



**Shreve Memorial Library**  
A Component Unit of the City of Shreveport

**FINANCIAL STATEMENTS**

December 31, 2021

|   |    |
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# REPORT





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## **INDEPENDENT AUDITORS' REPORT**

Board of Control  
Shreve Memorial Library

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Shreve Memorial Library (the "Library"), a component unit of the City of Shreveport, 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 and the general fund of the Shreve Memorial Library as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library 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 the 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 Library'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.



## ***Auditors' 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 auditors' 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 Library'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 Library'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 on pages 4 through 8, Budgetary Comparison Schedule - General Fund on page 37, Schedule of the Library's Proportionate Share of the Net Pension Liability on page 38, Schedule of the Library's Contributions to the Pension Plan on page 39, and Schedule of Changes in Net OPEB Liability and Related Ratios on page 40 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

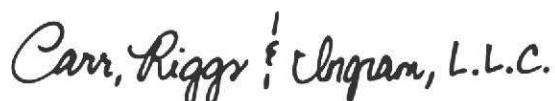
by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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 opinions on the financial statements that collectively comprise the Shreve Memorial Library's basic financial statements. The accompanying Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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, the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2022, on our consideration of the Shreve Memorial Library'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 Library'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.



CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

July 27, 2022



## REQUIRED SUPPLEMENTARY INFORMATION





## Shreve Memorial Library Management's Discussion and Analysis (unaudited)

As management of the Shreve Memorial Library (the "Library"), we offer readers of the Library's financial statements this narrative overview of the financial activities of the Library for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the Library's financial statements, which follow this section.

### Financial Highlights

The following exhibits some of the more important highlights of the financial results for the government-wide financial statements for the year ended December 31, 2021:

- The assets of the Library exceeded its liabilities at the close of the fiscal year by \$10,486,916;
- The Library's total net position from governmental activities decreased \$1,070,810 from the beginning of the fiscal year as a result of operations during the year;
- The cost of operating the programs of the Library was \$19,273,782;
- The General Fund reported unassigned fund balance of \$26,038,976.

### Overview of the Financial Statements

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise 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 themselves.

*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 all of the Library's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference between all elements in a statement of financial position and is displayed in three components: net investment in capital assets, restricted, and unrestricted. Over time, increases or decreases in 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The statement of net position and the statement of activities distinguish functions of the Library that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion

## Shreve Memorial Library Management's Discussion and Analysis (unaudited)

of their costs through user fees and charges. The Library's governmental activities include culture and recreation. The Library did not report any business-type activities for the current fiscal year.

*Fund financial statements.* A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Library only has governmental funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Library's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. 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 Library adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

*Notes to the financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to the budget, pension, and other post-employment benefits.

### **Financial Analysis of Government-Wide Activities**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,486,916 at the close of the fiscal year.

The largest portion of the Library's net position, totaling approximately \$31.6 million, reflects its investment in capital assets. The Library uses these capital assets to provide library services to citizens.



**Shreve Memorial Library  
Management's Discussion and Analysis (unaudited)**

**Net Position**

The Library's net position at December 31, 2021 and 2020, is shown in the following table.

| December 31,                     | <b>Governmental activities</b> |                      |
|----------------------------------|--------------------------------|----------------------|
|                                  | 2021                           | 2020                 |
| Current and other assets         | \$ 26,460,112                  | \$ 24,520,116        |
| Capital assets, net              | 31,569,847                     | 31,989,334           |
| <b>Total assets</b>              | <b>58,029,959</b>              | <b>56,509,450</b>    |
| <br>                             |                                |                      |
| Deferred outflows of resources   | 3,037,440                      | 4,780,077            |
| <br>                             |                                |                      |
| Current and other liabilities    | 678,074                        | 741,505              |
| Long-term liabilities            | 46,052,189                     | 45,119,860           |
| <b>Total liabilities</b>         | <b>46,730,263</b>              | <b>45,861,365</b>    |
| <br>                             |                                |                      |
| Deferred inflows of resources    | 3,850,220                      | 3,870,436            |
| <br>                             |                                |                      |
| Net position:                    |                                |                      |
| Net investment in capital assets | 31,569,847                     | 31,989,334           |
| Unrestricted                     | (21,082,931)                   | (20,431,608)         |
| <br>                             |                                |                      |
| <b>Total net position</b>        | <b>\$ 10,486,916</b>           | <b>\$ 11,557,726</b> |

**Changes in Net Position**

The following condensed government-wide governmental activity statement illustrates the major changes in operations for the Library in 2021 as compared to 2020:

| For the Year Ended December 31,    | 2021                  | 2020                | Increase<br>(Decrease) | Percent<br>Change |
|------------------------------------|-----------------------|---------------------|------------------------|-------------------|
| <b>Revenues</b>                    |                       |                     |                        |                   |
| <b>Program revenues</b>            |                       |                     |                        |                   |
| Charges for services               | \$ 258,523            | \$ 493,478          | \$ (234,955)           |                   |
| Operating grants and contributions | 619,065               | -                   | 619,065                |                   |
| <b>General revenues</b>            |                       |                     |                        |                   |
| Property taxes                     | 16,725,166            | 16,339,216          | 385,950                |                   |
| State revenue sharing              | 354,689               | 359,228             | (4,539)                |                   |
| Other                              | 245,529               | 263,316             | (17,787)               |                   |
| <b>Total revenues</b>              | <b>18,202,972</b>     | <b>17,455,238</b>   | <b>747,734</b>         | <b>4.28%</b>      |
| <br>                               |                       |                     |                        |                   |
| <b>Expenses</b>                    |                       |                     |                        |                   |
| Culture and recreation             | 19,273,782            | 9,951,835           | 9,321,947              |                   |
| <b>Total expenses</b>              | <b>19,273,782</b>     | <b>9,951,835</b>    | <b>9,321,947</b>       | <b>93.67%</b>     |
| <br>                               |                       |                     |                        |                   |
| <b>Change in net position</b>      | <b>\$ (1,070,810)</b> | <b>\$ 7,503,403</b> | <b>\$ (8,574,213)</b>  |                   |



## Shreve Memorial Library Management's Discussion and Analysis (unaudited)

### Governmental Activities

The Library's total governmental revenue increased from 2020 by \$634,028 or 3.61% (percent), while expenses decreased by \$53,129 or 0.33% (percent), as compared to 2020.

| For the Year Ended December 31,         | 2021                | 2020                | Increase<br>(Decrease) | Percent<br>Change |
|---|---------------------|---------------------|------------------------|-------------------|
| <b>Revenues</b>                         |                     |                     |                        |                   |
| Taxes                                   | \$ 16,710,077       | \$ 16,430,674       | \$ 279,403             |                   |
| Intergovernmental revenues              | 598,650             | 569,733             | 28,917                 |                   |
| Grants and contributions                | 619,065             | -                   | 619,065                |                   |
| Other                                   | 260,091             | 553,448             | (293,357)              |                   |
| <b>Total revenues</b>                   | <b>18,187,883</b>   | <b>17,553,855</b>   | <b>634,028</b>         | <b>3.61%</b>      |
| <b>Expenses</b>                         |                     |                     |                        |                   |
| Personnel services                      | 9,904,808           | 10,152,609          | (247,801)              |                   |
| Other operating expenses                | 4,943,482           | 4,530,539           | 412,943                |                   |
| Primary government<br>reimbursements    | 667,000             | 662,538             | 4,462                  |                   |
| Capital outlay                          | 709,467             | 932,200             | (222,733)              |                   |
| <b>Total expenses</b>                   | <b>16,224,757</b>   | <b>16,277,886</b>   | <b>(53,129)</b>        | <b>-0.33%</b>     |
| <b>Excess of revenues over expenses</b> | <b>\$ 1,963,126</b> | <b>\$ 1,275,969</b> | <b>\$ 687,157</b>      |                   |

Ad valorem taxes increased significantly as a result of higher millages and property tax assessments and collection of delinquent taxes. Grants and contributions increased during the current year due to two significant private grants received during 2021. During 2020, the Library received significant insurance settlements that were recorded as other revenue, and similar settlements were not received in 2021. Personnel service decreased due to a decrease in full-time staff. During 2020, operational changes resulting from the COVID-19 pandemic were made that affected other operating expenses. The Library was not subject to stay-at-home orders during 2021, as such, other operating expenses increased to pre-pandemic levels. Capital outlay decreased as a result of fewer capital projects at various branches in the current year.

