

**LIVINGSTON PARISH LIBRARY  
COMMISSION  
LIVINGSTON, LOUISIANA  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2020**

**LIVINGSTON PARISH LIBRARY COMMISSION  
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DECEMBER 31, 2020**

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

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Livingston Parish Library Commission (a component unit of the Livingston Parish Council, Louisiana), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Livingston Parish Library Commission's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

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

## INDEPENDENT AUDITOR'S REPORT (continued)

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, Schedule of Livingston Parish Library Commission's Proportionate Share of the Net Pension Liability, and the Schedule of Livingston Parish Library Commission's Contributions on pages 3-9 and pages 37-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

The Schedule of Compensation Paid to Board Members, the Schedule of Compensation, Benefits and Other Payments made to the Agency Head, Statement of Net Position-Compared to Prior Year Totals, Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget (GAAP Basis) to Actual , General Fund – with Comparative Actual Amounts for Prior Year are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
May 14, 2021



## MANAGEMENT'S DISCUSSION AND ANALYSIS

**LIVINGSTON PARISH LIBRARY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

**General Information**

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

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

The Management's Discussion and Analysis (MD&A) for the Library, offers readers of the Library's financial statements a narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2020. This MD&A is designed to provide an objective and easy to read analysis of the Library's financial activities based on currently known facts, decisions, or conditions.

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

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

**Financial Highlights**

- At December 31, 2020, the Library's government wide assets of \$18,663,203 exceeded its liabilities by \$17,947,153 (net position). Of this amount, \$9,275,596 (unrestricted net position) may be used to meet the Library's ongoing obligations at its discretion and the balance of \$8,671,557 represents its net investment in capital assets.
- Ad Valorem taxes reflect a 10-year, 10.00 mill tax approved by the voters in 2014. The ad valorem tax expires in 2024. The millage resulted in \$6,096,036 in revenue for current year ad valorem taxes. This was an increase of \$476,833 from 2019 ad valorem tax revenue of \$5,619,203.
- Total revenue for 2020 was \$6,479,836 as compared to the 2019 total of \$6,036,893, a \$442,943 increase. This revenue includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for photocopies and faxes, fines, donations, federal CARES Act funding, and miscellaneous fees.
- On the fund financial statements, library expenditures for 2019 increased by \$231,134 from \$5,600,445 in 2019 to \$5,831,579 in 2020. This increase is due to expenses in salaries and benefits, repairs and maintenance, and database expenses.

**LIVINGSTON PARISH LIBRARY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

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

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

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

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

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

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

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

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

### **Fund Financial Statements**

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

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

**LIVINGSTON PARISH LIBRARY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

**Notes to the Financial Statements**

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

**Government-Wide Financial Analysis**

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

**Condensed Statement of Net Position  
2020 and 2019**

**Governmental Activities**

	2020	2019
Assets:		
Current and Other Assets	\$9,863,256	\$9,543,026
Capital Assets	8,671,557	9,087,212
Other Non-Current Assets	15	15
Net Pension Asset	128,390	(445,776)
Total Assets	18,663,203	18,630,253
Deferred Outflows - Pension	267,001	585,441
Liabilities:		
Long-Term Debt Obligations	129,993	98,424
Other Liabilities	528,415	856,457
Total Liabilities	658,408	1,400,657
Deferred Inflows - Pension	324,643	102,149
Net Position:		
Net Investment in Capital Assets	8,671,557	9,087,212
Unrestricted	9,275,596	8,625,576
Total Net Position	17,947,153	\$17,712,888

**LIVINGSTON PARISH LIBRARY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

The Library's assets at December 31, 2020, exceeded liabilities by \$17,947,153 (net position), with the Library reporting positive balances in both categories of net position. Of the total net position, \$9,275,596 is Unrestricted Net position. The balance of net position includes a total of \$8,671,557 in net investment in Capital Assets, consisting of the Library's net investment in library equipment and vehicles, books, and facilities' improvements. The Investment in Capital Assets matches the amount recorded for Capital Assets (net of depreciation) since the Library has not incurred, and applicable statutes prohibit, the Library from incurring, long-term debt.

The largest components of the "Current and Other Assets" category are investments totaling \$2,875,816, consisting of funds in certificates of deposit, and receivables consisting primarily of an ad valorem tax receivable of \$5,919,521 and state revenue sharing receivable of \$58,536.

Current Liabilities, totaling \$528,415 consist primarily of accounts payable, payroll related liabilities, and deductions from property tax distributions for pension fund obligations.

