

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Financial Report

As of And For the Year Ended
December 31, 2022

ST. MARTIN PARISH LIBRARY
 St. Martinville, Louisiana
 Annual Financial Statements
 As of and for the Year Ended December 31, 2022

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MARAIST & MARAIST

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INDEPENDENT AUDITORS' REPORT

Board of Control
St. Martin Parish Library
St. Martinville, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the St. Martin Parish Library(the Library), a component unit of the St Martin Parish Government as of December 31, 2022 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Library as of December 31, 2022, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 33, the schedule of Changes in Net OPEB Liability on page 34 and the schedule of the St. Martin Parish Library's proportionate share of the net pension liability, and the schedule of the St. Martin Parish Library's pension liability/contributions on pages 35-36 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 regarding 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.

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

Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 9, 2023 on our consideration of the St. Martin Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.


MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
June 9, 2023

BASIC FINANCIAL STATEMENTS

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement A)

STATEMENT OF NET POSITION

December 31, 2022

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| <u>ASSETS</u> | |
| Cash and interest-bearing deposits | \$ 4,452,906 |
| Investments | 6,640,011 |
| Receivables (net of allowance for uncollectibles) | 2,095,805 |
| Prepaid expenses | 21,210 |
| Capital assets (not depreciated) | 7,050 |
| Capital assets (net of accumulated depreciation) | 5,079,626 |
| Net pension asset | <u>420,416</u> |
| TOTAL ASSETS | <u>\$ 18,717,024</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | |
| Pension obligation related | <u>\$ 108,228</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 108,228</u> |
| <u>LIABILITIES</u> | |
| Accounts payable | \$ 68,056 |
| Non-current liabilities: | |
| Compensated absences | 113,015 |
| Other post employment benefits | <u>1,468,411</u> |
| TOTAL LIABILITIES | <u>\$ 1,649,482</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Pension related | <u>\$ 403,834</u> |
| <u>NET POSITION</u> | |
| Net investment in capital assets | \$ 5,086,676 |
| Unrestricted | <u>11,685,260</u> |
| TOTAL NET POSITION | <u>\$ 16,771,936</u> |

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement B)

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

| | Governmental <u>Activities</u> |
|---------------------------------------|-----------------------------------|
| Program Expenses: | |
| Culture and recreation: | |
| Personal services | \$ 280,389 |
| Operating services | 459,681 |
| Materials and supplies | 50,577 |
| Travel and other charges | 14,536 |
| Intergovernmental | 89,011 |
| Depreciation expense | 331,494 |
| | <hr/> |
| Total Program Expenses | \$ 1,225,688 |
| | |
| Program revenues: | |
| Fees and charges for library services | \$ 16,684 |
| Fines and forfeitures | 5,210 |
| Miscellaneous revenues | 150 |
| | <hr/> |
| Total Program Revenues | \$ 22,044 |
| | |
| Net Program Expenses | <hr/> \$ 1,203,644 |
| | |
| General revenues: | |
| Taxes-ad valorem | \$ 2,488,454 |
| Intergovernmental: | |
| State revenue sharing | 120,024 |
| Interest earned | 166,080 |
| | <hr/> |
| Total General Revenues | \$ 2,774,558 |
| | |
| Change in Net Position | \$ 1,570,914 |
| | |
| Net Position-Beginning of Year | <hr/> 15,201,022 |
| | |
| Net Position- End of Year | <hr/> <hr/> \$ 16,771,936 |

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement C)

GOVERNMENTAL FUND-BALANCE SHEET

December 31, 2022

| | General Fund |
|--|----------------------|
| <u>ASSETS</u> | |
| Cash and interest-bearing deposits | \$ 4,452,906 |
| Investments | 6,640,011 |
| Receivables | 2,095,805 |
| Prepaid Expenses | <u>21,210</u> |
| TOTAL ASSETS | <u>\$ 13,209,932</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | |
| <u>LIABILITIES</u> | |
| Accounts payable | <u>\$ 68,056</u> |
| TOTAL LIABILITIES | <u>\$ 68,056</u> |
| <u>FUND BALANCE</u> | |
| Unassigned | <u>\$ 13,141,876</u> |
| TOTAL FUND BALANCE | <u>\$ 13,141,876</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 13,209,932</u> |

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement D)

Reconciliation of Governmental Fund
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2022

| | | |
|---|--------------------|----------------------|
| Total Fund Balance-Governmental Fund (Statement C) | | \$ 13,141,876 |
| Total net position reported for governmental activities in the Statement of Net Position is different because: | | |
| Deferred outflows of resources | | 108,228 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Cost of capital assets | \$ 7,494,168 | |
| Less: Accumulated depreciation | <u>(2,407,492)</u> | 5,086,676 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds: | | |
| Net pension asset/(liability) | | 420,416 |
| Compensated absences payable | | (113,015) |
| Net other post-employment benefit obligations | | (1,468,411) |
| Deferred inflows of resources | | <u>(403,834)</u> |
| Total Net Position(Statement A) | | <u>\$ 16,771,936</u> |