### Financial Analysis of the Library's Funds

At the end of 2021, the Library's governmental funds reported a fund balance of \$26,161,492 which increased a total of \$1,963,126 from prior year fund balance of \$24,198,366. The prior year operations showed an increase in fund balance of \$1,275,969.

### Budgetary Highlights

The Library has prepared and published budgets that cover its governmental activities. Included in this financial report are comparison schedules that illustrate the actual results compared to the original and revised budgets.

### Capital Assets

The Library's investment in capital assets for its governmental activities as of December 31, 2021, totaled \$31,569,847 (net of accumulated depreciation). This investment includes land and improvements, buildings and building improvements, equipment, and library materials.

## **Shreve Memorial Library Management's Discussion and Analysis (unaudited)**

### **Deferred Outflows and Inflows of Resources**

Deferred outflows of resources, although similar to assets, are set apart because these items do not meet the technical definition of being assets of the Library on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflow of resources will become an expense/expenditure. Deferred outflows of resources reported represent a net amount attributable to the various components that impact pension and OPEB changes, and can and can include investment changes amortization, changes due to actuarial assumptions, changes in proportion, and differences between employer contributions and proportionate share or contributions.

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the Library as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or an increase to net position. Deferred inflows of resources reported represent a net amount attributable to the various components that impact pension and OPEB changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

### **Economic Factors**

The Library does not anticipate any significant changes in its 2022 operations as compared to 2021's operations.

### **Contacting the Library's Financial Management**

This financial report is designed to provide the citizens, taxpayers, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jim Pelton, Chief Budget Officer, at 318-226-5870.



# BASIC FINANCIAL STATEMENTS



**Shreve Memorial Library  
Statement of Net Position**

| December 31,  | 2021          |
|---|---------------|
| <b>Assets</b>   |               |
| Cash and cash equivalents   | \$ 10,943,347 |
| Ad valorem tax receivable   | 15,160,032    |
| Due from other governments  | 234,217       |
| Other assets  | 122,516       |
| Capital assets, net of accumulated depreciation                       | 31,569,847    |
| Total assets  | 58,029,959    |
| <b>Deferred Outflows of Resources</b>                                 |               |
| Deferred outflows related to pensions                                 | 520,960       |
| Deferred outflows related to other post-employment benefit obligation | 2,516,480     |
| Total deferred outflows of resources                                  | 3,037,440     |
| <b>Liabilities</b>  |               |
| Accounts payable  | 77,787        |
| Accrued expenses  | 205,744       |
| Non-current liabilities   |               |
| Due within one year   |               |
| Compensated absences  | 394,543       |
| Due in more than one year   |               |
| Net pension liability   | 26,572,637    |
| Net other post-employment benefit obligation                          | 19,479,552    |
| Total liabilities   | 46,730,263    |
| <b>Deferred Inflows of Resources</b>                                  |               |
| Deferred inflows related to pensions                                  | 1,653,275     |
| Deferred inflows related to other post-employment benefit obligation  | 2,196,945     |
| Total deferred inflows of resources                                   | 3,850,220     |
| <b>Net position</b>   |               |
| Net investment in capital assets                                      | 31,569,847    |
| Unrestricted  | (21,082,931)  |
| Total net position  | \$ 10,486,916 |

*The accompanying notes are an integral part of this financial statement.*

**Shreve Memorial Library  
Statement of Activities**

For the Year Ended December 31, 2021

| Functions/Programs            | Expenses      | Program Revenues        |  | Net (expense)<br>revenue and<br>changes in net<br>position |
|-------------------------------|---------------|-------------------------|--|--|
|                               |               | Charges for<br>services | Operating<br>grants and<br>contributions |  |
| Governmental activities       |               |                         |  |  |
| Culture and recreation        | \$ 19,273,782 | \$ 258,523              | \$ 619,065                               | \$ (18,396,194)  |
| Total governmental activities | \$ 19,273,782 | \$ 258,523              | \$ 619,065                               | (18,396,194)   |
| General revenues              |               |                         |  |  |
|                               |               |                         |  | 16,725,166   |
|                               |               |                         |  | 354,689  |
|                               |               |                         |  | 243,961  |
|                               |               |                         |  | (2,041)  |
|                               |               |                         |  | 3,609  |
|                               |               |                         |  | <u>17,325,384</u>  |
|                               |               |                         |  | <u>(1,070,810)</u>   |
|                               |               |                         |  | <u>11,557,726</u>  |
|                               |               |                         |  | <u>\$ 10,486,916</u>                                       |

*The accompanying notes are an integral part of this financial statement.*



**Shreve Memorial Library**  
**Balance Sheet - Governmental Funds**

|  |               |
|--|---------------|
| December 31,   | <b>2021</b>   |
| <hr/>  |               |
| <b>Assets</b>  |               |
| Cash and cash equivalents  | \$ 10,943,347 |
| Ad valorem tax receivable  | 15,160,032    |
| Due from other governments   | 234,217       |
| Other assets   | 122,516       |
| <hr/>  |               |
| Total assets   | \$ 26,460,112 |
| <hr/> <hr/>  |               |
| <b>Liabilities, Deferred Inflows or Resources, and Fund Balances</b> |               |
| Liabilities  |               |
| Accounts payable   | \$ 77,787     |
| Accrued expenses   | 205,744       |
| Total liabilities  | 283,531       |
| <hr/>  |               |
| Deferred inflows of resources  |               |
| Unavailable revenue - property taxes                                 | 15,089        |
| Total deferred inflows of resources                                  | 15,089        |
| <hr/>  |               |
| Fund balances  |               |
| Nonspendable   |               |
| Prepaid expenses   | 122,516       |
| Unassigned   | 26,038,976    |
| Total fund balances  | 26,161,492    |
| <hr/>  |               |
| Total liabilities, deferred inflows of resources, and fund balances  | \$ 26,460,112 |
| <hr/> <hr/>  |               |

*The accompanying notes are an integral part of this financial statement.*



**Shreve Memorial Library**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**

| December 31,  | <b>2021</b>         |
|---|---------------------|
| Total fund balances - governmental funds  | \$ 26,161,492       |
| 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.   |                     |
| Governmental capital assets   | 66,340,703          |
| Less accumulated depreciation   | <u>(34,770,856)</u> |
|   | 31,569,847          |
| Deferred outflow of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.  | 520,960             |
| Deferred inflow of resources related to pension earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.   | (1,653,275)         |
| Deferred outflow of resources related to OPEB earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.   | 2,516,480           |
| Deferred inflow of resources related to OPEB earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.  | (2,196,945)         |
| Some revenues will not be collected within 60 days after the close of the Library's fiscal year-end and are not considered as "available" revenue in the governmental funds and, therefore, are reported as deferred inflows of resources. In the statement of net position, which is on the accrual basis, the revenue is fully recognized in the statement of activities. | 15,089              |
| Long-term liabilities, including total OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.   |                     |
| Compensated absences  | (394,543)           |
| Net pension liability   | (26,572,637)        |
| Net other post-employment benefit obligation  | <u>(19,479,552)</u> |
|   | (46,446,732)        |
| Net position of governmental activities   | \$ 10,486,916       |

*The accompanying notes are an integral part of this financial statement.*

**Shreve Memorial Library**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Governmental Funds**

| For the year ended December 31,                              | <b>2021</b>   |
|--|---------------|
| <b>Revenues</b>  |               |
| Taxes  | \$ 16,710,077 |
| Intergovernmental revenues                                   |               |
| City of Shreveport - on-behalf payments for retiree premiums | 243,961       |
| State of Louisiana - state revenue sharing                   | 354,689       |
| Grants and contributions                                     | 619,065       |
| Interest and investment earnings (loss)                      | (2,041)       |
| Other revenues   | 262,132       |
| Total revenues   | 18,187,883    |
| <b>Expenditures</b>  |               |
| Current  |               |
| Personnel  | 9,904,808     |
| Other operating expenses                                     | 4,943,482     |
| Debt service reimbursed to Caddo Parish Commission           | 667,000       |
| Capital outlay   | 709,467       |
| Total expenditures   | 16,224,757    |
| Excess of revenues over expenditures                         | 1,963,126     |
| Fund balance, beginning of year                              | 24,198,366    |
| Fund balance, end of year                                    | \$ 26,161,492 |

*The accompanying notes are an integral part of this financial statement.*

**Shreve Memorial Library**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds to the Statement of Activities**

| For the Year Ended December 31,  | <b>2021</b>    |
|--|----------------|
| Net change in fund balances - total governmental funds   | \$ 1,963,126   |
| Amounts reported for governmental activities in the statement of activities are different because:   |                |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.   | (419,487)      |
| Some revenues will not be collected within 60 days after the close of the Library's fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on the accrual basis, these revenues are recognized.  | 15,089         |
| Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year. | 25,212         |
| Other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.   | (2,621,788)    |
| Cash pensions contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore increase net position.   | (32,962)       |
| Change in net position of governmental activities  | \$ (1,070,810) |

*The accompanying notes are an integral part of this financial statement.*



## Shreve Memorial Library Notes to the Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Shreve Memorial Library (the "Library") was established in compliance with the provisions of Louisiana Revised Statute 25:211 as a joint city-parish public library.

