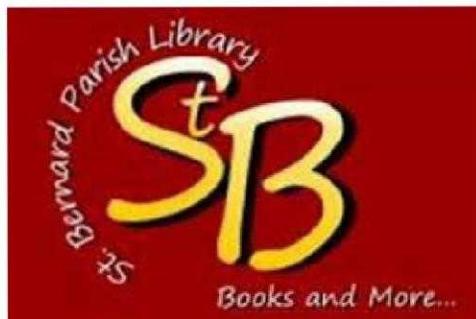


*Financial Report*

*St. Bernard Parish Library*

*December 31, 2021*



*Financial Report*

*St. Bernard Parish Library*

*December 31, 2021*

## TABLE OF CONTENTS

### **St. Bernard Parish Library** Chalmette, Louisiana

December 31, 2021

	<u>Page Numbers</u>
<b>Financial Section</b>	
Independent Auditor's Report	1 - 4
Management's Discussion and Analysis	5 - 12
<b>Exhibits</b>	
Basic Financial Statements:	
Government-Wide Financial Statements:	
A - Statement of Net Position	13
B - Statement of Activities	14
Fund Financial Statements:	
C - Balance Sheet - Governmental Fund	15
D - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	16
E - Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	17
F - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	18
G - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	19
H - Notes to Financial Statements	20 - 47

**TABLE OF CONTENTS**  
**(Continued)**

Page  
Numbers

**Schedules**

**Required Supplementary Information**

- |   |    |
|---|----|
| 1 - Schedule of the Library's Proportionate Share of the<br>Net Pension Liability | 48 |
| 2 - Schedule of the Library's Contributions                                       | 49 |

**Supplementary Information**

- |  |    |
|--|----|
| 3 - Schedule of Compensation, Benefits, and Other Payments<br>to Agency Head | 50 |
|--|----|

**Special Reports of Certified Public Accountants**

- |  |         |
|--|---------|
| Independent Auditor's Report on Internal Control Over Financial<br>Reporting and on Compliance and Other Matters Based on an<br>Audit of Financial Statements Performed in Accordance with<br><i>Government Auditing Standards</i> | 51 - 52 |
| Schedule of Findings and Responses   | 53 - 54 |

**Reports by Management**

- |   |    |
|---|----|
| Schedule of Prior Year Findings and Responses | 55 |
| Management's Corrective Action Plan           | 56 |

**Statewide Agreed-Upon Procedures**

- |   |         |
|---|---------|
| Independent Accountant's Report on Applying Agreed-Upon Procedures                            | 57 - 58 |
| 4 - Schedule of Procedures and Associated Findings of the Statewide<br>Agreed-Upon Procedures | 59 - 74 |

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Control,  
St. Bernard Parish Library,  
Chalmette, Louisiana.

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major funds of the St. Bernard Parish Library (the "Library"), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the Library as of December 31, 2021, and the respective changes in net position for the year then ended and budgetary comparison of the General Fund 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 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 12, and the required supplementary information on pages 48 through 49, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 50 as required by Louisiana Revised statute 24:513(A)(3) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022, on our consideration of the St. Bernard Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
June 14, 2022.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**St. Bernard Parish Library**  
Chalmette, Louisiana

December 31, 2021

The Management's Discussion and Analysis (MD&A) of the St. Bernard Parish Library's (the "Library's") financial performance presents a narrative overview and analysis of the Library's financial activities as of and for the year ended December 31, 2021. It identifies changes in the Library's overall financial position and results of operations and assists the user in determining whether the financial position has improved or deteriorated as a result of the year's operations. It also identifies any significant variations from the original budget amounts and includes any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and identifies individual issues or concerns. The MD&A focuses on the current year's activities, resulting changes, and currently known facts.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of the MD&A should read and evaluate all sections of this report, including the notes to financial statements and required supplemental information section (RSI) that are provided in addition to this MD&A.