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
 St. Martinville, Louisiana
GOVERNMENTAL FUND

(Statement E)

**STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE**

For the Year Ended December 31, 2022

| | <u>General Fund</u> |
|---|---------------------------------|
| <u>REVENUES</u> | |
| Taxes-ad valorem | \$ 2,488,454 |
| Intergovernmental revenues: | |
| State revenue sharing | 120,024 |
| Fees and charges for library services | 16,684 |
| Fines and forfeitures | 5,210 |
| Use of money and property-interest earnings | 166,080 |
| Other revenues | <u>150</u> |
| TOTAL REVENUES | <u>\$ 2,796,602</u> |
| <u>EXPENDITURES</u> | |
| Culture and recreation: | |
| Personal services and related benefits | \$ 1,103,560 |
| Operating services | 459,681 |
| Materials and supplies | 50,577 |
| Travel and other charges | 14,536 |
| Intergovernmental | 89,011 |
| Capital outlay | <u>324,727</u> |
| TOTAL EXPENDITURES | <u>\$ 2,042,092</u> |
| EXCESS/ (Deficiency) OF REVENUES OVER EXPENDITURES | <u>\$ 754,510</u> |
| <u>OTHER FINANCING SOURCES</u> | <u>-0-</u> |
| EXCESS/ (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | <u>\$ 754,510</u> |
| FUND BALANCE AT BEGINNING OF YEAR | <u>12,387,366</u> |
| FUND BALANCE AT END OF YEAR | <u><u>\$ 13,141,876</u></u> |

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement F)

Reconciliation of Governmental Fund
Statement of Revenues, Expenditures, and Changes
In Fund Balances to the Statement of Activities

For the Year Ended December 31, 2022

| | |
|--|------------|
| Total net change in fund balances- Governmental funds (Statement E) | \$ 754,510 |
|--|------------|

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

| | |
|---|---------|
| Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays for the period. | (6,767) |
|---|---------|

| | |
|---|---------|
| Net pension expense is reported in governmental funds as expenditures as they are paid, however, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68. | 143,356 |
|---|---------|

Some expenses reported in the statement of activities
do not require the use of current financial resources
and, therefore, are not reported as expenditures in
the governmental funds:

| | |
|--|---------------------|
| Compensated absences | 12,594 |
| Net other post-employment benefit obligation | 667,221 |
| | <hr/> |
| Change in net position of governmental activities (Statement B) | <u>\$ 1,570,914</u> |

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Martin Parish Library was established by the St. Martin Parish Government, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library material, books, magazines, records, and films. The library is governed by a board of control which is appointed by the parish government in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation.

The accompanying financial statements of the St. Martin Parish Library have been prepared in conformity with United States generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

This report includes all funds which are controlled by or dependent on the Library's executive and legislative branches (the Board of Control). Control by or dependence on the Library was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.

The Library is a component unit of the St. Martin Parish Council.

**B. BASIC FINANCIAL STATEMENTS-
GOVERNMENT-WIDE STATEMENTS**

The library's basic financial statements include both government-wide (reporting the library as a whole) and fund financial statements (reporting the library's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the library are classified as governmental. The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the library.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

In the Statement of Net Position and the Statement of Activities, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, restricted and unrestricted. The library first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues-Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the library's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the library's general revenues.

C. BASIC FINANCIAL STATEMENTS-FUND FINANCIAL STATEMENTS

The financial transactions of the library are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The daily accounts and operations of the Library continue to be organized on the basis of funds, each of which is considered a separate accounting entity. The operation of the fund is accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

Fund financial statements report detailed information about the library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The library maintains a single governmental fund, the General Fund, which is used to account for the general operations, and all financial resources of the library system. The General Fund is always a major fund, as defined by (GASB). No other funds are maintained or required to be maintained by the library.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

the obligations are expected to be liquidated with expendable available financial resources. The library uses the following practices in recognizing and reporting revenues and expenditures within its governmental fund(s):

Revenues – Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Taxes are budgeted and the revenue recognized in the year they are billed.

Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees, fines, and forfeitures are recorded when the library is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Substantially all other revenues are recorded when received. Based on the above criteria, ad valorem taxes, state revenue sharing, and fees, fines and forfeitures have been treated as susceptible to accrual.

Expenditures – generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

F. CASH AND INTEREST BEARING DEPOSITS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Investments are stated at cost, which approximates market value. These investments consist wholly of time certificates of deposit which are fully secured through the pledge of bank-owned securities or federal deposit insurance. 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 bank. 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.

The Library may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of the Louisiana and national banks having their principal office in the State of Louisiana, an investment as stipulated in LSV-R.S. 39-1271, or any other federally insured investment. The monies which statutes permit the Library to invest are monies in any general fund or special fund of the Library which the Library determines to be available for investment and which are not specifically exempted or prohibited from investment under existing federal or state statutes.