**Condensed Statement of Changes in Net Position  
for the years ended December 31, 2020 and 2019**

**Governmental Activities**

	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 18,109	\$ 79,069
Operating grants and contributions	6,775	5,026
General Revenues:		
Ad Valorem Taxes	6,096,036	5,619,203
State Revenue Sharing	174,656	173,194
Interest Income	77,587	120,097
Donations	13,115	3,094
Miscellaneous	64,705	37,210
Federal funds	53,602	-
Total Revenues	\$ 6,504,585	\$ 6,036,893
Program Expenses:		
Library Services	6,270,320	6,074,557
Total Expenses	6,270,320	6,074,557
Change in Net Position	234,265	(16,018)
Beginning Net Position	17,712,888	17,728,906
Ending Net position	\$ 17,947,153	\$ 17,712,888

The major component of Program Revenues, totaling \$18,109, consists of charges for fines and fees at branch library locations. The General Revenue sources are: ad valorem taxes totaling \$6,096,036, state revenue sharing totaling \$174,656, and interest earnings totaling \$77,587.

Library expenditures for 2020 totaled \$6,270,320, compared to \$6,074,557 in 2019, an increase due to payroll, taxes, and benefits, increasing cost of repairs and maintenance, wider offerings of electronic databases, and increased marketing efforts.



**LIVINGSTON PARISH LIBRARY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

**Fund Financial Analysis**

As previously noted, the Library's only governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements can be found on pages 13 to 15 of this report. Within the fund statements, the Library recorded an excess of revenues over expenditures of \$648,257 resulting in a fund balance of \$9,334,841 at December 31, 2020. The reader of these financial statements should refer to Footnote 14 - Fund Balances for a description of how the Livingston Parish Library Commission Board of Control has planned in advance and designated funds for future projects and contingencies.

**Capital Assets**

The net investment in capital assets as of December 31, 2020 was \$8,671,555. The gross value of capital assets increased but the net value decreased due to depreciation expense. The following table provides a summary of the Library's capital assets at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

**Capital Assets (Net of Depreciation)  
2020 and 2019**

**Governmental Activities**

**Capital Assets**

	<b>2020</b>		<b>2019</b>	
Land	\$	1,386,020	\$	1,386,020
Library Collection		3,730,657		3,401,309
Building		8,747,334		8,627,424
Vehicles		282,241		282,241
Equipment and Furniture		1,452,403		1,202,424
Construction in Progress		-		-
Subtotal Capital Assets		15,598,655		14,899,418
Less: Accumulated Depreciation		(6,927,100)		(5,812,207)
<b>Capital Assets, Net</b>	<b>\$</b>	<b>8,671,555</b>	<b>\$</b>	<b>9,087,211</b>

Library collections of \$329,348 were recorded for the fiscal year ended, with \$0 of fully depreciated collections recorded for disposals. Other Furniture and Equipment, including data processing software, computers, and equipment primarily for the Livingston Parish Library and Library Administration Building, and other miscellaneous equipment and furniture purchases, was recorded for \$249,979. The Library also recorded \$119,910 in buildings and improvement.

**Budgetary Highlights**

The Library demonstrated legal compliance by adopting its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and the Library's actual expenditures and other uses did not exceed budgeted expenditures and other uses by 5%.

**LIVINGSTON PARISH LIBRARY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

**Conclusion**

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

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

**Contacting the Library's Financial Management**

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

## BASIC FINANCIAL STATEMENTS

**LIVINGSTON PARISH LIBRARY COMMISSION  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 903,125
Investments	2,875,816
Receivables, net:	
Ad Valorem taxes	5,919,521
State revenue sharing	58,536
Other receivables	1,152
Prepaid insurance	64,796
Prepaid expense	40,295
Capital assets, net of accumulated depreciation	8,671,557
Utility deposits	15
Net pension asset	128,390
<b>Total Assets</b>	<u><b>18,663,203</b></u>
<b>DEFERRED OUTFLOWS - PENSION</b>	
Pension Related	<u><b>267,001</b></u>
<b>LIABILITIES</b>	
Accounts payable	150,547
Accrued salaries payable	40,152
Deductions from ad valorem taxes	241,363
Other accrued liabilities	38,420
Accrued vacation payable	57,933
Non Current Liabilities	
Accrued sick leave payable	129,993
<b>Total Liabilities</b>	<u><b>658,408</b></u>
<b>DEFERRED INFLOWS - PENSION</b>	
Pension Related	<u><b>324,643</b></u>
<b>Net Position</b>	
Net invested in capital assets	8,671,557
Unrestricted	9,275,596
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 17,947,153</b></u></u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

