table provides a summary of the library's capital assets at the end of the current year compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2020 and 2021**

Governmental Activities

Capital Assets

	2020	2021
Land	\$ 1,386,020	\$1,386,020
Library Collection	3,730,657	4,032,082
Building	8,747,334	9,066,406
Vehicles	282,241	282,241
Equipment and Furniture	1,452,403	1,638,241
Construction in Progress	-	-
Subtotal Capital Assets	14,212,635	15,018,970
Less: Accumulated Depreciation	(6,927,100)	(7,997,397)
Capital Assets, Net	\$ 8,671,557	\$8,407,593

Library collections of \$438,776 were recorded for the fiscal year ended, with \$0 of fully depreciated collections recorded for disposals. Other Furniture and Equipment, including data processing software, computers, and equipment primarily for the Livingston Parish Library and Library Administration Building, and other miscellaneous equipment and furniture purchases, were recorded for \$185,838. The library also recorded \$319,072 in buildings and improvements.

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. The library's actual expenditures and other uses did not exceed budgeted expenses and other uses by 5%.

**LIVINGSTON PARISH LIBRARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

New Accounting Pronouncements

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

Conclusion

The Livingston Parish Library Commission's management approach is conservative. This is reflected in conformance to enacted budgets and in the efforts of the Library to control the level of expenditures. The Livingston Parish Library Commission is maintaining its level of service to the community by continuing to offer excellent programming and services to the public. The five library branches offer extended and convenient hours to serve patrons. The library has over one hundred fifty public computers available for library users, as well as an extensive book collection, audio/video, periodical collection, 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 provides a general overview of the Livingston Parish Library Commission's finances. Questions regarding this report or requests for additional information should be addressed to 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, 2021**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,118,568
Receivables, net:	
Ad Valorem taxes	6,024,804
State revenue sharing	59,862
Other receivables	1,152
Prepaid insurance	73,995
Prepaid expense	11,824
Investments	2,905,821
Capital assets:	
Non-depreciable	1,386,020
Depreciable, net of depreciation	7,021,573
Utility deposits	15
Net pension asset	502,767
Total Assets	19,106,401
DEFERRED OUTFLOWS - PENSION	
Pension Related	303,007
LIABILITIES	
Accounts payable	170,133
Retainage Payable	7,744
Accrued salaries payable	36,240
Deductions from ad valorem taxes	249,826
Other accrued liabilities	40,453
Accrued vacation payable	45,609
Non Current Liabilities	
Accrued sick leave payable	132,655
Total Liabilities	682,660
DEFERRED INFLOWS - PENSION	
Pension Related	609,259
Net Position	
Net invested in capital assets	8,407,595
Unrestricted	9,709,894
TOTAL NET POSITION	\$ 18,117,489

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<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	<u>\$ 6,362,874</u>	<u>\$ 47,669</u>	<u>\$ 49,330</u>	<u>\$ (6,265,875)</u>
Total Governmental Activities	<u>\$ 6,362,874</u>	<u>\$ 47,669</u>	<u>\$ 49,330</u>	<u>\$ (6,265,875)</u>

General Revenues:	
Ad valorem taxes	6,149,852
Intergovernmental revenue	178,260
Investment earnings	51,128
Other general revenues	<u>56,971</u>
Total General Revenues	<u>6,436,211</u>
Change in Net Position	170,336
Net Position at Beginning of the Year	<u>17,947,153</u>
Net Position at End of the Year	<u>\$ 18,117,489</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2021**

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 671,138	\$ 447,430	\$ 1,118,568
Receivables, net:			
Ad valorem taxes	6,024,804	-	6,024,804
State revenue sharing	59,862	-	59,862
Other receivables	1,152	-	1,152
Prepaid insurance	73,995	-	73,995
Prepaid expense	11,824	-	11,824
Investments	-	2,905,821	2,905,821
Utility deposits	15	-	15
TOTAL ASSETS	\$ 6,842,790	\$ 3,353,251	\$ 10,196,041
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 170,133	\$ -	\$ 170,133
Retainage payable	-	7,744	7,744
Deferred revenue	-	-	-
Accrued vacation payable	45,609	-	45,609
Accrued salaries	36,240	-	36,240
Other accrued liabilities	40,453	-	40,453
Deductions from ad valorem taxes	249,826	-	249,826
TOTAL LIABILITIES	542,261	7,744	550,005
Fund Balance			
Nonspendable	85,819	-	85,819
Committed	3,678,000	-	3,678,000
Restricted	-	3,345,507	3,345,507
Unassigned	2,536,710	-	2,536,710
TOTAL FUND BALANCES	6,300,529	3,345,507	9,646,036