The carrying amount of cash and interest bearing deposits are displayed on the balance sheet at December 31, 2022 as follows:

| | |
|---------------------------|---------------------|
| | <u>Book Balance</u> |
| Demand Deposits | \$ 758,540 |
| Interest Bearing Accounts | <u>3,694,166</u> |
| Total | <u>\$ 4,452,706</u> |

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Library’s deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. The Library does not have a policy for custodial credit risk, however, under state law, 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 bank. 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.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

Deposit balances with banks(collected balances) at December 31, 2022 are secured as follows:

| | <u>Bank Balance</u> | <u>FDIC Insurance</u> | <u>Balance Uninsured</u> |
|---|---------------------|-----------------------|--------------------------|
| Cash(Demand & Time Deposits) | \$ 4,552,113 | \$ 500,000 | \$ 4,052,113 |
| Pledged Securities (Category 3) | | | <u>5,661,271</u> |
| Excess FDIC insurance and pledged securities over cash balances | | | <u>\$ (1,609,158)</u> |

As of December 31, 2022, the Library's bank deposit balances were fully insured and/or collateralized with securities held in the name of the Library by the pledging financial institution's agent and, therefore, were not exposed to custodial credit risk. Total bank balances and total carrying amount of deposits do not include petty cash in the amount of \$200 on hand at year end.

The St. Martin Parish Library had only one investment to which GASB Statement 31 applied. This investment was an investment in LAMP. GASB Statement 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At December 31, 2022 the Library's investment, at cost, is \$6,640,011. Because cost approximates amortized cost, the carrying value was not adjusted.

G. ACCOUNTS RECEIVABLE

The financial statements of the Library contain an allowance for uncollectible accounts equivalent to 3.12% of the gross ad valorem taxes billed for the current calendar year. The total provision for uncollectible ad valorem taxes for fiscal year ended December 31, 2022 is \$77,744 in the aggregate.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost 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 \$5,000 or more, except for the library collection, for capitalizing capital assets. These financial statements include capital assets acquired subsequent to December 31, 1998. All capital assets owned prior to January 1, 1999 are accounted for by the St. Martin Parish Government.

Capital assets are reported in the government-wide financial statements as fixed depreciable assets. In the fund financial statements, capital assets used in governmental fund operations are accounted for as a capital outlay expenditure of the governmental fund upon acquisition. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Library, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

| <u>Description</u> | <u>Estimated Lives</u> |
|------------------------------------|------------------------|
| Building and building improvements | 20-40 years |
| Furniture and fixtures | 5-10 years |
| Vehicles | 5-15 years |
| Equipment | 5-20 years |
| Library collection | 5 years |

I. COMPENSATED ABSENCES

Employees of the Library accrue unlimited amounts of annual and sick leave at varying rates according to years of service. Upon termination or resignation, unused annual leave up to a maximum of 30 days is paid to employees hired post-2007 at the employee's current rate of pay. Employees hired prior to 2007 are not limited in payments due for annual leave accrual. However, all unused sick leave is forfeited. Upon retirement, all unused annual leave and a portion of unused sick leave (per formula of the Parochial Employees Retirement System) are used in the retirement benefit computation as earned service.

During fiscal year 2022, employees of the Library had taken/used an additional \$(12,594) of net employee leave benefits, for a cumulative total of \$113,015 of employee leave benefits at December 31, 2022, computed in accordance with GASB Codification Section C60. This amount is recorded as a non-current liability in the government-wide financial statements.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

2. LEVIED TAXES

The total ad valorem tax millage levied by the Library was 7.73 for the year ended December 31, 2022. This levy includes a 3.83 mill tax which was the subject of a 2021 voter rededication of 50% of the tax proceeds to the St. Martin Parish Government for maintenance of public buildings, recreation, and judicial court costs. For 2022, the effective millage rate levied, net of this rededication, was 5.815%

Details of the parish’s tax calendar are as follows:

Lien Date: June 1, Due Date: December 1,
 Levy Date: August 5, Collection Date: On or prior to December 31,

Total taxes levied, net of the rededicated millage, were \$2,493,972 for 2022.

3. RECEIVABLES

The general fund receivables at December 31, 2022 are as follows:

Class of Receivables

| | |
|---|--------------|
| Taxes -- ad valorem (net of allowance for uncollectibles of \$77,774) | \$ 2,065,673 |
| Revenue sharing receivable | 30,109 |
| Employee receivables-insurance | 23 |

Total \$ 2,095,805

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets being depreciated follows:

| <u>2022:</u> | Balance <u>Jan. 1</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>Dec. 31</u> |
|-------------------------------|--------------------------|-------------------|-------------------|---------------------------|
| Construction in progress | \$ 12,944 | \$ 127,997 | \$ - | \$ 140,941 |
| Building and improvements | 5,463,855 | - | - | 5,463,855 |
| Furniture and equipment | 602,647 | 19,425 | - | 622,072 |
| Vehicles | 27,571 | - | - | 27,571 |
| Library materials | 1,552,095 | 177,305 | 496,721 | 1,232,679 |
| Total | <u>\$ 7,659,112</u> | <u>\$ 324,727</u> | <u>\$ 496,721</u> | <u>\$ 7,487,118</u> |
| Less accumulated depreciation | 2,572,719 | 331,494 | 496,721 | 2,407,492 |
| Net capital assets-2022 | <u>\$ 5,086,393</u> | <u>\$ (6,767)</u> | <u>\$ -</u> | <u>\$ 5,079,626</u> |