		<b>Program Revenues</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Net (Expenses) Revenues from Activities</b>
Governmental Activities:				
Culture and Recreation				
Support Services				
Library	\$ 6,270,320	\$ 18,109	\$ 6,775	\$ (6,245,436)
Total Governmental Activities	<u>\$ 6,270,320</u>	<u>\$ 18,109</u>	<u>\$ 6,775</u>	<u>\$ (6,245,436)</u>
General Revenues:				
Ad valorem taxes				6,096,036
Intergovernmental revenue				174,656
Federal funds				53,602
Investment earnings				77,587
Other general revenues				<u>77,820</u>
Total General Revenues				<u>6,479,701</u>
Change in Net Position				234,265
Net Position at Beginning of the Year				<u>17,712,888</u>
Net Position at End of the Year				<u>\$ 17,947,153</u>

The accompanying notes are an integral part of this statement.



**LIVINGSTON PARISH LIBRARY COMMISSION  
GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET  
DECEMBER 31, 2020**

	<b>Total General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 903,125
Investments	2,875,816
Receivables, net:	
Ad valorem taxes	5,919,521
State revenue sharing	58,536
Other receivables	1,152
Prepaid insurance	64,796
Prepaid expense	40,295
Utility deposits	15
<b>TOTAL ASSETS</b>	<b>\$ 9,863,256</b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 150,547
Deferred revenue	-
Accrued vacation payable	57,933
Accrued salaries	40,152
Other accrued liabilities	38,420
Deductions from ad valorem taxes	241,363
<b>TOTAL LIABILITIES</b>	<b>528,415</b>
<b>Fund Balance</b>	
Nonspendable	105,091
Committed	3,678,000
Unassigned	5,551,750
<b>TOTAL FUND BALANCES</b>	<b>9,334,841</b>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,671,557
Net Pension asset	128,390
Deferred Outflow	267,001

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

Accrued sick leave	(129,993)
Deferred inflow	(324,643)

**Net position of governmental activities** **\$ 17,947,153**

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Total General Fund</u>
<b>REVENUES</b>	
Ad valorem taxes	\$ 6,096,036
State revenue sharing	174,656
Fines and fees	18,109
State and Local grants	6,775
Federal funds	53,602
Interest	77,587
Donations	13,115
Miscellaneous	39,956
<b>TOTAL REVENUES</b>	<u><b>6,479,836</b></u>
<b>EXPENDITURES</b>	
Personnel services:	
Salaries	2,725,248
Benefits	528,266
Payroll taxes	190,900
Operating services:	
Advertising	51,786
Contracts, licenses and permits	19,230
Insurance	166,664
Professional services	84,882
Miscellaneous	668
Postage	1,783
Repairs and maintenance	428,509
Rentals	-
Software purchases	14,320
Telephone	17,830
Utilities	173,966
Travel	26,133
Library material and supplies:	
Databases	179,815
Library books and periodicals (non-capital)	220,383
Office supplies	44,498
Reading program	16,098
Intergovernmental expenditures	241,363
Capital outlays	699,237
<b>TOTAL EXPENDITURES</b>	<u><b>5,831,579</b></u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>648,257</b>
<b>FUND BALANCE, Beginning</b>	<u><b>8,686,584</b></u>
<b>FUND BALANCE, Ending</b>	<u><u><b>\$ 9,334,841</b></u></u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Net Change in fund balances - total governmental funds (page 14)	\$ 648,257
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Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.

Non-employer contributions to cost-sharing pension plan	24,747
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of other reconciling items related to capital assets, which are also not recorded in governmental funds.

Expenditures for capital assets	\$ 699,237	
Less:		
Current year depreciation	(1,114,893)	(415,656)
Pension expense		8,486

Compensated absences payable after one year are not recorded as an expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities.	(31,569)
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Change in net position of governmental activities (page 12)	\$ 234,265
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The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

Governmental Accounting Standards Board (GASB) Statement No. 61, codified Section 2100 – *Defining The Financial Reporting Entity*, established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Library Commission is considered a component unit of the Livingston Parish Council since it is fiscally dependent on the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the Library.

**A. Governmental-Wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

The Library reports the following major fund:

**Major Fund**

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

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

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

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

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

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

**C. Deposits and Investments**

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

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

**D. Receivables and Revenue**

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

**E. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Library did not have any inventory at December 31, 2020. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Restricted Assets**

Certain amounts shown as governmental restricted assets are to be used for specified purposes, such as servicing general obligation bond debt and construction of capital assets. Such assets have been restricted by bond indenture, law, or contractual obligations. The Library did not have any restricted assets at December 31, 2020.