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.	8,407,593
Net Pension asset	502,767
Deferred Outflow	303,007

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	(132,655)
Deferred inflow	(609,259)

Net position of governmental activities **\$ 18,117,489**

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, 2021

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 6,149,852	\$ -	\$ 6,149,852
State revenue sharing	178,260	-	178,260
Fines and fees	47,669	-	47,669
State and Local grants	2,265	-	2,265
Federal funds	47,065	-	47,065
Interest	20,831	30,297	51,128
Donations	2,252	-	2,252
Miscellaneous	25,027	-	25,027
TOTAL REVENUES	6,473,221	30,297	6,503,518
EXPENDITURES			
Personnel services:			
Salaries	2,671,257	-	2,671,257
Benefits	533,796	-	533,796
Payroll taxes	187,515	-	187,515
Operating services:			
Advertising	3,294	-	3,294
Contracts, licenses and permits	25,266	-	25,266
Insurance	174,802	-	174,802
Professional services	174,721	-	174,721
Miscellaneous	48	-	48
Repairs and maintenance	607,323	-	607,323
Rentals	8,616	-	8,616
Telephone	16,623	-	16,623
Utilities	197,000	-	197,000
Travel	17,808	-	17,808
Library material and supplies:			
Databases	191,448	-	191,448
Library books and periodicals (non-capital)	234,455	-	234,455
Office supplies	71,491	-	71,491
Reading program	20,698	-	20,698
Intergovernmental expenditures	249,826	-	249,826
Capital outlays	345,576	460,760	806,336
TOTAL EXPENDITURES	5,731,563	460,760	6,192,323
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	741,658	(430,463)	311,195
OTHER FINANCING SOURCES (USES)			
Transfer in (Out)	(614,210)	614,210	-
TOTAL OTHER FINANCING SOURCES (USES)	(614,210)	614,210	-
NET CHANGE IN FUND BALANCE	127,448	183,747	311,195
FUND BALANCE, Beginning	9,334,841	-	9,334,841
Restatement of Beginning Fund Balance	(3,161,760)	3,161,760	-
FUND BALANCE, Beginning as restated	6,173,081	3,161,760	9,334,841
FUND BALANCE, Ending	\$ 6,300,529	\$ 3,345,507	\$ 9,646,036

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, 2021**

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

Net Change in fund balances - total governmental funds (page 15)		\$ 311,195
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.		29,686
Non-employer contributions to cost-sharing pension plan		96,081
<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	\$ 806,336	
Less:		
Current year depreciation	<u>(1,070,297)</u>	(263,961)
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.		<u>(2,665)</u>
Change in net position of governmental activities (page 13)		<u><u>\$ 170,336</u></u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, codified Section 2100 – *Defining The Financial Reporting Entity*, 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 since it is fiscally dependent on 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 1 – 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 fund:

Major Funds

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.

The *Capital Projects fund* accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.

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.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Application and Measurement*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:
Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

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.

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

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, 2021. 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, 2021.

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:

<u>Description</u>	<u>Estimated Lives</u>
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 80 hours at year-end 2021. Any hours, in excess of this maximum

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

- **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, 2021, 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- **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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until then. The governmental funds report unavailable revenue from property taxes and state revenue sharing. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Library utilizes the following budgetary practices:

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

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, 2021 was legally adopted on November 25, 2020. The budget is monitored by the Board and amended as needed. The budget was amended for the fiscal year ended December 31, 2021 on November 17, 2021. Unexpended budget balances lapse at year-end.

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2021, the Library has cash and cash equivalents (book balances) as follows:

	<u>12/31/2021</u>
Demand deposits	\$ 1,118,568
Certificates of deposits held as investments (Note 4)	<u>2,905,821</u>
	<u>\$ 4,024,389</u>

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

At December 31, 2021, the Library had \$4,041,661 in deposits (collected bank balances) consisting of \$1,135,840 in demand deposits and \$2,905,821 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 \$ 3,791,661 was covered by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$3,791,661 was exposed to custodial credit risk because while the amount was secured by pledged securities, such securities were held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Investments are categorized into these three categories of credit risk:

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

The Library held assets that qualified as investments consisting of certificates of deposits with a market value of \$2,905,821 within one local bank at December 31, 2021. All investments held by the Library fall into Category 1 credit risk above. In accordance with GASB 31, *Accounting*

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

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

Financial Reporting for Certain Investments and For External Investment Pools, all investments, when held, are carried at fair market value, with the estimated fair market value bases on quoted market prices.

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

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. The Library invests in certificates of deposits that are backed by FDIC and pledged securities, and United States government securities.