Capital assets not being depreciated consist of land with an original historical cost of \$7,050.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

5. PENSION PLAN

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

Plan Description

All of the St. Martin Parish Library employees participates in Plan A of the Parochial Employees Retirement System of Louisiana (System), which is a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1901 through 2025 for eligible employees of any parish or any governing body of a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Parochial Employees' Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

Benefits Provided

The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 3.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits after completing 30 years of service, retire at age 55 after completing 25 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service. Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

years. During the three year period, employer contributions continue but employee contributions cease. The election to participate in drop is irrevocable once participation begins. The monthly retirement benefits are paid into the DROP Fund. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who become disabled may receive retirement benefits determined in the same manner as normal retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive retirement benefits determined in the same manner as normal retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 7.10% of members compensation for Plan A. However, the actual employer contribution rate was 11.50% for Plan A. Contributions to the system also include one-fourth of one percent(except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. 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 of each plan. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Library recognized \$7,383 of non-employer contributions. Under Plan A, members are required to contribute 9.5% of their annual covered salary. The Library's payroll related contributions to the system for the year ended December 31, 2022 was \$60,901.

Pension Liabilities/Assets

At December 31, 2022, the Library reported an asset of \$420,416 for its proportionate share of the net pension liability/asset. The Library's net pension asset for the plan was measured as of December 31, 2021 and the total plan pension asset used to calculate the Library's net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the plan 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, 2021, the Library's proportion was .089252%, which was a decrease of .003438% from its proportion measured as of December 31, 2020.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

Pension Expense

For the year ended December 31, 2022, the Library recognized pension expense/(income) of \$(75,784).

Deferred Outflows of Resources and Deferred Inflows of ResourcesRelated to Pensions

At December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows Of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ 25,401 | \$ (30,470) |
| Changes of assumptions | 21,926 | - |
| Net difference between projected and actual earnings on pension plan investments | - | (363,652) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | - | (9,712) |
| Employer contributions subsequent to the measurement date | <u>60,901</u> | <u>-</u> |
| | <u>\$ 108,228</u> | <u>\$ (403,834)</u> |

The Library reported \$60,901 as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset in the following fiscal year.

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

| For the year ended December 31, | Amount |
|------------------------------------|--------------------|
| 2023 | \$ (73,660) |
| 2024 | (147,018) |
| 2025 | (96,852) |
| 2026 | <u>(38,977)</u> |
| Total | <u>\$(356,507)</u> |

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022 are as follows:

| | |
|----------------------------------|--|
| Valuation Date: | December 31, 2021 |
| Actuarial Cost Method: | Plan A-Entry Age Normal |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 4 Years for Plan A |
| Investment Rate of Return | 6.40%, net of investment expense |
| Projected Salary Increases | Plan A-4.75%(2.35% merit, 2.40% inflation) |
| Inflation Rate | 2.3% |
| Mortality Rates | 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 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. |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and included previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM 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 ranges 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 2.1% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2021 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------|-------------------|--|
| Fixed Income | 33.00% | .85% |
| Equity | 51.00% | 3.23% |
| Alternatives | 14.00% | .71% |
| Real Assets | <u>2.00%</u> | <u>.11%</u> |
| Total | 100.00% | 4.90% |
| Inflation | | <u>2.10%</u> |
| Expected Arithmetic Nominal Rate | | <u>7.00%</u> |

Discount Rate

The discount rate used to measure the collective pension liability was 6.40%. 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. 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 Library’s Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the Library’s proportionate share of the collective net pension liability using the discount rate of 6.40%, as well as what the Library’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower(5.40%) or one percentage-point higher(7.40%) than the current rate.

| | 1.0% Decrease <u>5.40%</u> | Current Discount Rate <u>6.40%</u> | 1.0% Increase <u>7.40%</u> |
|---|-------------------------------|---------------------------------------|-------------------------------|
| Library’s proportionate share of the net pension liability(asset) | \$ 74,592 | \$(420,416) | \$(835,377) |

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the Parochial Employees' Retirement System of Louisiana's fiduciary net position can be found on the System's website at www.persla.org.

6. POST-RETIREMENT HEALTH CARE INSURANCE BENEFITS

Plan Description

The St. Martin Parish Library (the Library) provides certain continuing health care and life insurance benefits for its qualifying retired employees. The St. Martin Parish Library's OPEB plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Library. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Library. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

Benefits Provided

The Library provides medical benefits to eligible retirees. For retirees hired prior to June 1, 2007, the Library pays 100% of the premium for individual coverage. For retirees hired on or after that date the Library does not pay for any coverage. The retiree pays the full extra premium for elected coverage not subsidized by the Library. All active employees who retire directly from the Library and meet the eligibility criteria may participate.