**G. Capital Assets**

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

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Library Collection	4 to 7 years
Computer Equipment	5 years
Office Furniture and Equipment	5 to 10 years
Buildings	40 years
Vehicles	5 years

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

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

**H. Compensated Absences**

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

Permanent employees of the Library earn between ten and fifteen days of vacation leave each year, depending on their length of service and job classification. Vacation time can be accumulated up to 80 hours at year-end 2020. Any hours, in excess of this maximum amount must be taken by the end of the year or it is forfeited. Upon separation, employees are paid at their current rate of pay for accrued vacation leave. Employees earn between five and ten days of sick leave each year. Sick leave may be accumulated from year to year, but upon separation any accumulated sick leave is forfeited. However, any unused sick leave may be added to service time and credited to the employee at the time of retirement.

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

**I. Net Position and Fund Balance**

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

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

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

- **Net Investment in Capital Assets Component of Net Position** – The *net investment in capital assets* component of net position consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows or resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. Debt does not enter into the calculation of this category of net position since the Library cannot legally hold long-term indebtedness.
- **Restricted Component of Net Position** – The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. As of December 31, 2020, the Library has no restricted net position.
- **Unrestricted Component of Net Position** – The *unrestricted* component of net position is the net position amount of the assets, deferred outflows of resources, liabilities, deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

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

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

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

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

**J. Ad Valorem Taxes**

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

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

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

**K. Estimates**

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



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

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

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

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

**M. Comparative Data/Reclassifications**

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

**N. Deferred Outflows/Inflows of Resources**

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

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

The Library utilizes the following budgetary practices:

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

The Library adopted a budget for the General Fund on the modified accrual basis each year in accordance with generally accepted accounting principles (GAAP). The budget for the fiscal year ended December 31, 2020 was legally adopted on November 25, 2019. The budget is monitored by the Board and amended as needed. The budget was amended for the fiscal year ended December 31, 2020 on November 17, 2020. Unexpended budget balances lapse at year-end.

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

**NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At December 31, 2020, the Library has cash and cash equivalents (book balances) as follows:

	<u>12/31/2020</u>
Demand deposits	\$ 903,125
Certificates of deposits held as investments (Note 4)	2,875,816
	<u>\$ 3,778,941</u>

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

At December 31, 2020, the Library had \$3,805,675 in deposits (collected bank balances) consisting of \$929,859 in demand deposits and \$2,875,816 in certificates of deposits held in banks and classified as investments. The demand deposits were secured from risk by \$250,000 of federal deposit insurance and the remaining \$ 3,555,675 was covered by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$3,555,675 was exposed to custodial credit risk because while the amount was secured by pledged securities, such securities were held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Investments are categorized into these three categories of credit risk:

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

The Library held assets that qualified as investments consisting of certificates of deposits with a market value of \$2,875,816 within one local bank at December 31, 2020. All investments held by the Library fall into Category 1 credit risk above. In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and For External Investment Pools*, all investments, when held, are carried at fair market value, with the estimated fair market value bases on quoted market prices.

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

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

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

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

The Library has adopted the state investment policy at LA 49:327 and does not have any other policy that would further limit the investment choices. As of December 31, 2020, 100% of the Library's investment balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

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

At December 31, 2020, the Library held certificates of deposit, with an original maturity greater than 90 days, totaling \$ 2,875,816. These investments are stated on the balance sheet at market value and are as follows:

Descriptions	Cost	Fair Value	Maturity Date	Interest Rate
Certificates of Deposit	\$ 800,914	\$ 800,914	1/31/2022	1.10%
Certificates of Deposit	\$ 619,900	\$ 619,900	1/19/2022	0.88%
Certificates of Deposit	\$ 626,072	\$ 626,072	2/22/2022	2.22%
Certificates of Deposit	\$ 828,930	\$ 828,930	7/19/2022	0.20%
Total	<u>\$ 2,875,816</u>	<u>\$ 2,875,816</u>		

**NOTE 4 – RECEIVABLES AND REVENUES**

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

The Governmental Fund accounts receivable consists of the following at December 31, 2020:

Description	Governmental Activities
Other Receivables	\$ 1,152
Ad Valorem Taxes	5,919,521
State Revenue Sharing	<u>58,536</u>
Total Governmental Receivables	<u>\$ 5,979,209</u>

**NOTE 5 – AD VALOREM TAXES**

For the year ended December 31, 2020, taxes of 10.00 mills were levied on property with assessed valuations totaling \$ 623,107,481. Total taxes levied were \$6,231,075.