The Library has adopted the state investment policy at LA 49:327 and does not have any other policy that would further limit the investment choices. As of December 31, 2021, 100% of the Library’s investment balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution’s trust department or agent, but not in the entity’s name.

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

At December 31, 2021, the Library held certificates of deposit, with an original maturity greater than 90 days, totaling \$ 2,905,821. These investments are stated on the balance sheet at market value and are as follows:

Descriptions	Cost	Fair Value	Maturity Date	Interest Rate
Certificates of Deposit	\$ 810,525	\$ 810,525	1/31/2022	0.01%
Certificates of Deposit	\$ 625,382	\$ 625,382	1/19/2022	0.01%
Certificates of Deposit	\$ 640,113	\$ 640,113	2/22/2022	2.22%
Certificates of Deposit	\$ 829,801	\$ 829,801	7/19/2022	0.01%
Total	<u>\$ 2,905,821</u>	<u>\$ 2,905,821</u>		

NOTE 4 – 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, 2021:

Description	Governmental Activities
Other Receivables	\$ 1,152
Ad Valorem Taxes	6,024,804
State Revenue Sharing	<u>59,862</u>
Total Governmental Receivables	<u>\$ 6,085,818</u>

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

NOTE 5 – AD VALOREM TAXES

For the year ended December 31, 2021, taxes of 10.00 mills were levied on property with assessed valuations totaling \$ 637,161,570. Total taxes levied were \$6,371,624.

Total taxes assessed and taxes receivable at December 31, 2021, are as follows:

	General Operations 10.00 Mills
Property tax assessed	\$ 6,371,624
Less: Current amounts deemed uncollectible	(346,820)
Net 2020 property taxes deemed collectible	6,024,804
Prior year taxes collected in excess of prior year receivable in 2020	-
Net property tax revenues	\$ 6,024,804
Net property taxes deemed collectible	\$ -
Less: Amounts collected prior to December 31, 2021	-
Taxes receivable - current year	6,024,804
Prior year tax receivable at December 31, 2020	5,919,521
Less: Prior year tax collected in 2021	-
Prior year taxes collected in 2021	5,919,521
Total property taxes receivable at December 31, 2021	\$ 6,024,804

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

NOTE 6 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021 for governmental activities is as follows:

	<u>Balance December 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2021</u>
Governmental Activities Capital Assets:				
Capital assets not being depreciated:				
Land	\$ 1,386,020	\$ -	\$ -	\$ 1,386,020
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>1,386,020</u>	<u>-</u>	<u>-</u>	<u>1,386,020</u>
Capital assets being depreciated				
Furniture and equipment	1,452,403	185,838	-	1,638,241
Vehicles	282,241	-	-	282,241
Buildings	8,747,334	319,072	-	9,066,406
Library collection	3,730,657	301,425	-	4,032,082
Total capital assets being depreciated	<u>14,212,635</u>	<u>806,335</u>	<u>-</u>	<u>15,018,970</u>
Less Accumulated Depreciation for:				
Furniture and equipment	980,416	132,856	-	1,113,272
Vehicles	130,290	33,101	-	163,391
Buildings	2,967,011	465,564	-	3,432,575
Library collection	2,849,383	438,776	-	3,288,159
Total Accumulated Depreciation	<u>6,927,100</u>	<u>1,070,297</u>	<u>-</u>	<u>7,997,397</u>
Total capital assets being depreciated, net	<u>7,285,535</u>	<u>(263,962)</u>	<u>-</u>	<u>7,021,573</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 8,671,555</u>	<u>\$ (263,962)</u>	<u>\$ -</u>	<u>\$ 8,407,593</u>

Depreciation was charged to governmental functions as follows:

Library services	<u><u>\$ 1,070,297</u></u>
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Library collections of \$301,425 were recorded for the fiscal year ended, with \$0 of fully depreciated collections recorded for disposals. Other Furniture and Equipment, including data processing software, computers, and equipment primarily for the Livingston Library and the Library Administration Building, and other miscellaneous equipment and furniture purchases, was recorded for \$185,838. The Library also recorded \$319,072 in buildings and improvements.

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

NOTE 7 – PENSION PLAN

Plan Description:

Substantially all employees of the Livingston Parish Library Commission are members of the Parochial Employees' Retirement System of Louisiana (PERS), a multiple-employer, cost-sharing, defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute. The System provides retirement benefits of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. The System issued a stand-alone audit report on its financial statements for the year ended December 31, 2020. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

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

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

Deferred Retirement Option Plan:

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

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

NOTE 7 – PENSION PLAN (continued)

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

Upon termination of employment prior to or at the end of 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 DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, if not eligible for normal retirement, 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, to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are not enrolled January 1, 2007 and later.