Employees covered by benefit terms – At December 31, 2022, the following employees were covered by the benefit terms:

| | |
|--|----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 6 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | <u>2</u> |
| | <u>8</u> |

Total OPEB Liability

The Library's total OPEB liability of \$1,468,411 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2022.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

Actuarial Assumptions and Other Inputs - The Library's total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|---|
| Inflation | 2.5% |
| Salary increases | 3.5% |
| Discount rate | 4.31%, annually |
| Healthcare cost trend rates | Level 4.5% for medical, and 1.5% for dental |

The discount rate was based on reviews of the recent published S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the RPH-2014 Total Mortality Table with MP-2021 mortality projection.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of ongoing evaluations of the assumptions.

Changes in Total OPEB Liability:

| | |
|--|--------------------|
| Total OPEB obligation-beginning of year, as restated | \$2,135,632 |
| Changes for the year: | |
| Service cost | 20,307 |
| Interest on net OPEB obligation | 45,060 |
| Changes of benefit terms | -0- |
| Difference between expected and actual experience | (132,008) |
| Changes in assumptions | (539,647) |
| Benefit payments and net transfers | <u>(60,933)</u> |
| Net Changes for the Year | <u>(667,221)</u> |
| Net OPEB obligation at end of year | <u>\$1,468,411</u> |

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower(3.31%) or 1-percentage point higher(5.31%) than the current discount rate:

| | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|----------------------|------------------|--------------------------|------------------|
| | <u>3.31%</u> | <u>4.31%</u> | <u>5.31%</u> |
| Total OPEB Liability | 1,675,634 | 1,468,411 | 1,299,916 |

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate –
 The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower(3.50%) or 1-percentage point higher(5.50%) than the current healthcare cost trend rate:

| | 1.0% Decrease <u>3.50%</u> | Current Healthcare Cost Trend Rate <u>4.50%</u> | 1.0% Increase <u>5.50%</u> |
|----------------------|----------------------------------|--|----------------------------------|
| Total OPEB Liability | \$ 1,299,415 | \$ 1,468,411 | \$ 1,673,095 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2022, the Library recognized OPEB expense/ (income) of \$(606,288). At December 31, 2022, the Library had no reported deferred outflows of resources or deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows Of Resources</u> |
|------------------------|---|--|
| Experience gain/(loss) | \$ - | \$ - |
| Changes of assumptions | <u>-</u> | <u>-</u> |
| Total | <u>\$ -</u> | <u>\$ -</u> |

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

| <u>For the year ended December 31, 2022</u> | <u>Amount</u> |
|---|---------------|
| | <u>\$ -</u> |

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

**7. ACT 706-SCHEDULE OF COMPENSATION, REIMBURSEMENTS,
BENEFITS AND OTHER PAYMENTS TO ENTITY HEAD**

Under Act 706, the St. Martin Parish Library is required to disclose the compensation, reimbursements, benefits and other payments made to the library director, in which payments are related to the position. The following is a schedule of payments made to the library director for the year ended December 31, 2022:

Entity Head: Charlar Brew, Library Director

| | |
|----------------------------|------------------|
| Salary | \$106,817 |
| Benefits-medical insurance | -0- |
| Benefits-retirement | 12,284 |
| Benefits-other | -0- |
| Reimbursements | <u>1,326</u> |
| Total | <u>\$120,427</u> |

8. LITIGATION AND CLAIMS

At December 31, 2022 the St. Martin Parish Library is not involved in any litigation, nor is it aware of any unasserted claims.

9. RISK MANAGEMENT

The Library is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current and previous fiscal years. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

10. BOARD OF CONTROL

Members of the St. Martin Parish Library Board of Control at December 31, 2022 are as follows:

| | |
|-------------------|-------------------|
| Tommy Romero | Freda Harrison |
| Charlene LeBlanc | Chenita Broussard |
| Georgie Blanchard | Mike Formeller |
| Henry Derouselle | |

No compensation or per diem was paid to these individuals during the year.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements (Continued)

11. ON-BEHALF PAYMENTS

Because the Library is one of several governmental agencies receiving proceeds from a property tax assessment, state law(R.S. 11:82) required the Library to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Library's pro-rata share of the required contribution was \$89,011 that was withheld by the St. Martin Parish Sheriff from property tax collections to satisfy the Library's obligation. The Sheriff withholds the entire amount of this obligation in January each year even though some of the property taxes may never be collected.

The \$89,011 withheld by the Sheriff has been included as part of the "intergovernmental" expenditures of the General Fund in these financial statements. The Library has likewise increased its property tax revenue by the same amount of this intergovernmental expenditure.