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

**NOTE 5 – AD VALOREM TAXES (continued)**

Total taxes assessed and taxes receivable at December 31, 2020, are as follows:

	<b>General Operations 10.00 Mills</b>
Property tax assessed	\$ 6,231,075
Less: Current amounts deemed uncollectible	(311,554)
Net 2019 property taxes deemed collectible	5,919,521
Prior year taxes collected in excess of prior year receivable in 2020	-
Net property tax revenues	<u>\$ 5,919,521</u>
Net property taxes deemed collectible	\$ -
Less: Amounts collected prior to December 31, 2020	-
Taxes receivable - current year	5,919,521
Prior year tax receivable at December 31, 2019	5,484,159
Less: Prior year tax collected in 2020	-
Prior year taxes collected in 2020	5,484,159
Total property taxes receivable at December 31, 2020	<u>\$ 5,919,521</u>

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

**NOTE 6 – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2020 for governmental activities is as follows:

	Balance December 31, 2019	Increases	Decreases	Balance December 31, 2020
<b>Governmental Activities Capital Assets:</b>				
Capital assets not being depreciated:				
Land	\$ 1,386,020	\$ -	\$ -	\$ 1,386,020
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>1,386,020</u>	<u>-</u>	<u>-</u>	<u>1,386,020</u>
Capital assets being depreciated				
Furniture and equipment	1,202,424	249,979	-	1,452,403
Vehicles	282,241	-	-	282,241
Buildings	8,627,424	119,910	-	8,747,334
Library collection	3,401,309	329,348	-	3,730,657
Total capital assets being depreciated	<u>13,513,398</u>	<u>699,237</u>	<u>-</u>	<u>14,212,635</u>
Less Accumulated Depreciation for:				
Furniture and equipment	873,648	106,768	-	980,416
Vehicles	95,471	34,819	-	130,290
Buildings	2,522,203	444,808	-	2,967,011
Library collection	2,320,885	528,498	-	2,849,383
Total Accumulated Depreciation	<u>5,812,207</u>	<u>1,114,893</u>	<u>-</u>	<u>6,927,100</u>
Total capital assets being depreciated, net	<u>7,701,191</u>	<u>(415,656)</u>	<u>-</u>	<u>7,285,535</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u><u>\$ 9,087,211</u></u>	<u><u>\$ (415,656)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,671,555</u></u>

Depreciation was charged to governmental functions as follows:

Library services	<u><u>\$ 1,114,893</u></u>
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Library collections of \$329,348 were recorded for the fiscal year ended, with \$0 of fully depreciated collections recorded for disposals. Other Furniture and Equipment, including data processing software, computers, and equipment primarily for the Livingston Library and the Library Administration Building, and other miscellaneous equipment and furniture purchases, was recorded for \$249,979. The Library also recorded \$119,910 in buildings and improvements.



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

**NOTE 7 – PENSION PLAN**

**Plan Description:**

Substantially all employees of the Livingston Parish Library Commission are members of the Parochial Employees' Retirement System of Louisiana (PERS), a multiple-employer, cost-sharing, defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute. The System provides retirement benefits of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. The System issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

**Retirement Benefits:**

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

**Survivor Benefits:**

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

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

**Deferred Retirement Option Plan:**

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



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

**NOTE 7 – PENSION PLAN (continued)**

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

Upon termination of employment prior to or at the specified period of participation, a participant in DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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

**Disability Benefits:**

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

**Cost of Living Increases:**

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 or older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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

**NOTE 7 – PENSION PLAN (continued)**

**Employer Contributions:**

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, actuarially determined rate was 7.53% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2019 was 7.50% for Plan B. According to state statute, the System also received  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Under the Plan B, members are required by state statute to contribute 3.00%(depending on date of hire) of their annual covered salary and the Library is required to contribute an actuarially determined rate. The rate for the year ended December 31, 2020 was 7.50%. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The Library's contributions to the System under Plan B for the years ended December 31, 2020, 2019, and 2018, were \$174,423, \$155,146, and \$129,463, respectively.

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

At December 31, 2019, the Library reported an asset of (\$128,390) for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the Library's proportion was 1.774653%, which was an increase of 0.124639% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Library recognized pension expense of \$163,971 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,967.

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

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

**NOTE 7 – PENSION PLAN (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,800	\$ (54,756)
Changes of assumptions	75,745	-
Net difference between projected and actual earnings on pension plan investments	-	(268,091)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	13,033	(1,796)
Employer contributions subsequent to the measurement date	<u>174,423</u>	<u>-</u>
Total	<u>\$ 267,001</u>	<u>\$ (324,643)</u>

The Library reported a total of \$174,423 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2019, which will be recognized as a reduction in net pension asset for the year ended December 31, 2021.