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.

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

NOTE 7 – PENSION PLAN (continued)

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, actuarially determined rate was 7.39% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2020 was 7.50% for Plan B. According to state statute, the System also received $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

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, 2021 was 7.50%. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The Library's contributions to the System under Plan B for the years ended December 31, 2021, 2020, and 2019, were \$162,593, \$174,423, and \$155,146, respectively.

Pension Liabilities/(Asset), Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:

At December 31, 2021, the Library reported an asset of (\$502,767) for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2020, the Library's proportion was 1.958382%, which was an increase of 0.183729% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Library recognized pension expense of \$63,109 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$3,403.

At December 31, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

NOTE 7 – PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,891	\$ (14,423)
Changes of assumptions	86,103	-
Net difference between projected and actual earnings on pension plan investments	-	(594,188)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	22,420	(648)
Employer contributions subsequent to the measurement date	162,593	-
Total	\$ 303,007	\$ (609,259)

The Library reported a total of \$162,593 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2020, which will be recognized as a reduction in net pension asset for the year ended December 31, 2022.

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

Year	
2022	\$ (139,763)
2023	(33,270)
2024	(197,256)
2025	(98,556)
	\$ (468,845)

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

NOTE 7 – PENSION PLAN (continued)

Actuarial Assumptions:

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

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.40%, net of investment expense, including inflation
Projected Salary Increases	4.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
 Mortality	
	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
 Inflation Rate	 2.30%

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 7.00% for the year ended December 31, 2020. 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, 2020 are summarized in the following table:

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

NOTE 7 – PENSION PLAN (continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real Assets	2%	0.11%
Totals	100%	5.00%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.00%

Mortality Rate:

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

Discount Rate:

The discount rate used to measure the total pension liability was 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table represents the Library's proportionate share of the net pension liability/asset (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 5.40%	Current Discount Rate 6.40%	1.0% Increase 7.40%
Net Pension Liability/Asset	\$ 470,019	\$ (502,767)	\$ (1,315,661)

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

NOTE 8 – COMPENSATED ABSENCES

At December 31, 2021, 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 \$45,609 accrued vacation leave is recorded as an obligation of the general fund.

Compensated absences, 1/1/21	\$ 57,933
Additions	-
Deductions	<u>(12,324)</u>
Compensated absences, 12/31/21	<u>\$ 45,609</u>

The following is a summary of the current (due in one year or less) and long-term portions of the obligation at December 31, 2021:

Current portion	\$ 45,609
Long-term portion	-
Total	<u>\$ 45,609</u>

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, 2021 totaling \$132,655 represents a long-term obligation and is recorded on the government-wide financial statements.

NOTE 9 – ACCOUNTS, SALARIES, AND OTHER PAYABLES

The Governmental Funds payables consist of the following at December 31, 2021:

<u>Governmental Funds Payable</u>	<u>2021</u>
Accounts payable	\$ 170,133
Accrued vacation payable	45,609
Accrued salaries	36,240
Retainage payable	7,744
Other accrued liabilities	40,453
Deduction from ad valorem taxes	<u>249,826</u>
Total Government Funds Payable	<u>\$ 550,005</u>

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

NOTE 10 – OPERATING LEASES

At December 31, 2021, the Library has an operating lease with Xerox for equipment rental. The lease with Xerox is for the period June 30, 2019 through June 30, 2022. Lease expense was \$1,340 for year ended December 31, 2021.

Future Lease Payments	Vendor Xerox	Total by Year
2022	\$670	\$670

NOTE 11 – RISK MANAGEMENT

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

NOTE 12 – CONTINGENT LIABILITIES

During the year 2019, the Library filed a suit against Brunt Construction, Inc., Professional Service Industries, Inc., Cockfield Jackson architects and its insurers for alleged defective and incomplete work associated with the Denham Springs/Walker branch library expansion project. The lawsuit was filed in the 21st Judicial District Court, Parish of Livingston. The Library filed a Motion to Stay the lawsuit because there is a requirement for arbitration in the contracts with Brunt and with Cockfield which would also be applicable to their insurers and bonding companies. Brunt filed a Motion for Mandamus requesting the Court order the Library to release the remaining funds held. The Court denied this Motion and writs were not taken. The Court also denied the Library's Motion to Stay. The Library filed writs with the First Circuit Court of Appeal and is awaiting a ruling. A hearing has been set for September 27-October 1, 2021. It is expected that the Library should recover most of its damages.