### **FINANCIAL HIGHLIGHTS**

The financial statements provide details of the current year operations summarized as follows:

- Net position of governmental activities increased by \$1,057,619.
- During the year, the Library had expenses of \$590,280 and generated \$1,647,899 in fees and other revenues.
- Total revenues decreased by \$5,985 or .36% from the prior year.
- Salaries and benefits decreased by \$15,317 or 3.69% from the prior year.
- Total expenses decreased by \$51,018 or 7.96% from the prior year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Library's basic financial statements. The Library's financial report consists of four parts: (1) MD&A (this section); (2) basic financial statements; (3) required supplementary information; and (4) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Library:

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private sector business. Under this format, all governmental activities are consolidated into columns which add to a total for the governmental entity. For the Library, only governmental activities are included in the presentation. Accordingly, there is no "totals" column in the presentation.

- a. The Statement of Net Position presents information on all of the Library's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as the net position. Over time, increases or decreases in the net position (and changes in the components of net position) may serve as a useful indicator of whether the financial position of the Library is improving or weakening.
- b. The Statement of Activities presents information showing how the Library's net position changed during the years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement of Activities presents the expenses for each function (salaries and benefits, office expenses, insurance, supplies, other expenses, and depreciation) reduced by the Program Revenues (charges for services and grants) directly related to the program to determine net program expenses and general revenues (ad valorem taxes and other revenue).

### **Fund Financial Statements**

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Fund Financial Statements (Continued)**

The Library maintains one individual governmental fund (the "General Fund"). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. The Library adopts an annual appropriated budget for its General Fund. A budgetary comparison statement, page 19, and the note to budgetary reporting have been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 13 through 19 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 20 of this report.

### **Statements of Net Position and Statements of Activities**

Presented on the next pages are Condensed Statements of Net Position and Statements of Activities for the Library. The condensed format allows the reader to view the overall financial position of the Library. Explanations of the components of the statements are included immediately following the statements.

(Continued)

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****Statements of Net Position and Statements of Activities****Condensed Statements of Net Position**

	<u>December 31,</u>		<u>Increase</u>	<u>Percentage</u>
	<u>2021</u>	<u>2020</u>	<u>(Decrease)</u>	<u>Change</u>
Cash and other current assets	\$ 17,498,463	\$ 16,526,762	\$ 971,701	5.88%
Other receivables	485,273	485,273	-	0.00%
Other assets	579,781	579,781	-	0.00%
Pension asset	47,151	-	47,151	100.00%
Capital assets, net	<u>2,753,974</u>	<u>2,723,906</u>	<u>30,068</u>	1.10%
 Total assets	 <u>21,364,642</u>	 <u>20,315,722</u>	 <u>1,048,920</u>	 5.16%
Deferred outflows of resources	<u>49,422</u>	<u>40,392</u>	<u>9,030</u>	22.36%
Other liabilities	<u>87,897</u>	<u>125,409</u>	<u>(37,512)</u>	-29.91%
Deferred inflows of resources	<u>98,891</u>	<u>61,048</u>	<u>37,843</u>	61.99%
Net position:				
Investment in capital assets, net of related debt	2,753,974	2,723,906	30,068	1.10%
Unrestricted	<u>18,473,302</u>	<u>17,445,751</u>	<u>1,027,551</u>	5.89%
 Total net position	 <u>\$ 21,227,276</u>	 <u>\$ 20,169,657</u>	 <u>\$ 1,057,619</u>	 5.24%

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****Statements of Net Position and Statements of Activities (Continued)****Condensed Statements of Activities**