12. SUBSEQUENT EVENTS REVIEW

The management of the St. Martin Parish Library has evaluated the need for disclosure and/or adjustments resulting from all subsequent events through June 9, 2023, the date on which the financial statements were available to be issued. The evaluation did not reveal any subsequent events that necessitated disclosure or adjustment under generally accepted accounting principles.

13. NEW ACCOUNTING PRONOUNCEMENT

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundation that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Library adopted this standard in the year ended December 31, 2022. The implementation of this standard had no material effect on the Library's financial statements for the year ended December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH LIBRARY
 St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE-GENERAL FUND

(Schedule 1)

Combined Statement of Revenues, Expenditures,
 And Changes in Fund Balance –
 Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2022

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE</u> |
|---|-------------------------|-----------------------|----------------------|------------------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | <u>FAVORABLE (UNFAVORABLE)</u> |
| <u>REVENUES</u> | | | | |
| Ad valorem taxes | \$ 2,400,000 | \$ 2,017,000 | \$ 2,488,454 | \$ 471,454 |
| State funds: | | | | |
| State revenue sharing | 60,000 | 84,000 | 120,024 | 36,024 |
| Other state grants | - | - | - | - |
| Fees and charges for library services | 22,000 | 20,000 | 16,684 | (3,316) |
| Fines and forfeitures | - | - | 5,210 | 5,210 |
| Use of money and property- Interest earnings | 7,000 | 77,000 | 166,080 | 89,080 |
| Other revenues | - | - | 150 | 150 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL REVENUES | \$ 2,489,000 | \$ 2,198,000 | \$ 2,796,602 | \$ 598,602 |
| <u>EXPENDITURES</u> | | | | |
| Culture and recreation: | | | | |
| Personal services and related benefits | \$ 1,511,029 | \$ 1,200,000 | \$ 1,103,560 | \$ 96,440 |
| Operating services | 670,000 | 666,000 | 459,681 | 206,319 |
| Materials and supplies | 80,000 | 85,000 | 50,577 | 34,423 |
| Travel and other charges | 35,000 | 30,000 | 14,536 | 15,464 |
| Capital Outlay | 1,386,500 | 1,200,000 | 324,727 | 875,273 |
| Intergovernmental | 200 | 87,000 | 89,011 | (2,011) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL EXPENDITURES | \$ 3,682,729 | \$ 3,268,000 | \$ 2,042,092 | \$ 1,225,908 |
| EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES | <u>\$ (1,193,729)</u> | <u>\$ (1,070,000)</u> | <u>\$ 754,510</u> | <u>\$ 1,824,510</u> |
| <u>OTHER FINANCING SOURCES</u> | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | <u>\$ (1,193,729)</u> | <u>\$ (1,070,000)</u> | <u>\$ 754,510</u> | <u>\$ 1,824,510</u> |
| FUND BALANCES-BEG. OF YEAR | 12,387,366 | 12,387,366 | 12,387,366 | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| FUND BALANCES-END OF YEAR | <u>\$ 11,193,637</u> | <u>\$ 11,317,366</u> | <u>\$ 13,141,876</u> | <u>\$ 1,824,510</u> |

See independent auditors' report and accompanying notes to required supplementary information.

ST. MARTIN PARISH LIBRARY

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2022

(Schedule 2)

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total OPEB Liability* | | | | | |
| Service cost | \$ 20,307 | \$ 20,307 | \$ 102,982 | \$ 102,982 | \$ 102,982 |
| Interest cost | 45,060 | 45,105 | 109,987 | 111,770 | 106,790 |
| Changes of benefit terms | - | - | (921,879) | - | - |
| Difference between expected and actual experience | (132,008) | - | 79,520 | - | - |
| Changes of assumptions | (539,647) | - | 229,228 | - | - |
| Benefit payments | <u>(60,933)</u> | <u>(74,144)</u> | <u>(70,187)</u> | <u>(274,666)</u> | <u>(73,572)</u> |
| Net Change in total OPEB liability | \$(667,221) | \$ (8,732) | \$ (470,349) | \$ (59,914) | \$136,200 |
| Total OPEB Liability – beginning | <u>2,135,632</u> | <u>2,144,364</u> | <u>2,614,713</u> | <u>2,674,627</u> | <u>2,538,427</u> |
| Total OPEB Liability – ending | <u>\$1,468,411</u> | <u>\$2,135,632</u> | <u>\$2,144,364</u> | <u>\$2,614,713</u> | <u>\$2,674,627</u> |
| Covered employee payroll | <u>\$108,212</u> | <u>\$98,030</u> | <u>\$98,030</u> | <u>\$509,567</u> | <u>\$544,502</u> |
| Net OPEB liability as a percentage of covered employee payroll | 1,356.98% | 2,178.55% | 2,187.46% | 513.12% | 491.21% |

*Equal to net OPEB liability

Notes to Schedule:

Benefit Changes. No subsidy for retirees hired on or after June 1, 2007.