NOTE 13 – FINANCING OF LIBRARY BUILDINGS BY PRIMARY GOVERNMENT

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

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

NOTE 14 – FUND BALANCES AND RESTATEMENT

At December 31, 2021, the General Fund of the Library had nonspendable fund balance of \$85,819 consisting of prepaid insurance premiums and prepaid expenses. 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.

In the fiscal year ended December 31, 2021, The Library created a Capital Projects fund for the construction, improvement, and new equipment for the Library branches. Due to the creation of this new fund, the General fund -fund balance was restated and reduced by \$3,161,760. The beginning fund balance of the Capital Projects fund was \$3,161,760.

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Library will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the Library's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Library is unknown at this time.

GASB Statement 96, Subscription-Based Information Technology Arrangements: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement for government end users. This Statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for the IRS Section 457 Deferred Compensation Plans. The requirements of this Statement related to the accounting and financial reporting for IRS Code Section 457 plans are effective for periods beginning after June 15, 2021.

GASB Statement 91, Conduit Debt Obligations: The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effect for reporting periods beginning with the fiscal year that ends December 31, 2022.

GASB Statement 92, Omnibus 2020: The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issue that have been identified during implementation and application of certain GASB statements. This statement is effective for reporting periods beginning after June 15, 2021.

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

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED (continued)

GASB Statement 93, Replacement of Interbank Offered Rates: The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirement in paragraph 11b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements: The primary object of this statement is to improve financial reporting by addressing issues related to these arrangements. This statement is effective for reporting periods beginning after June 15, 2022.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements, if any.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through June 13, 2022, 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, 2021. As a result of COVID-19, coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Library is closely monitoring its financial statements for 2022 impacts.

REQUIRED SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Ad valorem taxes	\$ 5,919,521	\$ 5,945,903	\$ 6,149,852	\$ 203,949
State revenue sharing	174,180	174,180	178,260	4,080
Fines and fees	55,300	41,400	47,669	6,269
Grants	7,875	1,100	2,265	1,165
Donations	12,879	12,879	2,252	(10,627)
Interest	38,725	38,725	20,831	(17,894)
Federal funds	-	47,064	47,065	1
Miscellaneous	36,500	36,500	25,027	(11,473)
TOTAL REVENUES	6,244,980	6,297,751	6,473,221	175,470
EXPENDITURES				
Personnel services:				
Salaries	2,759,000	2,759,000	2,671,257	87,743
Benefits	536,972	536,972	533,796	3,176
Payroll taxes	211,075	211,075	187,515	23,560
Operating services:				
Advertising	60,000	60,000	3,294	56,706
Contracts, licenses and permits	25,050	25,050	25,266	(216)
Insurance	150,270	150,270	174,802	(24,532)
Professional services	81,851	170,800	174,721	(3,921)
Miscellaneous	28	28	48	(20)
Repairs and maintenance	522,262	522,262	607,323	(85,061)
Rentals	9,000	9,000	8,616	384
Telephone	15,730	15,730	16,623	(893)
Utilities	167,547	167,547	197,000	(29,453)
Travel	55,000	55,000	17,808	37,192
Library materials and supplies:				
Databases	160,000	180,000	191,448	(11,448)
Library books and periodicals (non-capital)	226,150	226,150	234,455	(8,305)
Office supplies	66,460	71,460	71,491	(31)
Reading programs	52,560	53,160	20,698	32,462
Intergovernmental expenditures	234,348	241,363	249,826	(8,463)
Capital outlays	344,500	344,500	345,576	(1,076)
TOTAL EXPENDITURES	5,677,803	5,799,367	5,731,563	67,804
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	567,177	498,384	741,658	243,274
OTHER FINANCING SOURCES (USES)				
Operating transfer (out) - capital projects fund	-	-	(614,210)	(614,210)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(614,210)	(614,210)
NET CHANGE IN FUND BALANCE	567,177	498,384	127,448	(370,936)
FUND BALANCE, Beginning	9,334,841	9,334,841	9,334,841	-
Restatement of beginning fund balance	(3,161,760)	(3,161,760)	(3,161,760)	-
FUND BALANCE, Beginning as restated	6,173,081	6,173,081	6,173,081	-
FUND BALANCE, Ending	\$ 6,740,258	\$ 6,671,465	\$ 6,300,529	\$ (370,936)

LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	1.958382%	\$ (502,767)	\$ 2,570,480	19.5593%	106.75%
2020	1.774653%	\$ (128,390)	\$ 2,240,587	5.7302%	102.05%
2019	1.650014%	\$ 445,776	\$ 1,971,015	-22.6166%	91.93%
2018	1.599771%	\$ (201,284)	\$ 1,717,902	11.7168%	104.02%
2017	1.815415%	\$ 235,836	\$ 1,621,157	14.5474%	95.50%
2016	1.822210%	\$ 324,436	\$ 1,808,497	17.9395%	93.48%
2015	1.968082%	\$ 5,466	\$ 1,750,029	00.3123%	99.89%

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

LIVINGSTON PARISH LIBRARY COMMISSION
 SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S CONTRIBUTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	\$ 162,593	\$ 162,593	\$ -	\$ 2,570,480	6.3254%
2020	\$ 174,423	\$ 174,423	\$ -	\$ 2,240,587	7.7847%
2019	\$ 155,146	\$ 155,146	\$ -	\$ 1,971,015	7.8714%
2018	\$ 129,463	\$ 129,463	\$ -	\$ 1,717,902	7.5361%
2017	\$ 129,641	\$ 129,641	\$ -	\$ 1,621,157	7.9968%
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
STATEMENT OF NET POSITION
DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020

	<u>2021</u>	<u>2020</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
ASSETS		
Cash and cash equivalents	\$ 1,118,568	\$ 903,125
Receivables, net:		
Ad Valorem taxes	6,024,804	5,919,521
State revenue sharing	59,862	58,536
Other receivables	1,152	1,152
Prepaid insurance	73,995	64,796
Prepaid expense	11,824	40,295
Investments	2,905,821	2,875,816
Capital assets:		
Non-depreciable	1,386,020	1,386,020
Depreciable, net of depreciation	7,021,573	7,285,537
Utility deposits	15	15
Net pension asset	502,767	128,390
Total Assets	<u>19,106,401</u>	<u>18,663,203</u>
DEFERRED OUTFLOWS - PENSION		
Pension Related	<u>303,007</u>	<u>267,001</u>
LIABILITIES		
Accounts payable	170,133	150,547
Deferred revenue	-	-
Retainage payable	7,744	
Accrued salaries payable	36,240	40,152
Deductions from ad valorem taxes	249,826	241,363
Other accrued liabilities	40,453	38,420
Accrued vacation payable	45,609	57,933
Non Current Liabilities		
Pension		-
Accrued sick leave payable	132,655	129,993
Total Liabilities	<u>682,660</u>	<u>658,408</u>
DEFERRED INFLOWS - PENSION		
Pension Related	<u>609,259</u>	<u>324,643</u>
Net Position		
Net invested in capital assets	8,407,595	8,671,557
Unrestricted	9,709,894	9,275,596
TOTAL NET POSITION	<u>\$ 18,117,489</u>	<u>\$ 17,947,153</u>

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR PRIOR YEAR

	2021				2020
	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)	Actual Amounts GAAP Basis
REVENUES					
Ad valorem taxes	\$ 5,919,521	\$ 5,945,903	\$ 6,149,852	\$ 203,949	\$ 6,096,036
State revenue sharing	174,180	174,180	178,260	4,080	174,656
Fines and fees	55,300	41,400	47,669	6,269	18,109
Grants	7,875	1,100	2,265	1,165	6,775
Donations	12,879	12,879	2,252	(10,627)	13,115
Interest	38,725	38,725	20,831	(17,894)	77,587
Federal funds	-	47,064	47,065	1	53,602
Miscellaneous	36,500	36,500	25,027	(11,473)	39,956
TOTAL REVENUES	\$ 6,244,980	6,297,761	6,473,221	175,470	6,479,836
EXPENDITURES					
Personnel services:					
Salaries	2,759,000	2,759,000	2,671,257	87,743	2,725,248
Benefits	536,972	536,972	533,796	3,176	528,266
Payroll taxes	211,075	211,075	187,515	23,560	190,900
Operating services:					
Advertising	60,000	60,000	3,294	56,706	51,786
Contracts, licenses and permits	25,050	25,050	25,266	(216)	19,230
Insurance	150,270	150,270	174,802	(24,532)	166,664
Professional services	81,851	170,800	174,721	(3,921)	84,882
Miscellaneous	28	28	48	(20)	668
Postage	-	-	-	-	1,783
Repairs and maintenance	522,262	522,262	607,323	(85,061)	428,509
Rentals	9,000	9,000	8,616	384	-
Software purchases	-	-	-	-	14,320
Telephone	15,730	15,730	16,623	(893)	17,830
Utilities	167,547	167,547	197,000	(29,453)	173,966
Travel	55,000	55,000	17,808	37,192	26,133
Library materials and supplies:					
Databases	160,000	180,000	191,448	(11,448)	179,815
Library books and periodicals (non-capital)	226,150	226,150	234,455	(8,305)	220,383
Office supplies	66,460	71,460	71,491	(31)	44,498
Reading programs	52,560	53,160	20,698	32,462	16,098
Intergovernmental expenditures	234,348	241,363	249,826	(8,463)	241,363
Capital outlays	344,500	344,500	345,576	(1,076)	699,237
TOTAL EXPENDITURES	5,677,803	5,799,367	5,731,563	67,804	5,831,679
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	567,177	498,384	741,658	243,274	648,257
OTHER FINANCING SOURCES (USES)					
Operating transfer (out) - capital projects fund	-	-	(614,210)	(614,210)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(614,210)	(614,210)	-
NET CHANGE IN FUND BALANCE	567,177	498,384	127,448	(370,936)	648,257
FUND BALANCE, Beginning	9,334,841	9,334,841	9,334,841	-	8,686,584
Restatement of beginning fund balance	(3,161,760)	(3,161,760)	(3,161,760)	-	-
FUND BALANCE, Beginning as restated	6,173,081	6,173,081	6,173,081	-	8,686,584
FUND BALANCE, Ending	\$ 6,740,258	\$ 6,671,465	\$ 6,300,529	\$ (370,936)	\$ 9,334,841