Under the City of Shreveport's City Charter Section 8.05, the Library is under control of a Board of Trustees, which shall have all of the powers and duties conferred on boards of control of joint city-parish public libraries by the laws of the state. The Board of Trustees shall consist of the mayor, ex officio, and five (5) qualified electors of the city appointed one each year by the mayor and confirmed by the City Council for terms of five (5) years from and after the expiration of the terms of their predecessors, and the president of the Caddo Parish Commission, ex officio, and three (3) qualified electors of the parish appointed by the Caddo Parish Commission to sit with the Board of Trustees and to participate in its deliberations and decisions, thereby having a total of eight (8) appointed members. Any vacancy of a city-appointed member shall be filled by appointment by the mayor, confirmed by the City Council, for the unexpired portion of the term. If the joint city-parish public library system shall cease for any reason, then the City Council shall provide for the operation of a city public library, by ordinance, in accordance with the system provided for herein.

#### ***Reporting Entity***

The Shreve Memorial Library, a parish-wide system, was created by an agreement between the City of Shreveport (the "City") and Caddo Parish Commission (the "Commission" or "Parish") and established as a joint city-parish public library. Prior to 2015, Shreve Memorial Library was included in the Caddo Parish Commission's audited financial statements as a special revenue fund. Both the City of Shreveport and Caddo Parish Commission provide support to the Library; however, the City appoints the majority of the Board members and indirectly controls the financial operations of the Library. The City provides the accounting, payroll, purchasing, cash management, and some legal services (contract review) to support the Library's infrastructure and operations. The City of Shreveport, as a primary government, evaluated the Library as a potential component unit and determined that the Library's financial statements should be included with the City's financial statements as a discretely presented component unit.

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

#### ***Government-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 of the governmental activities of the Library.

The statement of net position presents information on all of the Library's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

## Shreve Memorial Library Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Government-Wide and Fund Financial Statements (Continued)***

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Library organizes its accounts on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The Library uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

#### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 Library considers 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, expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.



## Shreve Memorial Library Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)*

Ad valorem taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Substantially all other non-intergovernmental revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs.

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

The Library's one governmental fund is the General Fund. The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

#### *Budgetary Information*

Budgets are adopted on a modified accrual basis, which is consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriates lapse at fiscal year end.

The proposed budgets for the calendar year 2021 were adopted on November 16, 2020.

The Louisiana Local Government Budget Act provides that "the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the estimated fund balance at the beginning of the year and the anticipated revenues for the current year.

Through the budget, the Library allocates its resources and establishes its priorities. The annual budget assures the efficient and effective use of the Library's economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the Library's performance.

The budget is structured such that revenues are budgeted by source and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year end. The Library may revise or amend the budget at their discretion.



## Shreve Memorial Library Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity*

##### *Cash and cash equivalents*

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and savings deposits. Cash equivalents include short term, highly liquid investments with original maturities of ninety (90) days or less when purchased. Under state law, the Library may deposit funds in demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

##### *Investments*

Investments are limited by R.S. 33:2955 and the City of Shreveport's investment policy. If the original maturities of investments exceed ninety (90) days, they are classified as investments; however, if the original maturities are ninety (90) days or less, they are classified as cash equivalents.

##### *Receivables and payables*

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of the receivable.

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

##### *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### *Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The Library maintains a threshold level for capitalization of capital assets except land. All land is capitalized, regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$2,500 for land improvements, buildings and building improvements, furniture, equipment, vehicles, and construction in progress. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

## Shreve Memorial Library Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Capital Assets (Continued)*

Land and construction in progress are not depreciated. The other property, plant, and equipment of the Library are depreciated using the straight line method over the following estimated useful lives:

| Capital asset classes | Lives       |
|-----------------------|-------------|
| Books and periodicals | 5-7 years   |
| Equipment             | 3-20 years  |
| Buildings             | 10-50 years |
| Improvements          | 10-50 years |

#### *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. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Library, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Library, deferred inflows of resources include pension, OPEB, and unavailable revenue. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 6 and 7. Unavailable revenue is reported only on the balance sheet - governmental funds, and represents receivables which will not be collected within the available period. For the Library, unavailable revenue includes property taxes not collected within 60 days after the close of the Library's fiscal year-end. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of the balance sheet - governmental funds to the statement of net position.

#### *Compensated Absences*

Full-time Shreve Memorial Library employees may earn 12 up to 22 days of vacation leave annually depending on length of service, and 15 days of sick leave annually. Employees may carry over a maximum of 44 days of vacation leave at the start of each year; any balance over this maximum is forfeited. Sick leave can be accrued without limit. Employees resigning or retiring from the Library are paid for their accrued vacation leave. For employees resigning, accumulated sick leave is canceled upon termination. For employees retiring, sick leave of 175 hours or more is converted to years of service with 2080 hours equal to one year of service.



## Shreve Memorial Library Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Compensated Absences (Continued)*

In the fund financial statements, the matured liability for compensated absences, which includes salary and salary-related payments, is reported in the fund. The total liability is reported in the government-wide financial statements. Accrued sick leave benefits are not accrued due to the Library's policy of not paying benefits upon termination. No accrual is made in the governmental funds because the liability is not matured.

#### *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Library participates in a pension plan that is administered by the City of Shreveport. This plan covers all full-time employees. Approximately 33% of the Library's employees are full-time and approximately 67% of the Library's employees are part-time. Some part-time employees are eligible and have elected to participate in the pension plan. Most part-time Library employees participate in the Social Security System.

#### *Other Post-Employment Benefits (OPEB) Liability*

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

#### *Categories and Classification of Fund Equity*

Net position flow assumption – Sometimes the Library will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## Shreve Memorial Library Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Categories and Classification of Fund Equity (Continued)*

Fund balance flow assumptions – Sometimes the Library will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Library itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Library's highest level of decision-making authority. The Board of Control is the highest level of decision-making authority for the Library that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as committed. The Board of Control may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.



## Shreve Memorial Library Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Revenues***

Amounts reported as program revenues include charges to patrons who purchase, use, or directly benefit from goods, services, or privileges provided by Library. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

#### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts, pension liability, and OPEB liability.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 27, 2022, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

#### ***Recently Issued Accounting Pronouncements***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (Continued)***

In May 2019, the GASB issued Statement No. 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 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

The Library is evaluating the requirements of the above statements and the impact on reporting.



## Shreve Memorial Library Notes to the Financial Statements

### Note 2: CASH AND CASH EQUIVALENTS

The Library's cash is held in the City of Shreveport's consolidated cash management pool. The Library's portion of the consolidated cash pool is displayed on the Statement of Net Position as "Cash and cash equivalents". At December 31, 2021, the Library had cash and cash equivalents (book balances) totaling \$10,942,147 in the City of Shreveport's cash pool.

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of qualifying securities owned by the bank. The market value of the qualifying pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. At December 31, 2021, deposit balances (bank balances) are fully secured by federal deposit insurance and qualified pledged securities. Information on the aggregate deposits of the City of Shreveport and how they are secured is available in the financial statements of the City of Shreveport.