Changes in Assumptions.

| | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|
| Inflation Rate | 2.50% | 2.50% | 2.50% | 3.00% | 3.00% |
| Discount Rate: | 4.31% | 2.12% | 2.12% | 4.10% | 4.10% |
| Healthcare Cost Trend Rate: | 4.50% | 4.50% | 4.50% | 5.00% | 5.00% |
| Projected Salary Increases | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |

In addition, mortality assumptions were updated in 2021 using the RPH-2014 Total table with Projection MP-2020.

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

See independent auditors' report.

St. Martin Parish Library
Schedule of St. Martin Parish Library's Proportionate
Share of the Net Pension Liability/Asset-
Parochial Employees' Retirement System of Louisiana

For the Year Ended December 31, 2022

(Schedule 3)

| * Year Ended <u>Dec. 31</u> | Employer Proportion of the <i>Net Pension</i> Liability/ <u>(Asset)</u> | Employer Proportionate Share of the <i>Net Pension</i> Liability/ <u>(Asset)</u> | Employer's <i>Covered</i> Employee <u>Payroll</u> | Employer's Proportionate Share of the Net Pension Liability/(Asset) as <i>a Percentage of its</i> Covered Employee <u>Payroll</u> | Plan Fiduciary Net Position <i>as a Percentage</i> of the Total <u>Pension Liability</u> |
|--------------------------------------|--|---|--|---|--|
| 2022 | 0.089252% | \$(420,416) | \$598,825 | (70.21)% | 110.46% |
| 2021 | 0.092690% | \$(162,524) | \$619,078 | (26.25)% | 104.00% |
| 2020 | 0.100118% | \$ 4,713 | \$634,809 | .74% | 99.89% |
| 2019 | 0.104458% | \$ 463,622 | \$642,165 | 72.20% | 88.86% |
| 2018 | 0.099690% | \$ (73,995) | \$613,610 | (12.06)% | 101.98% |
| 2017 | 0.095697% | \$ 197,089 | \$567,538 | 34.73% | 94.15% |
| 2016 | 0.097410% | \$ 256,411 | \$558,510 | 45.91% | 92.23% |
| 2015 | 0.094667% | \$ 25,883 | \$532,746 | 4.86% | 99.15% |

*The amounts presented have a measurement date of the previous fiscal year end.

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

See independent auditors' report and accompanying notes to required supplementary information.

St. Martin Parish Library
 Schedule of St. Martin Parish Library's Contributions
 Parochial Employees' Retirement System of Louisiana

For the Year Ended December 31, 2022

(Schedule 4)

| Year Ended Dec. 31 | Contractually Required Contribution | Contributions in Relation to Contractually Required Contributions | Contribution Deficiency/ (Excess) | Employer's Covered Employee Payroll | Contributions as a % of Covered Employee Payroll |
|--------------------------|---|---|--|--|--|
| 2022 | \$ 60,860 | \$ 60,901 | \$ (41) | \$ 529,574 | 11.51% |
| 2021 | \$ 73,356 | \$ 73,356 | \$ - | \$ 598,825 | 12.25% |
| 2020 | \$ 75,837 | \$ 75,837 | \$ - | \$ 619,078 | 12.25% |
| 2019 | \$ 73,003 | \$ 73,003 | \$ - | \$ 634,809 | 11.50% |
| 2018 | \$ 73,849 | \$ 73,849 | \$ - | \$ 642,165 | 11.50% |
| 2017 | \$ 76,701 | \$ 76,701 | \$ - | \$ 613,610 | 12.50% |
| 2016 | \$ 73,780 | \$ 73,780 | \$ - | \$ 567,538 | 13.00% |
| 2015 | \$ 80,894 | \$ 80,894 | \$ - | \$ 558,510 | 14.50% |

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

See independent auditors' report and accompanying notes to required supplementary information.

St. Martin Parish Library
Year Ended December 31, 2022
Notes to Required Supplementary Information

Note 1. Budgets and Budgetary Accounting

Annually, the administrative librarian prepares a comprehensive operating budget for the General Fund for the fiscal year commencing the following January 1 on a basis consistent with generally accepted accounting principles (GAAP). The proposed budget is published in the official journal at least ten days prior to holding a public budget hearing. The budget hearing is held at least fifteen days prior to the beginning of each fiscal year for public participation. The budget is then legally adopted by the board of control and amended during the year as necessary. All budgetary appropriations lapse at fiscal year end.

Formal budgetary integration and interim budget reporting practices are not employed by the Library. Budgeted amounts reported in the accompanying financial statements include original budget amounts and all subsequent amendments.

Note 2. Pension Plan

Changes in benefit terms – There were no changes in benefit terms.

Changes in assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of disability, and various other factors that have an impact on the cost of the plan.