LIVINGSTON PARISH LIBRARY COMMISSION
 SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
 FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Board Member</u>	<u>Compensation Received</u>
Ronnie Bencaz, President	\$ -
Ivy Graham	-
Erin Sandefur	-
Stephen Link	-
Kathy deGeneres	-
Debbie Henson	-
Melissa Anderson	-
Layton Ricks, Ex-Officio	-
Total Compensation	<u>\$ -</u>

LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

Agency Head Name: Giovanni Tairov, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 100,934
Employer paid payroll taxes	7,468
Benefits - retirement	7,570
Insurance	8,696
Travel	427
Conference registration and expenses	-
Dues	-
Total	<u>\$ 125,095</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

BAXLEY AND ASSOCIATES, LLC

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Margaret A. Pritchard, CPA/CGMA

Staci H. Joffrion, CPA/CGMA
Stephanie F. Morales, CPA

Hugh F. Baxley, CPA/CGMA – Retired

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN 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, 2021, and the related notes to the financial statements, which collectively comprise the Livingston Parish Library Commission's basic financial statements and have issued our report thereon dated June 13, 2022.

Report on 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. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

**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**

Report on 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*.

Purpose of this Report

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

Baxley & Associates, LLC

Plaquemine, Louisiana
June 13, 2022

**LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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. No material weakness relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. There were no significant deficiencies relating to the audit of the financial statements reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
4. 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

None noted in the current year.

**LIVINGSTON PARISH LIBRARY COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

There were no prior year material weaknesses, no significant deficiencies, and no instances of noncompliance material to the financial statements.

**LIVINGSTON PARISH LIBRARY COMMISSION
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

BAXLEY AND ASSOCIATES, LLC

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To the Board of Control
And the Louisiana Legislative Auditor's office
Livingston Parish Library Commission
Plaquemine, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. The Livingston Parish Library Commission's management is responsible for those C/C areas identified in the SAUPs.

Livingston Parish Library Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPS for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations.
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation

with outside parties, reconciliation to utility billing after cutoff procedures. reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings:

After reviewing the Library's policies and procedures, there are a few areas that need further written policies. Those include Purchasing, Ethics, and Sexual Harassment.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-

actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings:

After review of the minutes, the Board met with a quorum and financial statements were presented at each meeting. There was no negative ending unassigned fund balance in the prior year audit report.

No exceptions were found as a result of this procedure.

Bank Reconciliations

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

Findings:

Per management's representation, we obtained a listing of bank accounts. Of the five that were selected, all bank reconciliations included evidence of preparation within two months and evidence of management review. There were no long-term outstanding checks noted.

No exceptions were found as a result of this procedure.

Collections (excluding electronic funds transfers)

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

Findings:

Per management's representation, there is only one deposit site.

No exceptions were found as a result of this procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Findings:

We obtained documentation that the job duties mentioned above are all segregated with the exception of sharing cash drawers/registers.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Findings:

We examined the bond/insurance policy for theft covering all employees who have access to cash. The policy is in effect from April 24, 2021 to April 24, 2022.

No exceptions were found as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

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

Findings:

We examined deposits on five accounts. All documents were in agreement with the deposit slips and bank statements. On several deposits, the date of collection varied from the date of deposit by as much as eight days up to twenty-seven days.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

Findings:

Per management's representation, only one site (Admin office) processes payments.