	Total Governmental Activities		Increase (Decrease)	Percentage Change
	<u>Year Ended December 31,</u>			
	<u>2021</u>	<u>2020</u>		
Program revenues:				
Library fees	\$ 12,351	\$ 8,978	\$ 3,373	37.57%
Operating grants and contributions	<u>47,565</u>	<u>8,975</u>	<u>38,590</u>	429.97%
Total program revenues	<u>59,916</u>	<u>17,953</u>	<u>41,963</u>	233.74%
General revenues:				
Ad valorem revenues	1,547,563	1,524,480	23,083	1.51%
Interest income	14,643	111,723	(97,080)	-86.89%
State revenue sharing	22,572	21,005	1,567	7.46%
Miscellaneous income	<u>3,205</u>	<u>(21,277)</u>	<u>24,482</u>	-115.06%
Total general revenues	<u>1,587,983</u>	<u>1,635,931</u>	<u>(47,948)</u>	-2.93%
Total revenues	<u>1,647,899</u>	<u>1,653,884</u>	<u>(5,985)</u>	-0.36%
Program expenses:				
Salaries	301,968	300,155	1,813	0.60%
Employee benefits and payroll taxes	97,353	114,483	(17,130)	-14.96%
Other library expenses	104,496	106,446	(1,950)	-1.83%
Depreciation	<u>86,463</u>	<u>120,214</u>	<u>(33,751)</u>	-28.08%
Total program expenses	<u>590,280</u>	<u>641,298</u>	<u>(51,018)</u>	-7.96%
Change in net position	<u>\$ 1,057,619</u>	<u>\$ 1,012,586</u>	<u>\$ 45,033</u>	4.45%

The Library's net position increased by \$1,057,619 as a result of this year's operations. The balance in net position represents the accumulated results of all past years' operations. The Library's total revenues for the year were \$1,647,899 (\$59,916 in program revenues, \$1,587,983 in general revenues).

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****Financial Analysis of Governmental Funds**

The Library maintains only one "governmental fund" - the General Fund. The General Fund Balance Sheet is on page 15 of this report and the Statement of Revenues, Expenditures, and Changes in Fund Balance is on page 17 of this report.

Under the modified-accrual basis for fund financial statements, the emphasis is on accounting for current financial resources of the Library. The analysis in this section includes a discussion of the General Fund financial statements.

As of December 31, 2021, the General Fund reported total fund balance of \$17,895,839, an increase of \$1,007,907 from the prior year total fund balance. This increase is due to revenues of \$1,647,899 exceeding expenditures of \$639,992.

**Analysis of the General Fund Budget**

The 2021 budget for the General Fund was as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,035,000	\$ 1,035,000	\$ -	0.00%
Interest income	20,000	20,000	-	0.00%
Library fees	10,000	10,000	-	0.00%
State revenue sharing	19,000	19,000	-	0.00%
Total revenues	<u>1,084,000</u>	<u>1,084,000</u>	<u>-</u>	<u>0.00%</u>
<b>Expenditures:</b>				
Personnel expenses	559,000	559,000	-	0.00%
Operating expenses	425,000	425,000	-	0.00%
Capital outlay	100,000	100,000	-	0.00%
Total expenditures	<u>1,084,000</u>	<u>1,084,000</u>	<u>-</u>	<u>0.00%</u>
Excess of revenue over expenditures	-	-	-	0.00%
<b>Fund Balance</b>				
Beginning fund balance	<u>17,612,931</u>	<u>17,612,931</u>	<u>-</u>	<u>0.00%</u>
Ending fund balance	<u>\$17,612,931</u>	<u>\$17,612,931</u>	<u>\$ -</u>	<u>0.00%</u>

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Analysis of the General Fund Budget (Continued)**

When the budget for the year ended December 31, 2021 was originally prepared, revenues and expenditures were reflected in a conservative manner. No amendments were made for the 2021 budget.

**Capital Assets**

The capital assets of the Library consist of land, buildings and improvements, construction in progress, furniture and equipment, and library collections. There was \$116,531 of additions to capital assets as of the year ended December 31, 2021, from the purchase of library collections, computer equipment, furniture, and fixtures, and the construction of a new facility. Depreciation expense for the year ended December 31, 2021 totaled \$86,463. A summary of activity for capital assets is presented in the notes to the financial statements in Note 5.

Beginning balance, cost of assets	\$ 8,581,821
Capital outlay	116,531
Less disposals	(46,891)
Less accumulated depreciation	<u>(5,897,487)</u>
Total capital assets, net	<u>\$ 2,753,974</u>

**Long-Term Debt**

The Library is not allowed to incur long-term indebtedness for bonds or notes payable. As of December 31, 2021, the Library had no long-term debt outstanding.