### Note 3: CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended December 31, 2021:

|   | Beginning<br>Balance | Increases    | Decreases   | Ending<br>Balance |
|---|----------------------|--------------|-------------|-------------------|
| <b>Governmental Activities</b>              |                      |              |             |                   |
| Capital assets, not being depreciated       |                      |              |             |                   |
| Land and land improvements                  | \$ 5,261,444         | \$ -         | \$ -        | \$ 5,261,444      |
| Construction-in-progress                    | 556,683              | 531,417      | -           | 1,088,100         |
| Total capital assets not being depreciated  | 5,818,127            | 531,417      | -           | 6,349,544         |
| Capital assets, being depreciated           |                      |              |             |                   |
| Buildings and structures                    | 33,875,750           | -            | -           | 33,875,750        |
| Improvements other than buildings           | 284,995              | -            | -           | 284,995           |
| Equipment and books                         | 25,895,426           | 972,402      | 1,037,414   | 25,830,414        |
| Total capital assets, being depreciated     | 60,056,171           | 972,402      | 1,037,414   | 59,991,159        |
| Less accumulated depreciation for           |                      |              |             |                   |
| Buildings and structures                    | (12,028,177)         | (673,679)    | -           | (12,701,856)      |
| Improvements other than buildings           | (243,327)            | (5,319)      | -           | (248,646)         |
| Equipment and books                         | (21,613,460)         | (1,244,308)  | (1,037,414) | (21,820,354)      |
| Total accumulated depreciation              | (33,884,964)         | (1,923,306)  | (1,037,414) | (34,770,856)      |
| Total capital assets being depreciated, net | 26,171,207           | (950,904)    | -           | 25,220,303        |
| Capital assets, net                         | \$ 31,989,334        | \$ (419,487) | \$ -        | \$ 31,569,847     |

**Shreve Memorial Library**  
**Notes to the Financial Statements**

**Note 3: CAPITAL ASSETS (Continued)**

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

|  |              |
|--|--------------|
| <u>For the year ended December 31,</u>               | <u>2021</u>  |
| Governmental activities                              |              |
| Culture and recreation                               | \$ 1,923,306 |
| Total depreciation expense - governmental activities | \$ 1,923,306 |

**Note 4: AD VALOREM TAXES**

Ad valorem taxes represent a major source of funding for the Library. Louisiana statutes provide that parish governments may, with voter authorization, levy special property tax millages up to ten mils for any purpose legally within their scope of jurisdiction. This means that, by law, Caddo Parish can only use the revenue derived from the millages for specified purposes as decided by the voters of Caddo Parish. Two of these special millages are legally dedicated to the Shreve Memorial Library.

The distribution of the levy (tax rate per \$1,000 assessed value) to the Shreve Memorial Library was as follows for 2021:

| Fund                    | Property within<br>Shreveport and Vivian | Property outside<br>Shreveport and Vivian |
|-------------------------|--|---|
| Shreve Memorial Library | 8.90%                                    | 8.90%                                     |

Ad valorem taxes are levied on property values assessed by the Caddo Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Caddo Parish Sheriff's Office bills and collects property taxes on behalf of the Library. The following is the property tax calendar:

| <b>Property tax calendar</b>        |                          |
|-------------------------------------|--------------------------|
| Assessment date                     | January 1                |
| Levy date                           | Not later than June 1    |
| Tax bills mailed                    | On or about November 25  |
| Total taxes are due                 | December 31              |
| Penalties and interest are added    | January 1                |
| Lien date                           | January 1                |
| Tax sale - 2021 delinquent property | On or about May 15, 2022 |

Property taxes are recorded as receivables and revenues in the year assessed, net of an estimated allowance for uncollectible accounts of \$402,006.

**Shreve Memorial Library**  
**Notes to the Financial Statements**

**Note 5: COMPENSATED ABSENCES**

Accrued compensated absences activity for the year ended December 31, 2021, was as follows for governmental activities:

|   |    |           |
|---|----|-----------|
| Balance, January 1, 2021                  | \$ | 419,755   |
| Additions for earned compensated absences |    | 440,669   |
| Less use of accrued amounts               |    | (465,881) |
| Balance, December 31, 2021                |    | 394,543   |
| Less portion due within one year          |    | (394,543) |
| Long-term portion                         | \$ | -         |

Compensated absences, other postemployment benefits, and the net pension liability will be liquidated in future periods by the General Fund for governmental activities.

**Note 6: PENSION PLAN**

**Employees' Retirement System ("ERS")**

All full-time employees and some part-time employees of the Shreve Memorial Library are members of a cost-sharing multiple-employer defined benefit plan, which is administered by the City of Shreveport (the "City"). Enrollment is mandatory for full-time, permanent employees. The City issues a publicly available financial report that includes financial statements and required supplementary information of the City Plan. That report may be obtained by writing the City of Shreveport, P.O. Box 31109, Shreveport, LA, 71130.

Disclosures relating to this plan are as follows:

***Description of Plan***

The ERS is a cost-sharing multiple-employer defined benefit pension plan that covers all full-time classified employees of the City, other than policemen and firemen, and is administered by the City.

Non-City employees employed by the following organizations may become members in the system: Shreve Memorial Library, Caddo-Shreveport Sales and Use Tax Commission and other non-City employees recommended by the Board of Trustees and approved by the City Council. Appointed officials of the City and the Mayor have the option to join by filing an application within 90 days after taking office. However, by joining the retirement system, they may not participate in the deferred compensation program for appointed employees.

Management of the ERS is vested in the board, which consists of seven members – two elected employees who are members of the plan, one elected retiree and one retiree alternate, the Mayor, the City's Chief Administrative Officer, the City's Finance Director and one City Council Member.



**Note 6: PENSION PLAN (Continued)**

***Eligibility Requirements***

Prior to October 1, 1999, to be eligible for regular retirement benefits, members must have 30 years of service regardless of age or be age 65 with 10 years of service, and if hired before January 1, 1979 be 55 years of age with 20 years of service. If hired on or after January 1, 1979, members must be 55 years of age with 25 years of service or age 60 with 20 years of service. As of October 1, 1999, eligibility for regular retirement extends to any member who has 20 years of service at age 55. The difference, before and after a hire of January 1, 1979, was eliminated. Members vest in the system after 15 years of creditable service. Benefit provisions are established and may be amended by City ordinance #2 of 1954, #163 of 1990 and #112 of 1991.

***Benefits Provided***

Prior Benefits available to members hired before January 1, 1996, consist of an annuity, which is the actuarial equivalent of the employee's accumulated contributions; plus an annual pension, which together with the annuity, provides a total retirement allowance equal to 3% of average compensation times years of creditable service. Beginning January 1, 1996, the retirement allowance increased to 3 1/3% of average compensation times years of creditable service for 1996 and future years of service. Effective January 1, 2015, the retirement allowance was reduced to 2.75% of average compensation times years of creditable service for 2015 and future years. An early retirement provision has been implemented for any member who has at least 10 years, prior to January 1, 2015, of service and is within 10 years of a member's normal retirement age. The benefit is reduced by 3% per year for each year within five years of the normal retirement date, by 5% for the next earlier year, and by 8% for each additional earlier year. The plan allows members who have met eligibility requirements to defer receipt of benefits for a period of two years with one percent interest.

***Contributions***

Prior to January 1, 2007, plan members were required by City ordinance to contribute 7% of compensation to the Plan. The City or other employers were required by the same ordinance to contribute 11.15% of compensation. Contribution amounts from plan members, the City and other employers may be amended by City ordinance. Effective January 1, 2007, the employees' contributions to the plan were increased to 9% from 7% and the employers' contributions were increased to 13.15% from 11.15%. Effective January 1, 2018, the employees' contribution to the plan was increased from 11% to 12%. Effective January 1, 2021, the employer contribution increased from 28% to 30%. Contributions are made from the fund that the employee is paid from or from the organizations noted above. The Library's contributions to the ERS for the year ended December 31, 2021, were \$1,458,985. The actual contribution rate is currently 30.93% of annual covered payroll.