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

<u>Year</u>	
2021	\$ (66,795)
2022	(69,754)
2023	26,731
2024	<u>(122,247)</u>
	<u>\$ (232,065)</u>

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

**NOTE 7 – PENSION PLAN (continued)**

**Actuarial Assumptions:**

A summary of actuarial methods and assumptions used in determining the total net pension liability as of December 31, 2019 is as follows:

<b>Valuation Date</b>	December 31, 2019
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining</b>	
<b>Service Lives</b>	4 years
<b>Investment Rate of Return</b>	6.50%, net of investment expense, including inflation
<b>Projected Salary Increases</b>	4.25%
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
<b>Mortality</b>	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
<b>Inflation Rate</b>	2.40%

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

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

**NOTE 7 – PENSION PLAN (continued)**

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

**Mortality Rate:**

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

**Discount Rate:**

The discount rate used to measure the total pension liability was 6.50% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.0% Decrease 5.50%	Current Discount Rate 6.50%	1.0% Increase 7.50%
Net Pension Liability/Asset	\$ 689,711	\$ (128,390)	\$ (812,174)



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

**NOTE 8 – COMPENSATED ABSENCES**

At December 31, 2020, employees of the Library have accumulated and vested employee leave benefits, which was computed in accordance with GASB Codification Section C60. The total amount of \$57,933 accrued vacation leave is recorded as an obligation of the general fund.

Policies of the Library do not allow payment directly to the employee for sick leave upon termination. However, unused sick leave may be carried forward and added to service time and credited to the employee upon retirement. The accrued sick leave at December 31, 2020 totaling \$129,993 represents a long-term obligation and is recorded on the government-wide financial statements.

**NOTE 9 – ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The Governmental Funds payables consist of the following at December 31, 2020:

<u>Governmental Funds Payable</u>	<u>2020</u>
Accounts payable	\$ 150,547
Accrued vacation payable	57,933
Accrued salaries	40,152
Deferred revenue	-
Other accrued liabilities	38,420
Deduction from ad valorem taxes	241,363
<b>Total Government Funds Payable</b>	<b>\$ 528,415</b>

**NOTE 10 – OPERATING LEASES**

At December 31, 2020, the Library has an operating lease with Xerox for equipment rental. The lease with Xerox is for the period June 30, 2019 through June 30, 2022. Lease expense was \$1,340 for year ended December 31, 2020.

<u>Future Lease Payments</u>	<u>Vendor Xerox</u>	<u>Total by Year</u>
2021	1,340	\$ 1,340
2022	670	670

**NOTE 11 – RISK MANAGEMENT**

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



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

**NOTE 12 – CONTINGENT LIABILITIES**

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

**NOTE 13 – FINANCING OF LIBRARY BUILDINGS BY PRIMARY GOVERNMENT**

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

**NOTE 14 – FUND BALANCES**

At December 31, 2020, the General Fund of the Library had nonspendable fund balance of \$105,091 consisting of prepaid insurance premiums and prepaid expenses. Pursuant to formal action of the Livingston Parish Library Board of Control on April 1, 2015, the board also committed \$3,678,000 of the fund balance for future projects. Of the \$3,678,000 commitment, a total of \$3,000,000 was committed for future construction, expansion, and improvement of Livingston Parish Library facilities, and \$678,000 was committed as contingency for emergency facility repairs caused by natural disasters.

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

**NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

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

**NOTE 16 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated by management through May 14, 2021, the date the financial statements were available for issuance. No events were noted that require recording or disclosure in the financial statements for the year ending December 31, 2020. As a result of COVID-19, coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Library is closely monitoring its financial statements for 2021 impacts.