**Economic Factors and Next Year's Budget**

The Library must consider many variables when budgeting for the coming fiscal year. Included in these factors are changing laws and regulations, economic circumstances, and historical trends. These indicators are as follows:

- Total revenue is expected to decrease due to decreased ad valorem collections, interest income, and grant funding based on the current economic trends.
- Personnel expenses are expected to remain consistent with prior year.
- Capital outlay is expected to increase due to library needs. Equipment will be replaced on an as needed basis, and library materials' prices are increasing.

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Economic Factors and Next Year's Budget (Continued)**

A summary of the current budget for the year ending December 31, 2022 follows:

**Condensed Budget**

Revenue	<u>\$ 1,117,000</u>
Expenditures:	
Personnel expenses	557,000
Operating expenses	420,000
Capital outlay	<u>140,000</u>
	<u>1,117,000</u>
Excess of revenues over expenditures	<u>\$ -</u>

The Library's two major sources of funding are ad valorem tax revenue and state revenue sharing. For the year ending December 31, 2022, it is anticipated that ad valorem tax revenues will decrease from the amount collected during the year ended December 31, 2021.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the St. Bernard Parish Library's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, St. Bernard Parish Library, 2600 Palmisano Blvd., Chalmette, LA 70043-3666; phone number (504) 279-0448.

**STATEMENT OF NET POSITION****St. Bernard Parish Library**  
Chalmette, Louisiana

December 31, 2021

**Assets**

Cash and cash equivalents	\$ 3,515,157
Ad valorem taxes receivable, net	1,362,998
Due from St. Bernard Parish	485,273
Investments	12,620,308
Other assets	579,781
Net pension asset	47,151
Capital assets, net of accumulated depreciation	<u>2,753,974</u>

Total assets	<u>21,364,642</u>
--------------	-------------------

**Deferred Outflows of Resources**

49,422
--------

Total assets and deferred outflows of resources	<u>21,414,064</u>
---	-------------------

**Liabilities**

Accrued vacation and payroll liabilities	28,641
Accounts payable	<u>59,256</u>

Total liabilities	<u>87,897</u>
-------------------	---------------

**Deferred Inflows of Resources**

98,891
--------

Total liabilities and deferred inflows of resources	<u>186,788</u>
---	----------------

**Net Position**

Net investment in capital assets	2,753,974
Unrestricted	<u>18,473,302</u>

Total net position	<u>21,227,276</u>
--------------------	-------------------

Total liabilities, deferred inflows of resources, and net position	<u><u>\$21,414,064</u></u>
--	----------------------------

See notes to financial statements.

**STATEMENT OF ACTIVITIES****St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2021

**Governmental Activities**

## Expenses:

## General government:

Depreciation	\$ 86,463
Salaries and wages	301,968
Employee benefits and payroll taxes	97,353
Office expenses	33,797
Other expenses	27,933
Insurance	7,241
Computer software licenses and maintenance	28,281
Library supplies	6,654
Grant supplies	590

Total expenses	590,280
----------------	---------

## Program revenues:

## Charges for services:

Library fees	12,351
Operating grants and contributions	47,565

Total program revenues	59,916
------------------------	--------

Net program expenses	(530,364)
----------------------	-----------

## General revenues:

Ad valorem taxes	1,547,563
Interest income	14,643
State revenue sharing	22,572
Unrealized loss on investments	(1,307)
Miscellaneous revenue	4,512

Total general revenues	1,587,983
------------------------	-----------

Change in net position	1,057,619
------------------------	-----------

**Net Position**

Beginning of year	20,169,657
-------------------	------------

End of year	\$21,227,276
-------------	--------------

See notes to financial statements.