**Shreve Memorial Library**  
**Notes to the Financial Statements**

**Note 6: PENSION PLAN (Continued)**

***Pension Liabilities and Pension Expense***

In its financial statements for the year ended December 31, 2021, the Library reported a liability for its proportionate shares of the net pension liability of the Plan. The net pension liability is measured as of December 31, 2021. The Library's proportion of the net pension liability was based on the Library's share of contributions to the Plan relative to the contributions of all participating entities, actuarially determined.

|                               |        |               |
|-------------------------------|--------|---------------|
| Net pension liability         | \$     | 26,572,637    |
| Proportion at:                |        |               |
| Current measurement date      |        | 11.33%        |
| Prior measurement date        |        | 11.38%        |
| <br>Pension expense (benefit) | <br>\$ | <br>1,610,371 |

***Deferred Outflows/Inflows of Resources Related to Pensions***

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

|  |               | Deferred<br>Outflow |               | Deferred Inflow<br>of Resources |
|--|---------------|---------------------|---------------|---------------------------------|
| Difference between expected and actual experience    | \$            | 318,104             | \$            | 152,222                         |
| Changes of assumptions                               |               | 202,856             |               | 19,176                          |
| Net difference between projected and actual earnings |               | -                   |               | 1,481,877                       |
| <br><b>Total</b>                                     | <br><b>\$</b> | <br><b>520,960</b>  | <br><b>\$</b> | <br><b>1,653,275</b>            |

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

| <u>Year ending December 31,</u> |                           |
|---------------------------------|---------------------------|
| 2022                            | \$ (21,809)               |
| 2023                            | (598,392)                 |
| 2024                            | (275,832)                 |
| 2025                            | (236,282)                 |
| 2026                            | -                         |
| Thereafter                      | -                         |
| <br><b>Total</b>                | <br><b>\$ (1,132,315)</b> |

## Shreve Memorial Library Notes to the Financial Statements

### Note 6: PENSION PLAN (Continued)

#### *Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021, are as follows:

Valuation Date January 1, 2022  
 Measurement Date December 31, 2021  
 Actuarial Cost Method Entry Age Normal  
 Funding Policy (% of Payroll)

| Effective Date  | Employer | Employee |
|-----------------|----------|----------|
| January 1, 2015 | 16.50%   | 10.00%   |
| January 1, 2016 | 20.00%   | 11.00%   |
| January 1, 2017 | 22.00%   | 12.00%   |
| January 1, 2018 | 24.00%   | 12.00%   |
| January 1, 2019 | 26.00%   | 12.00%   |
| January 1, 2020 | 28.00%   | 12.00%   |
| January 1, 2021 | 30.00%   | 12.00%   |

Investment Rate of Return 7.0%  
 Inflation 2.5%  
 Projected salary increases

| Age | Rate  |
|-----|-------|
| 25  | 5.77% |
| 30  | 4.17% |
| 35  | 3.23% |
| 40  | 2.83% |
| 45  | 2.19% |
| 50  | 1.62% |
| 55  | 1.40% |

Cost of Living adjustments None  
 Mortality rates Pub-2010 General and MP-2020 Improvement converging to long-term rate of 0.5% in 2036

No changes in key actuarial assumptions occurred in 2021.

## Shreve Memorial Library Notes to the Financial Statements

### Note 6: PENSION PLAN (Continued)

#### Actuarial Assumptions (Continued)

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the ERS plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

| Asset Class   | Index                           | Target Allocation | Long-Term Expected Arithmetic Real Rate of Return | Long-Term Expected Geometric Real Rate of Return |
|---|---------------------------------|-------------------|---|--|
| US Cash   | BAML 3-Month T-Bills            | 0.00%             | 1.95%   | 1.94%  |
| Stable Value  | Custom                          | 0.00%             | 3.20%   | 3.19%  |
| US Core Fixed Income (Aggregat                                    | Bloomberg Barclays Aggregate    | 40.00%            | 3.37%   | 3.29%  |
| US Treasury Bonds   | Bloomberg US Treasury TR USD    | 0.00%             | 2.63%   | 2.49%  |
| US Government Bonds   | Bloomberg US Government TR L    | 0.00%             | 2.63%   | 2.51%  |
| US Credit Bonds   | Bloomberg US Credit TR USD      | 0.00%             | 3.83%   | 3.68%  |
| US Corporate Bonds  | Bloomberg US Corp Bond TR US    | 0.00%             | 3.89%   | 3.73%  |
| US AA Corporate Bonds   | Bloomberg US Corp Aa TR USD     | 0.00%             | 3.36%   | 3.22%  |
| US A Corporate Bonds  | Bloomberg US Corp A TR USD      | 0.00%             | 3.72%   | 3.55%  |
| US BBB Corporate Bonds  | Bloomberg US Corp Baa TR US     | 0.00%             | 4.16%   | 3.96%  |
| US Government/Credit Bonds  | Bloomberg US Govt/Credit TR US  | 0.00%             | 3.11%   | 3.00%  |
| US Long STRIPS (20+ Yrs)  | Bloomberg US Strips 20+ Yr TR L | 0.00%             | 4.56%   | 1.44%  |
| US Municipal Bonds  | Bloomberg Municipal TR USD      | 0.00%             | 2.45%   | 2.37%  |
| US High Yield Bonds   | ICE BofA US High Yield TR USD   | 0.00%             | 5.77%   | 5.30%  |
| Emerging Markets Bonds  | JPM EMBI Plus TR USD            | 0.00%             | 5.87%   | 5.00%  |
| US Large Cap Equity   | S&P 500 TR USD                  | 60.00%            | 6.92%   | 5.51%  |
| US Large & Mid Cap Equity   | Russell 1000 TR USD             | 0.00%             | 7.02%   | 5.53%  |
| US Mid Cap Equity   | Russell Mid Cap TR USD          | 0.00%             | 7.54%   | 5.62%  |
| US Small Cap Equity   | Russell 2000 TR USD             | 0.00%             | 8.70%   | 6.24%  |
| Non-US Equity   | MSCI ACWI Ex USA NR USD         | 0.00%             | 8.91%   | 7.18%  |
| Foreign Developed Equity  | MSCI EAFE NR USD                | 0.00%             | 8.40%   | 6.76%  |
| Assumed Inflation - Mean  |                                 |                   | 2.34%   | 2.34%  |
| Assumed Inflation - Standard Deviation                            |                                 |                   | 1.23%   | 1.23%  |
| Portfolio Real Mean Return  |                                 |                   | 3.30%   | 2.30%  |
| Portfolio Nominal Mean Return                                     |                                 |                   | 5.64%   | 5.13%  |
| Portfolio Standard Deviation                                      |                                 |                   |   | 10.64%   |
| <b>Long-Term Expected Rate of Return (per City of Shreveport)</b> |                                 |                   |   | <b>7.00%</b>                                     |



**Shreve Memorial Library  
Notes to the Financial Statements**

**Note 6: PENSION PLAN (Continued)**

***Payables to the ERS Pension Plan***

At December 31, 2021, the Library recorded no payable to the pension plan for employee and employer legally required contributions.

***Discount rate***

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from employees and employers will be made at contractually required rates. Based on those assumptions, the pension plan’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 Analysis***

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Library’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

|  | 1%<br>Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
|--|---------------------------|-------------------------------------|---------------------------|
| Library's proportionate share of the net pension liability | \$ 31,702,004             | \$ 26,572,637                       | \$ 22,238,156             |

***Plan’s Fiduciary Net Position***

Detailed information about the ERS’ fiduciary net position is available in the City’s separately issued financial reports.

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

***Plan Description***

In addition to providing pension benefits, the City of Shreveport provides medical, dental, and life insurance coverage through a defined benefit plan that can include non-City employees as described under the Employees’ Retirement System for any retiree who receives a monthly retirement check from one of the City’s retirement plans and their legal dependents. The benefits, employee contributions, and employer contributions are governed by the Health Care Board and can be amended annually. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report. The activity of the plan is reported in the City’s Employees Health Care Fund, an internal service fund.

**Shreve Memorial Library**  
**Notes to the Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Funding Policy***

The City is funding post employment benefits on a pay-as-you-go basis. The City contributes 59% and retirees contribute 41% of the required contribution rate as determined annually by the Health Care Board.

***Benefits Provided***

Medical, vision, dental, prescription drug and life insurance are provided to employees and others working at least 20 hour per week and covered under the City of Shreveport employees after (a) 30 years of service; (b) the later of age 55 and 20 years of service; or (c) the later of age 65 and 10 years of service. Eligible dependents of active health plan participants who become deceased are eligible to continue coverage. The health plan also covers the eligible dependents, spouses and surviving spouses of retired participants. Participants who become disabled are eligible for health plan coverage, but must pay 100% of the COBRA rate.

Eligible retirees can elect post-retirement life insurance. Life insurance is provided at the retirees' basic annual earnings up to \$75,000, \$5,000 for spouses, \$2,000 for children over 6 months old and \$1,000 for children under 6 months old. Coverage is reduced to 50% of the original amount at age 70. Participants who become disabled continue coverage at no expense to them.

Dental insurance coverage is available for eligible retirees and survivors and cover approximately 50% of expected covered dental claims.