Amounts reported in fiscal year ended December 31, 2022 for the pension plan reflect the following changes used to measure the total pension liability.

| <u>Year Ended Dec. 31</u> | <u>Discount Rate</u> | <u>Investment Rate of Return</u> | <u>Inflation Rate</u> | <u>Expected Remaining Service Lives</u> | <u>Projected Salary Increase</u> |
|---------------------------|----------------------|----------------------------------|-----------------------|---|----------------------------------|
| 2022 | 6.40% | 6.40% | 2.30% | 4 | 4.75% |
| 2021 | 6.40% | 6.40% | 2.30% | 4 | 4.75% |
| 2020 | 6.50% | 6.50% | 2.40% | 4 | 4.75% |
| 2019 | 6.50% | 6.50% | 2.40% | 4 | 4.75% |
| 2018 | 6.75% | 6.75% | 2.50% | 4 | 5.25% |
| 2017 | 7.00% | 7.00% | 2.50% | 4 | 5.25% |
| 2016 | 7.00% | 7.00% | 2.50% | 4 | 5.25% |
| 2015 | 7.25% | 7.25% | 3.00% | 4 | 5.75% |

*The amounts presented have a measurement date of the previous fiscal year end.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

MARAIST & MARAIST

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

To the Board of Control
St. Martin Parish Library
St. Martinville, Louisiana

We have audited, 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, the financial statements of the governmental activities and the major fund of the St. Martin Parish Library (a component unit of the St. Martin Parish Government) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the St. Martin Parish Library's basic financial statements and have issued our report thereon dated June 9, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Martin Parish 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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Martin Parish 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 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 instance 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 St. Martin Parish Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the St. Martin Parish Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



MARAIST AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
June 9, 2023

ST. MARTIN PARISH LIBRARY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

(Schedule 5)

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the St. Martin Parish Library.
2. No control deficiencies relating to the financial statements of the St. Martin Parish Library were identified during the audit.
3. No instances of noncompliance material to the financial statements of the St. Martin Parish Library was disclosed during the audit.
4. There was no single audit required under the 2CFR 200.516(a) (Uniform Guidance).

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FEDERAL AWARD FINDINGS

Not applicable.

D. MANAGEMENT LETTER

A management letter was not issued in connection with the audit for the year ended December 31, 2022.

ST. MARTIN PARISH LIBRARY
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022

(Schedule 6)

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
BASIC FINANCIAL STATEMENTS**

None.

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

The St. Martin Parish Library did not receive federal awards during the year ended December 31, 2021.

C. MANAGEMENT LETTER

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

ST. MARTIN PARISH LIBRARY

STATEWIDE AGREED-UPON PROCEDURES REPORT

Year Ended December 31, 2022

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the St. Martin
Parish Library Board of Control
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Martin Parish Library Board of Control and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Library's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed whether they address each of the following categories and subcategories (or reported that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) For those entities reporting on the governmental accounting model, observed whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

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

Collections

- 4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, we inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was in force during the fiscal period.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under *Bank Reconciliations* above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day) *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
- a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

- 8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written

policies and procedures relating to employee job duties (if the agency has no written policies and procedures, we inquired of employees about their job duties), and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - e) Only employee/official authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
- a) Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicated deliverables included on the invoice were received by the entity, and
 - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in *Bank Reconciliations* procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

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

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

13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), obtained supporting documentation, and:
- a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

15. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Contracts

16. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts(or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment, and that amendments were made in compliance with the contract terms(e.g., if approval is required for any amendment, was approval documented).
 - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observed whether supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- d) Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files, and agreed the termination payment to entity policy.
- 20. We obtained management's representation that employer and employee portions of third-party payroll related amounts(e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

- 21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a. Observed whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observed whether the entity maintains documentation which demonstrates that each employee/official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- 22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R. S. 42:1170.

Debt Service

- 23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued, as required by Article VII, Section 8 of the Louisiana Constitution.
- 24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants(including contingency funds, short-lived asset funds, or other funds as required by the debt covenants).

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period(if any), and management's representation that the listing is complete. We selected all misappropriations on the listing(if any), obtained supporting documentation, and observed that the entity reported the misappropriation(s)to the legislative auditor and the district attorney of the parish in which the entity is domiciled, as required by R.S. 24:523.
26. We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:
 - a) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
 - b) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly selected 5 terminated employees(or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under *Payroll and Personnel* above, we obtained sexual harassment training documentation from

management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

30. Observed that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
 - a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

Findings: No exceptions were found as a result of procedures listed above, with the exception of:

Collections(excluding EFTs):

2 of 6 deposits tested were not made in a timely manner.

Non-Payroll Disbursements:

The Library uses Quickbooks(Intuit) accounting software, which does not allow them to restrict any user from adding vendors.

Fraud Notice:

Notice required by R.S. 24:523.1 posted on premises only, not on website.

Prevention of Sexual Harassment:

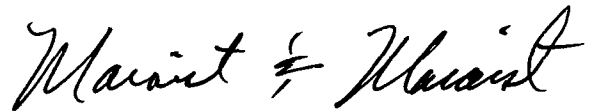
Notice required by R.S. 42:343 posted on premises only, not on website.

Management's Response: *The St. Martin Parish Library concurs with the exceptions and is working to address the deficiencies identified.*

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

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

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



Maraist & Maraist
Certified Public Accountants

St. Martinville, Louisiana
June 9, 2023