## REQUIRED SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH LIBRARY COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Ad valorem taxes	\$ 5,427,000	\$ 5,632,453	\$ 6,096,036	\$ 463,583
State revenue sharing	172,700	174,180	174,656	476
Fines and fees	84,830	18,249	18,109	(140)
Grants	7,875	6,775	6,775	-
Donations	2,700	12,941	13,115	174
Interest	79,653	41,072	77,587	36,515
Federal funds	-	-	53,602	53,602
Miscellaneous	38,200	76,403	39,956	(36,447)
<b>TOTAL REVENUES</b>	<b>5,812,958</b>	<b>5,962,073</b>	<b>6,479,836</b>	<b>517,763</b>
<b>EXPENDITURES</b>				
Personnel services:				
Salaries	2,600,000	2,685,000	2,725,248	(40,248)
Benefits	532,534	481,770	528,266	(46,496)
Payroll taxes	198,900	190,841	190,900	(59)
Operating services:				
Advertising	60,000	51,309	51,786	(477)
Contracts, licenses and permits	72,830	85,838	19,230	66,608
Dues and subscriptions	-	-	-	-
Insurance	150,788	130,332	166,664	(36,332)
Professional services	93,544	85,416	84,882	534
Miscellaneous	100	28	668	(640)
Postage	5,000	2,415	1,783	632
Repairs and maintenance	636,400	339,183	428,509	(89,326)
Rentals	9,000	-	-	-
Software purchases	8,300	16,800	14,320	2,480
Telephone	15,400	15,730	17,830	(2,100)
Utilities	189,890	165,227	173,966	(8,739)
Travel	55,000	20,078	26,133	(6,055)
Library materials and supplies:				
Databases	180,000	160,000	179,815	(19,815)
Library books and periodicals (non-capital)	209,500	207,500	220,383	(12,883)
Office supplies	61,450	41,265	44,498	(3,233)
Reading programs	45,560	16,810	16,098	712
Intergovernmental expenditures	211,600	223,189	241,363	(18,174)
Capital outlays	768,825	738,604	699,237	39,367
<b>TOTAL EXPENDITURES</b>	<b>6,104,621</b>	<b>5,657,335</b>	<b>5,831,579</b>	<b>(174,244)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(291,663)</b>	<b>304,738</b>	<b>648,257</b>	<b>343,519</b>
<b>FUND BALANCE, Beginning</b>	<b>8,686,584</b>	<b>8,686,584</b>	<b>8,686,584</b>	<b>-</b>
<b>FUND BALANCE, Ending</b>	<b>\$ 8,394,921</b>	<b>\$ 8,991,322</b>	<b>\$ 9,334,841</b>	<b>\$ 343,519</b>

LIVINGSTON PARISH LIBRARY COMMISSION  
SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

LIVINGSTON PARISH LIBRARY COMMISSION  
SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	\$ 174,423	\$ 174,423	\$ -	\$ 2,240,587	7.7847%
2019	\$ 155,146	\$ 155,146	\$ -	\$ 1,971,015	7.8714%
2018	\$ 129,463	\$ 129,463	\$ -	\$ 1,717,902	7.5361%
2017	\$ 129,641	\$ 129,641	\$ -	\$ 1,621,157	7.9968%
2016	\$ 144,680	\$ 144,680	\$ -	\$ 1,808,497	8.0000%
2015	\$ 158,386	\$ 158,386	\$ -	\$ 1,750,029	9.0505%

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



## OTHER SUPPLEMENTARY INFORMATION

**LIVINGSTON PARISH LIBRARY COMMISSION  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019**

	<u>2020</u>	<u>2019</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 903,125	\$ 1,077,511
Investments	2,875,816	2,840,011
Receivables, net:		
Ad Valorem taxes	5,919,521	5,484,159
State revenue sharing	58,536	58,060
Other receivables	1,152	1,152
Prepaid insurance	64,796	74,707
Prepaid expense	40,295	7,426
Capital assets, net of accumulated depreciation	8,671,557	9,087,212
Utility deposits	15	15
Net pension asset	128,390	-
<b>Total Assets</b>	<u><b>18,663,203</b></u>	<u><b>18,630,253</b></u>
<b>DEFERRED OUTFLOWS - PENSION</b>		
Pension Related	<u><b>267,001</b></u>	<u><b>585,441</b></u>
<b>LIABILITIES</b>		
Accounts payable	150,547	69,426
Deferred revenue	-	408,677
Accrued salaries payable	40,152	118,198
Deductions from ad valorem taxes	241,363	223,189
Other accrued liabilities	38,420	8,888
Accrued vacation payable	57,933	28,079
Non Current Liabilities		
Pension	-	445,776
Accrued sick leave payable	129,993	98,424
<b>Total Liabilities</b>	<u><b>658,408</b></u>	<u><b>1,400,657</b></u>
<b>DEFERRED INFLOWS - PENSION</b>		
Pension Related	<u><b>324,643</b></u>	<u><b>102,149</b></u>
<b>Net Position</b>		
Net invested in capital assets	8,671,557	9,087,212
Unrestricted	<u>9,275,596</u>	<u>8,625,676</u>
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 17,947,153</b></u></u>	<u><u><b>\$ 17,712,888</b></u></u>

LIVINGSTON PARISH LIBRARY COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH COMPARATIVE ACTUAL AMOUNTS FOR PRIOR YEAR