***Plan Membership***

Number of participants the Library has coded as eligible for post-retirement medical, dental, and life insurance at December 31, 2021 consisted of:

|  |     |
|--|-----|
| Active participants                            | 105 |
| Terminated participants with deferred benefits | -   |
| Participants receiving benefits                | -   |
| <hr/>  |     |
| Total  | 105 |
| <hr/>  |     |

**Shreve Memorial Library  
Notes to the Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Actuarial Assumptions and Other Inputs***

In the December 31, 2021 measurement data, the actuarial assumptions and other inputs, applied include the following:

|                                  |   |
|----------------------------------|---|
| Valuation Date                   | December 31, 2019   |
| Measurement Date                 | December 31, 2021   |
| Actuarial Cost Method            | Entry Age Normal Cost   |
| Expected Remaining Service Lives | 2021 - 3.7 years<br>2020 - 2.8 years<br>2019 - 1.7 years<br>2018 - 1.2 years  |
| Discount Rate                    | 2.25%   |
| Inflation Rate                   | 2.40%   |
| Health care cost trend rate      | 4.00%   |
| Salary Increases                 | Vary from 1.40% to 5.77%  |
| 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 increases not yet authorized by the Board of Trustees.  |
| Mortality                        | (1) Police and Fire - The Society of Actuaries (SOA) public sector safety officers headcount weighted, sex-distinct, total dataset table (PubS.H-2010) for employees and healthy retirees;<br>(2) Nonuniform - The Society of Actuaries (SOA) public sector general employees headcount weighted, sex-distinct, total dataset table (PubG.H-2010) for employees and healthy retirees. For disabled lives, the Society of Actuaries (SOA) public sector general employees headcount weighted, sex-distinct table (PubG.H 2010 Disabled Retiree rates). |

At December 31, 2021, the Library reported its proportionate share of the total OPEB liability of \$19,479,552. The information has been provided as of the December 31, 2021 measurement date. The Library's proportion of the total OPEB liability was based on the Library's plan member relative to the plan membership of all participating entities.

|                          |       |
|--------------------------|-------|
| Proportion at:           |       |
| Current measurement date | 2.93% |
| Prior measurement date   | 2.63% |



**Shreve Memorial Library**  
**Notes to the Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Actuarial Assumptions and Other Inputs (Continued)***

Following is a summary of the changes in the Library's proportionate share of the OPEB liability for the year ended December 31, 2021:

| <i>Library's proportionate share</i>                 | Increase (Decrease)            |                                       |                                    |
|--|--------------------------------|---------------------------------------|------------------------------------|
|  | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
| Balance as of January 1, 2021                        | \$ 17,934,322                  | \$ -                                  | \$ 17,934,322                      |
| Changes for the year                                 |                                |                                       |                                    |
| Service cost   | 719,738                        | -                                     | 719,738                            |
| Interest   | 395,396                        | -                                     | 395,396                            |
| Changes of assumptions                               | 883,853                        | -                                     | 883,853                            |
| Difference between expected and<br>actual experience | (24,904)                       | -                                     | (24,904)                           |
| Benefit payments                                     | (428,853)                      | -                                     | (428,853)                          |
| Net changes  | 1,545,230                      | -                                     | 1,545,230                          |
| Balance as of December 31, 2021                      | \$ 19,479,552                  | \$ -                                  | \$ 19,479,552                      |

The following changes in key actuarial assumptions occurred in 2021:

Discount rate used in 2021 was 2.25%, based on the S&P Municipal Bond 20 Year High Grade Index Yield to Maturity. The discount rate was 1.93% at the prior measurement date.

***Sensitivity of the Net OPEB Liability***

The following table represents the Library's net OPEB liability calculated using the discount rate of 2.25%, as well as what the Library's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.25%) or one percentage point higher (3.25%) than the current rate:

|                    | 1.0% Decrease<br>(1.25%) | Current<br>Discount Rate<br>(2.25%) | 1.0% Increase<br>(3.25%) |
|--------------------|--------------------------|-------------------------------------|--------------------------|
| Net OPEB Liability | \$ 23,539,539            | \$ 19,479,552                       | \$ 16,377,332            |

**Shreve Memorial Library**  
**Notes to the Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Sensitivity of the Net OPEB Liability (Continued)***

The following table represents the Library's net OPEB liability calculated using the health care cost trend rate of 4.00%, as well as what the Library's net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate:

|                           | 1.0% Decrease        | Ultimate Trend       | 1.0% Increase        |
|---------------------------|----------------------|----------------------|----------------------|
| Initial rate              | (5.25%)              | (6.25%)              | (7.25%)              |
| Ultimate rate             | (3.00%)              | (4.00%)              | (5.00%)              |
| <b>Net OPEB Liability</b> | <b>\$ 15,893,791</b> | <b>\$ 19,479,552</b> | <b>\$ 24,343,559</b> |

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the fiscal year ended December 31, 2021, the Library recognized an OPEB expense of \$3,050,641. Additionally, at December 31, 2021, the Library reported deferred inflows of resources related to the OPEB plan from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ -                                 | \$ 962,477                          |
| Change of assumptions                              | 2,516,480                            | 1,234,468                           |
| <b>Total</b>                                       | <b>\$ 2,516,480</b>                  | <b>\$ 2,196,945</b>                 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

| <i>Year ending December 31,</i> |                   |
|---------------------------------|-------------------|
| 2022                            | \$ 32,756         |
| 2023                            | 250,488           |
| 2024                            | 215,673           |
| 2025                            | (179,382)         |
| 2026                            | -                 |
| Thereafter                      | -                 |
| <b>Total</b>                    | <b>\$ 319,535</b> |

## Shreve Memorial Library Notes to the Financial Statements

### **Note 8: RELATED PARTY TRANSACTIONS AND ON-BEHALF PAYMENTS**

All of the Library's expenses are paid out of the City of Shreveport's operating account and then money is transferred periodically from the Library's bank account to reimburse the account. The City provides accounting software and services for the Library. The services include processing payroll, issuing bids, legal services, and cash and investment management. The estimated value of the services cannot be determined and are not reflected in the Library's financial statements.

The City of Shreveport pays the retiree premiums for other post-employment benefits. For the year ended December 31, 2021, on-behalf payments of \$243,961 have been recorded in the accompanying financial statements as intergovernmental revenues and expenditures.

In 2012, the Caddo Parish Commission (the "Commission") issued \$6,000,000 of certificates of indebtedness to fund various capital improvements to the Shreve Memorial Library. The Library reimbursed the Caddo Parish Commission for the principal and interest associated with this Certificate of Indebtedness. Total payments made in 2021 to reimburse the Commission for principal and interest equaled \$667,000.

The Library is a member of the Green Gold Library System ("Green Gold"). Green Gold is a borrowing and lending network between libraries. The Library's Executive Director serves as President of the Board of Directors for Green Gold. For the year ended December 31, 2021, the Library made payments of \$173,673 to Green Gold.

### **Note 9: 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. These risks are handled by the Library through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy.

No claims were paid on any of the policies that exceeded the policies' coverage amounts during the year ended December 31, 2021. In addition, there were no significant reductions in insurance coverage during the year ended December 31, 2021.





## REQUIRED SUPPLEMENTARY INFORMATION



## Shreve Memorial Library Budgetary Comparison Schedule - General Fund

| <i>For the year ended December 31, 2021</i>                      | Original<br>Budget   | Final<br>Budget      | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|----------------------|----------------------|---|
| <b>Revenues</b>  |                      |                      |                      |   |
| Ad valorem taxes   | \$ 15,580,300        | \$ 15,580,300        | \$ 16,710,077        | \$ 1,129,777  |
| Intergovernmental revenues:                                      |                      |                      |                      |   |
| City of Shreveport on-behalf payments                            | -                    | -                    | 243,961              | 243,961   |
| State revenue sharing  | 360,000              | 360,000              | 354,689              | (5,311)   |
| Fines and fees   | 25,000               | 25,000               | 10,511               | (14,489)  |
| Interest earned  | 16,000               | 16,000               | (2,041)              | (18,041)  |
| Other revenues   | 170,000              | 170,000              | 870,686              | 700,686   |
| <b>Total revenues</b>  | <b>16,151,300</b>    | <b>16,151,300</b>    | <b>18,187,883</b>    | <b>2,036,583</b>  |
| <b>Expenditures</b>  |                      |                      |                      |   |
| Category   |                      |                      |                      |   |
| Culture and recreation   |                      |                      |                      |   |
| Salaries, fringe benefits, and payroll taxes                     | 10,706,400           | 10,706,400           | 9,904,808            | 801,592   |
| Supplies   | 292,000              | 292,000              | 153,623              | 138,377   |
| Utilities  | 820,000              | 820,000              | 680,984              | 139,016   |
| Repairs and maintenance  | 1,225,000            | 1,400,000            | 1,499,423            | (99,423)  |
| Insurance  | 280,000              | 280,000              | 247,013              | 32,987  |
| Books and library materials                                      | 1,520,000            | 1,520,000            | 1,469,534            | 50,466  |
| Contract, general and miscellaneous                              | 997,800              | 1,042,800            | 892,905              | 149,895   |
| General  |                      |                      |                      |   |
| Capital debt service   | 667,500              | 667,500              | 667,000              | 500   |
| Capital outlay   | 6,403,200            | 6,358,200            | 709,467              | 5,648,733   |
| <b>Total expenditures</b>  | <b>22,911,900</b>    | <b>23,086,900</b>    | <b>16,224,757</b>    | <b>6,862,143</b>  |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(6,760,600)</b>   | <b>(6,935,600)</b>   | <b>1,963,126</b>     | <b>8,898,726</b>  |
| Net change in fund balance                                       | (6,760,600)          | (6,935,600)          | 1,963,126            | 8,898,726   |
| Fund balance, beginning of year                                  | 21,893,200           | 21,893,200           | 24,198,366           | 2,305,166   |
| <b>Fund balance, end of year</b>                                 | <b>\$ 15,132,600</b> | <b>\$ 14,957,600</b> | <b>\$ 26,161,492</b> | <b>\$ 11,203,892</b>                                    |