No exceptions were found as a result of this procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

Findings:

Per management's list of employees with non-payroll purchasing and payment functions, they have at least two employees involved in initiating a purchase request, approving a purchase, processing, and approving payments. The employee responsible for processing payments is prohibited from adding/modifying vendors. The employee responsible for signing checks may give the signed check to the employee who also processes the payments.

No exceptions were found as a result of this procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings:

We examined five disbursements at the one location. All disbursements were supported by original itemized invoices and included segregation of duties by various employees.

No exceptions were found as a result of this procedure.

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

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

Findings:

Per management's representation, we obtained a listing of three credit cards and five vehicle fuel cards.

No exceptions were found as a result of this procedure.

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

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

Findings:

We randomly selected five credit cards. On two of the cards, there was no evidence of review and approval on the statements. All five statements lacked evidence of management review and approval of supporting documents. Three out of five lacked a review and approval by someone other than the cardholder. There were no charges or late fees assessed on any of the cards.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals

(for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings:

We examined transactions on the three credit cards for the month of December 2021. All of the transactions examined contained original receipts. Eighty- five percent of those receipts did not include a business purpose.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings:

Per management's representation, we obtained a listing of all travel and travel related expenses. We randomly selected five reimbursements. Five out of the five included the original receipts, business purpose, and proper approval. One disbursement showed the approval of the invoice was also the recipient of the reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings:

Per management's representation, we obtained a listing of contracts. We observed that they were in compliance with bid laws, approval of contract by governing board, and invoice support in agreement with contracts.

No exceptions were found as a result of this procedure.

Payroll and Personnel

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

Findings:

Per management's representation, we obtained listing of employees. We randomly selected five employees and agreed paid salaries to authorized rates .

No exceptions were found as a result of this procedure.

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

Findings:

We randomly selected five employees and observed their daily attendance, supervisors approval, leave accrual, and pay rates for the pay period of November 15 through November 28, 2021.

No exceptions were found as a result of this procedure.

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

Findings:

We received management's representation on the listing of terminated employees and their payments. We randomly selected two employees along with their hours, pay rates and policies. We agreed the hours, pay rate and calculated the termination payment.

No exceptions were found as a result of this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings:

Per management's representation, employer and employee portions of third party payroll amounts have been paid and the associated forms have been filed by the required deadlines.

No exceptions were found as a result of this procedure.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings:

We observed the ethics documentation on the five randomly selected employees from #16 above.

No exceptions were found as a result of this procedure.

Debt Service

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

Findings:

Per management's representation, there was no bonds/notes issued during the fiscal period.

No exceptions were found as a result of this procedure.

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

Findings:

Per management's representation, there were no outstanding bonds/notes at the end of the fiscal period.

No exceptions were found as a result of this procedure.

Fraud Notice

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

Findings:

Per management representation, there was no listing of misappropriations of public funds and assets during the fiscal period.

No exceptions were found as a result of this procedure.

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

Findings:

We observed the notice required by R. S. 24:523.1 posted on the employee bulletin board located in the Admin building and also on the Library's website.

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings:

We performed the above procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Findings:

We randomly selected five employees and observed the sexual harassment training documentation on all five employees.

No exceptions were found as a result of this procedure.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Findings:

We observed the sexual harassment policy on the Library's website.

No exceptions were found as a result of this procedure.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements.
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Findings:

The sexual harassment report was not prepared for the current fiscal period ending 12-31-2021.

We were engaged by Livingston Parish Library Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Livingston Parish Library Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Baxley & Associates, LLC

Plaquemine, Louisiana

June 13, 2022

LIVINGSTON PARISH LIBRARY

Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2021

Management's Response to Items:

1. The Library will address the finding and correct its business processes.
5. Due to the limitations driven by technology available to the Library, staffing and the costs associated with providing multiple cash drawers to each staff member, the Library may not be able to fully segregate the registers.
7. The Library will address the finding and correct its business processes.
12. All of the credit card statements get reviewed and approved. For instance, the director reviews all fuel card expenses. As for the credit cards, the director reviews the credit card statements for the card issued to the administrative assistant and the assistant director. The assistant director reviews the director's expenses and credit card statements. All expenses are supported by the appropriate receipts which are attached to the statement. The credit card statements are signed and dated by someone other than the cardholder.
13. All business receipts or invoices have an expense account number listed on them which indicated the purpose of the expense. Also, all the purchases must be approved in the Library's electronic purchasing software prior to the transaction. The application contains an abundance of detail for each authorized transaction and can be matched to the invoice and/or receipt.
14. The Library will address the finding and correct its business processes.
28. The Library has created and will maintain the report from here on.