	2020		Actual	Variance	2019
	Original Budget	Final Budget	Amounts GAAP Basis	Favorable (Unfavorable)	Actual Amounts GAAP Basis
<b>REVENUES</b>					
Ad valorem taxes	\$ 5,427,000	\$ 5,632,453	\$ 6,096,036	\$ 463,583	\$ 5,619,203
State revenue sharing	172,700	174,180	174,656	476	173,194
Fines and fees	84,830	18,249	18,109	(140)	79,069
Grants	7,875	6,775	6,775	-	5,026
Donations	2,700	12,941	13,115	174	3,094
Interest	79,653	41,072	77,587	36,515	120,097
Federal funds	-	-	53,602	53,602	-
Miscellaneous	38,200	76,403	39,956	(36,447)	37,210
<b>TOTAL REVENUES</b>	<b>\$ 5,812,958</b>	<b>5,962,073</b>	<b>6,479,836</b>	<b>517,763</b>	<b>6,036,893</b>
<b>EXPENDITURES</b>					
Personnel services:					
Salaries	2,600,000	2,685,000	2,725,248	(40,248)	2,537,109
Benefits	532,534	481,770	528,266	(46,496)	502,274
Payroll taxes	198,900	190,841	190,900	(59)	194,920
Operating services:					
Advertising	60,000	51,309	51,786	(477)	50,594
Contracts, licenses and permits	72,830	85,838	19,230	66,608	87,502
Dues and subscriptions	-	-	-	-	-
Insurance	150,788	130,332	166,664	(36,332)	122,871
Professional services	93,544	85,416	84,882	534	131,274
Miscellaneous	100	28	668	(640)	35,363
Postage	5,000	2,415	1,783	632	4,841
Repairs and maintenance	636,400	339,183	428,509	(89,326)	344,061
Rentals	9,000	-	-	-	8,296
Software purchases	8,300	16,800	14,320	2,480	1,986
Telephone	15,400	15,730	17,830	(2,100)	16,663
Utilities	189,890	165,227	173,966	(8,739)	174,737
Travel	55,000	20,078	26,133	(6,055)	48,281
Library materials and supplies:					
Databases	180,000	160,000	179,815	(19,815)	122,593
Library books and periodicals (non-capital)	209,500	207,500	220,383	(12,883)	212,020
Office supplies	61,450	41,265	44,498	(3,233)	82,212
Reading programs	45,560	16,810	16,098	712	36,614
Intergovernmental expenditures	211,600	223,189	241,363	(18,174)	223,189
Capital outlays	768,825	738,604	699,237	39,367	663,045
<b>TOTAL EXPENDITURES</b>	<b>6,104,621</b>	<b>5,657,335</b>	<b>5,831,579</b>	<b>(174,244)</b>	<b>5,600,445</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(291,663)</b>	<b>304,738</b>	<b>648,257</b>	<b>343,519</b>	<b>436,448</b>
<b>FUND BALANCE, Beginning</b>	<b>8,686,584</b>	<b>8,686,584</b>	<b>8,686,584</b>	<b>-</b>	<b>8,250,136</b>
<b>FUND BALANCE, Ending</b>	<b>\$ 8,394,921</b>	<b>\$ 8,991,322</b>	<b>\$ 9,334,841</b>	<b>\$ 343,519</b>	<b>\$ 8,686,584</b>

LIVINGSTON PARISH LIBRARY COMMISSION  
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

**LIVINGSTON PARISH LIBRARY COMMISSION  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Agency Head Name: Giovanni Tairov, Director

Purpose	Amount
Salary	\$ 98,139
Employer paid payroll taxes	7,279
Benefits - retirement	7,360
Insurance	8,003
Travel	154
Conference registration and expenses	-
Dues	-
Total	<u>\$ 120,935</u>

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



# **BAXLEY AND ASSOCIATES, LLC**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities and each major fund of the Livingston Parish Library Commission, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Livingston Parish Library Commission's basic financial statements and have issued our report thereon dated May 14, 2021.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
May 14, 2021

**LIVINGSTON PARISH LIBRARY COMMISSION  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Livingston Parish Library Commission.
2. No material weakness relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. There were no significant deficiencies relating to the audit of the financial statements reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
4. No instances of noncompliance material to the financial statements of the Livingston Parish Library Commission were disclosed during the audit.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None noted in the current year.

**LIVINGSTON PARISH LIBRARY COMMISSION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**2019-001 CHECK DATES**

Condition:

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

Recommendation:

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

Current Status:

This condition was corrected in the current year.

**2019-002 YEAR END CLOSE**

Condition:

The cash and accounts payable balances at 12-31-18 were different from the beginning balances at 1-1-2019. This caused the fund balance to be understated by more than \$22,000.

Recommendation:

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

Current Status:

This condition was corrected in the current year.

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

Condition:

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

Recommendation:

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

Current Status:

This condition was corrected in the current year.