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

See Independent Auditors' Report.

**Shreve Memorial Library**

**Schedule of the Library's Proportionate Share of the Net Pension Liability**

| Fiscal year ended | Agency's proportion of the net pension liability (asset) | Agency's proportionate share of the net pension liability (asset) | Agency's covered-employee payroll | Agency'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              | 11.33000%  | \$ 26,572,637   | \$ 4,717,055                      | 563.33%   | 45.98%   |
| 2020              | 11.38000%  | \$ 27,185,538   | \$ 4,552,157                      | 597.20%   | 44.48%   |
| 2019              | 11.11000%  | \$ 26,958,615   | \$ 4,771,915                      | 564.94%   | 43.84%   |
| 2018              | 11.12000%  | \$ 26,924,334   | \$ 4,954,938                      | 543.38%   | 41.82%   |
| 2017              | 11.52000%  | \$ 25,007,492   | \$ 5,070,591                      | 493.19%   | 47.49%   |
| 2016              | 10.79000%  | \$ 23,640,441   | \$ 4,859,965                      | 486.43%   | 45.99%   |
| 2015              | 10.14000%  | \$ 21,988,704   | \$ 4,525,648                      | 485.87%   | 45.84%   |

**Notes to Schedule:**

*Proportionate Share of Net Pension Liability.* Amounts presented were determined as of the measurement date (fiscal year ended December 31).

*Benefit Changes:* There were no changes of benefit terms for the year ended December 31, 2021.

*Changes of Assumptions:* There were no significant changes of assumptions for the years ended December 31, 2021 and 2020.

During the year ended December 31, 2019, the mortality assumption was updated from RP-2000 "Employees" table projected to 2034 using Scale AA and RP-2000 "Healthy Annuitants" projected to 2026 using Scale AA to Pub-2010 (Public Retirement Plans Mortality Tables) General with MP-2019 Improvement converging to a long-term improvement rate of 0.5% in 2035.

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



**Shreve Memorial Library**  
**Schedule of the Library's Contributions to the Pension Plan**

| Fiscal Year | Contractually Required Contribution | Contribution in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a % of Covered Employee Payroll | Contributions as a % of Required Contributions |
|-------------|-------------------------------------|---|----------------------------------|-------------------------------------|--|--|
| 2021        | \$1,458,985                         | \$1,458,985   | \$0                              | \$4,717,055                         | 30.93%   | 100.00%  |
| 2020        | \$1,405,706                         | \$1,405,706   | \$0                              | \$4,552,157                         | 30.88%   | 100.00%  |
| 2019        | \$1,300,824                         | \$1,300,824   | \$0                              | \$4,771,915                         | 27.26%   | 100.00%  |
| 2018        | \$1,189,185                         | \$1,189,185   | \$0                              | \$4,954,938                         | 24.00%   | 100.00%  |
| 2017        | \$1,115,530                         | \$1,115,530   | \$0                              | \$5,070,591                         | 22.00%   | 100.00%  |
| 2016        | \$971,993                           | \$971,993   | \$0                              | \$4,859,965                         | 20.00%   | 100.00%  |
| 2015        | \$746,732                           | \$746,732   | \$0                              | \$4,525,648                         | 16.50%   | 100.00%  |

**Notes to Schedule:**

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

## Shreve Memorial Library Schedule of Changes in Net OPEB Liability and Related Ratios

| As of and for the year ended December 31,   | 2021                 | 2020          | 2019          | 2018          |
|---|----------------------|---------------|---------------|---------------|
| <b>Proportion of the Total OPEB Liability</b>   | <b>2.93%</b>         | 2.63%         | 4.05%         | 4.19%         |
| <b>Proportionate Share of the Total OPEB Liability</b>                                    |                      |               |               |               |
| Service cost  | \$ 719,738           | \$ 477,416    | \$ 701,347    | \$ 880,699    |
| Interest  | 395,396              | 468,594       | 808,641       | 757,430       |
| Differences between expected and actual experience  | (24,904)             | (734,664)     | (1,773,837)   | -             |
| Changes of assumptions or other inputs  | 883,853              | (4,631,825)   | 714,130       | (1,892,827)   |
| Benefit payments  | (428,853)            | (232,738)     | (448,058)     | (542,398)     |
| Net change in proportionate share of total OPEB liability                                 | 1,545,230            | (4,653,217)   | 2,223         | (797,096)     |
| Proportionate share of total OPEB liability - beginning                                   | 17,934,322           | 22,587,539    | 22,585,316    | 23,382,412    |
| <b>Proportionate share of total OPEB liability - ending</b>                               | <b>19,479,552</b>    | 17,934,322    | 22,587,539    | 22,585,316    |
| <b>Proportionate Share of Plan Fiduciary Net Position</b>                                 |                      |               |               |               |
| Contributions - employer  | 428,853              | 232,738       | 448,058       | 542,398       |
| Benefit payments  | (428,853)            | (232,738)     | (448,058)     | (542,398)     |
| Net change in proportionate share of plan fiduciary net position                          | -                    | -             | -             | -             |
| Proportionate share of plan fiduciary net position - beginning                            | -                    | -             | -             | -             |
| <b>Proportionate share of plan fiduciary net position - ending</b>                        | <b>-</b>             | -             | -             | -             |
| <b>Proportionate share of total OPEB liability - ending</b>                               | <b>\$ 19,479,552</b> | \$ 17,934,322 | \$ 22,587,539 | \$ 22,585,316 |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>            |                      |               |               |               |
|   | 0%                   | 0%            | 0%            | 0%            |
| <b>Covered payroll</b>  | <b>\$ 2,857,050</b>  | \$ 3,144,665  | \$ 4,601,836  | \$ 4,312,515  |
| <b>Proportionate share of the total OPEB liability as a percentage of covered payroll</b> | <b>681.81%</b>       | 570.31%       | 490.84%       | 523.72%       |

### Notes to Schedule:

*Proportionate Share of Net OPEB Liability.* Amounts presented were determined as of the measurement date (fiscal year ended December 31).

*Benefit Changes.* There were no changes of benefit terms for the year ended December 31, 2021.

*Changes in Assumptions.* The discount rate as of December 31, 2021 changed as described below. Federal legislation signed in December 2019 repealed the 40% excise tax on high cost plans (the Cadillac Tax).

*Discount rates.* The following discount rate was used in each period:

|                   |       |
|-------------------|-------|
| December 31, 2021 | 2.25% |
| December 31, 2020 | 1.93% |
| December 31, 2019 | 3.26% |
| December 31, 2018 | 3.64% |

*Plan Assets.* No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

See Independent Auditors' Report.



## OTHER SUPPLEMENTARY INFORMATION





**Shreve Memorial Library**  
**Schedule of Compensation, Reimbursements, Benefits, and**  
**Other Payments to Agency Head**

**Agency Head Name: John Tuggle, Executive Director**

| Purpose   | Amount     |
|---|------------|
| Salary  | \$ 136,636 |
| Benefits-insurance (life insurance premiums)            | \$ 137     |
| Benefits-retirement                                     | \$ 40,991  |
| Benefits - health insurance                             | \$ 6,325   |
| Benefits - dental insurance                             | \$ 221     |
| Benefits - AD&D insurance                               | \$ 54      |
| Benefits - Medicare                                     | \$ 1,946   |
| Conference travel (hotel, registration, per diem, etc.) | \$ 999     |
| Dues and memberships                                    | \$ 1,125   |
| Other - insurance bond                                  | \$ 100     |
| Other - cell phone                                      | \$ 645     |
| Other - subscriptions                                   | \$ 439     |

See Independent Auditors' Report.



# **REPORT ON INTERNAL CONTROL AND COMPLIANCE MATTERS**





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**INDEPENDENT AUDITORS' 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***

Board of Control  
Shreve Memorial Library  
Shreveport, Louisiana

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 General of the United States, the financial statements of the governmental activities and the general fund of the Shreve Memorial Library (the "Library"), a component unit of the City of Shreveport, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Shreve Memorial Library's basic financial statements, and have issued our report thereon dated July 27, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



## **Report on Compliance and Other Matters**

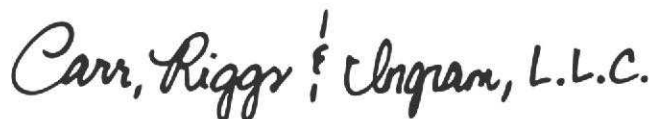
As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

## **Shreve Memorial Library's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Library's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Library's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 Library'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
July 27, 2022

**Shreve Memorial Library**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(es) identified?

yes     no

yes     none noted

Noncompliance material to financial statements noted?

yes     no

***Federal Awards***

N/A

**Section II – Financial Statement Findings**

**Current Year Findings**

**2021-001 Late Submission of Audit Report to the Legislative Auditor**

**Condition:** The Library’s audited financial statements for the fiscal year ending December 31, 2021 were not submitted to the Louisiana Legislative Auditor within the six month deadline per R.S. 24:513 A (5)(a)(i).

**Criteria:** R.S. 24:513 A (5)(a)(i) requires that “...audits shall be completed within six months of the close of the entity’s fiscal year.” The Library’s audit report should be submitted to the Louisiana Legislative Auditor by June 30th each year.

**Cause:** The Library is a component unit of the City of Shreveport (the City), and a significant portion of the accounting function for the Library is performed by the City. Due to turnover and staffing changes at the City, information relevant to the audit of the Library’s financial statements was not prepared timely.

**Effect:** The Library’s audit report was not submitted within the six month deadline as required by R.S. 24:513 (5)(a)(i).

**Recommendation:** We recommend that the Library work with the City to ensure timely preparation of the financial statements and related supporting information to ensure the audit can be completed within the deadline per R.S. 24:513 A (5)(a)(i).

**Prior Year Findings**

None

**Shreve Memorial Library  
Corrective Action Plan  
For the Year Ended December 31, 2021**



**Corrective Action Plan for Current Year Finding 2021-001 Late Submission of Audit Report to the Legislative Auditor**

**Condition:** The Library's audited financial statements for the fiscal year ending December 31, 2021 were not submitted to the Louisiana Legislative Auditor within the six month deadline per R.S. 24:513(5)(a)(i).

**Management response and corrective action plan:** Shreve Memorial Library provided the requested financial information to the auditors in a timely manner. The Library is a Discrete Component Unit of the City of Shreveport and the City is our Fiscal Agent. As such, a significant portion of the accounting function for the Library is performed by the City. It is our understanding that the City has been affected by the pandemic, by staff turnover in their Financial and Accounting Departments and by the death of the Fund Accountant who handled the Library's transactions for many years. As a result, they were unable to hand over the required information to our auditors as requested before the deadline.

These circumstances were out of our control. Once the Library learned that the City would be unable to provide their information in time, the Library requested an extension. We propose working with the Financial Department of the City of Shreveport to ensure that they prepare requested financial information in a timely manner going forward.

**Anticipated Completing Date:** 06/30/2023

**Person Responsible for corrective Action:** Susan Fortenberry, CFO & Risk Manager, 885 Bert Kouns Industrial Loop, Shreveport, LA 71118, 318-226-5873.





# **Shreve Memorial Library**

## **STATEWIDE AGREED-UPON PROCEDURES REPORT**

**December 31, 2021**



**Carr, Riggs & Ingram, LLC**  
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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Control of Shreve Memorial Library  
and the Louisiana Legislative Auditor:

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

Shreve Memorial Library (the Library) 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 results 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.

**Results:** No exceptions were found as a result of applying the procedure.

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.

**Results:** No exceptions were found as a result of applying the procedure.

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

**Results:** No exceptions were found as a result of applying the procedure.

- 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).

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** Written policies in place; however, they do not address 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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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).

**Results:** No exceptions were found as a result of applying the procedure.

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

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

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

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.



- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** Written policies in place; however, they do not address annual employee training or annual reporting.

### **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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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 funds. *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.*

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** Per the prior year audited financial statements, the unassigned fund balance of the general fund was not negative at the end of the prior year.

### **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.

**Results:** The Library's main operating account is equity in pooled cash under the control of the City of Shreveport, and as such, we were unable to perform further procedures on it. The Library had one bank account in its control during the fiscal period. For the one account and month subject to the procedure, there was no evidence that a bank reconciliation was prepared.

#### ***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).

**Results:** CRI obtained a list of deposits sites and management's representation that the listing was complete.

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

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

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.



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.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** No exceptions were found as a result of applying the procedure.

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

**Results:** No exceptions were found as a result of applying the procedure.

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

**Results:** No exceptions were found as a result of applying the procedure.

- 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).

**Results:** One of two deposits subject to this procedure was not made within one business day of receipt.

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

**Results:** No exceptions were found as a result of applying the procedure.

***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).

**Results:** CRI obtained listing of locations that process payments and management's representation that the listing was complete.

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.

**Results:** No exceptions were found as a result of applying the procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

[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.]

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** CRI obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.

- 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.]

**Results:** No exceptions were found as a result of applying the procedure.

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

**Results:** No exceptions were found as a result of applying the procedure.

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.

**Results:** No exceptions were found as a result of applying the procedure.

#### ***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](http://www.gsa.gov)).

**Results:** No exceptions were found as a result of applying the procedure.

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

**Results:** No exceptions were found as a result of applying the procedure.

- 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).

**Results:** No exceptions were found as a result of applying the procedure.



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

**Results:** No exceptions were found as a result of applying the procedure.

### **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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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).

**Results:** No exceptions were found as a result of applying the procedure.

- 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).

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** No exceptions were found as a result of applying the 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.)

**Results:** No exceptions were found as a result of applying the procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**Results:** No exceptions were found as a result of applying the procedure.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Results:** No exceptions were found as a result of applying the procedure.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** This procedure is not applicable as Shreve Memorial Library had no debt during the fiscal period.

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).

**Results:** This procedure is not applicable as Shreve Memorial Library had no debt during the fiscal period.

### ***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.

**Results:** Management represented that no misappropriations of public funds and assets occurred during the fiscal period.

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.

**Results:** No exceptions were found as a result of applying the 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.

**Results:** We performed the procedure and discussed the results with management.



- 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.

**Results:** We performed the procedure and discussed the results with management.

- 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.

**Results:** We performed the procedure 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.

**Results:** No exceptions were found as a result of applying the 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).

**Results:** No exceptions were found as a result of applying the 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.

**Results:** The Library's annual sexual harassment report for the current fiscal period included the applicable requirements of R.S. 42:344; however, the report was dated after February 1, 2022.



We were engaged by Shreve Memorial Library 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 Shreve Memorial Library 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

July 27, 2022



July 27, 2022

Louisiana Legislative Auditor  
1600 North 2<sup>nd</sup> Street  
PO Box 94397

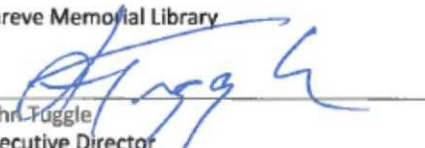
and

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1000 East Preston Avenue  
Suite 200  
Shreveport, LA 71105

RE: Management's Response to Agreed-Upon Procedures

Management of the Shreve Memorial Library has reviewed the Independent Accountants' Report on Applying Agreed-Upon Procedures. We are in agreement with the report of Carr, Riggs & Ingram, LLC. Shreve Memorial Library will add policies and procedures and implement changes as considered necessary to meet the expectations identified in the report and future agreed-upon procedures engagements.

Shreve Memorial Library

  
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John Tuggle  
Executive Director