**BALANCE SHEET - GOVERNMENTAL FUND****St. Bernard Parish Library**  
Chalmette, Louisiana

December 31, 2021

**ASSETS**

Cash and cash equivalents	\$ 3,515,157
Ad valorem taxes receivable, net	1,362,998
Due from St. Bernard Parish	485,273
Investments	<u>12,620,308</u>
Total assets	<u><u>\$17,983,736</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities:	
Accrued vacation and payroll liabilities	\$ 28,641
Accounts payable	<u>59,256</u>
Total liabilities	<u>87,897</u>
Fund balance:	
Committed for capital outlay	9,879,059
Assigned	3,300,000
Unassigned	<u>4,716,780</u>
Total fund balance	<u>17,895,839</u>
Total liabilities and fund balance	<u><u>\$17,983,736</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**St. Bernard Parish Library**  
Chalmette, Louisiana

December 31, 2021

Fund balance - governmental fund	<u>\$17,895,839</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other assets used in governmental activities are not financial resources and are not reported in the governmental funds	<u>579,781</u>
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds:	
Governmental capital assets	8,651,461
Less: accumulated depreciation	<u>(5,897,487)</u>
	<u>2,753,974</u>
Long-term assets are not financial resources and, therefore, are not reported in the governmental fund. Net pension asset	<u>47,151</u>
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	<u>49,422</u>
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds	<u>(98,891)</u>
Net position of governmental activities	<u><u>\$21,227,276</u></u>

See notes to financial statements.

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

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2021

**Revenues**

Ad valorem taxes	\$ 1,547,563
Interest income	14,643
State revenue sharing	22,572
Library fees	12,351
Investment loss	(1,307)
Miscellaneous revenue	4,512
Public grant revenue	47,565
	<u>1,647,899</u>
Total revenues	<u>1,647,899</u>

**Expenditures**

General government:	
Personnel services	418,965
Operating services	104,496
Capital outlay	116,531
	<u>639,992</u>
Total expenditures	<u>639,992</u>

**Excess of Revenues Over Expenditures**

1,007,907

**Fund Balance**

Beginning of year	<u>16,887,932</u>
End of year	<u><u>\$17,895,839</u></u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2021

Excess of revenues over expenditures - governmental fund	<u>\$1,007,907</u>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>	
Capital outlay	116,531
Depreciation	<u>(86,463)</u>
	<u>30,068</u>
<p>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:</p>	
Pension expenses paid	(22,442)
GASB 68 adjustment	<u>42,086</u>
Pension benefit per GASB 68	<u>19,644</u>
Change in net position of governmental activities	<u><u>\$1,057,619</u></u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,035,000	\$ 1,035,000	\$ 1,547,563	\$ 512,563
Interest income	20,000	20,000	14,643	(5,357)
Library fees	10,000	10,000	12,351	2,351
State revenue sharing	19,000	19,000	22,572	3,572
Public grant revenue	-	-	47,565	47,565
Miscellaneous revenue	-	-	3,205	3,205
	<u>1,084,000</u>	<u>1,084,000</u>	<u>1,647,899</u>	<u>563,899</u>
<b>Expenditures:</b>				
Personnel services	559,000	559,000	418,965	140,035
Operating services	425,000	425,000	104,496	320,504
Capital outlay	100,000	100,000	116,531	(16,531) *
	<u>1,084,000</u>	<u>1,084,000</u>	<u>639,992</u>	<u>444,008</u>
Excess of revenues over expenditures	-	-	1,007,907	1,007,907
<b>Fund Balance</b>				
Beginning of year	<u>17,612,931</u>	<u>17,612,931</u>	<u>16,887,932</u>	<u>(724,999)</u>
End of year	<u>\$17,612,931</u>	<u>\$17,612,931</u>	<u>\$17,895,839</u>	<u>\$ 282,908</u>

\* The amount budgeted for capital outlay did not include amounts previously committed for capital outlay related to the construction of the new library facility that is administered by St. Bernard Parish Government.

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****St. Bernard Parish Library**

Chalmette, Louisiana

December 31, 2021

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The St. Bernard Parish Library (the "Library") was established by the parish governing authority, under the provisions of the Louisiana Revised Statute (LRS) 25:211. The Library provides citizens of St. Bernard Parish access to library materials, books, magazines, and audio visuals. The Library is governed by a Board of Control consisting of seven members in accordance with the provisions of the Louisiana Revised Statute 25:214. The Library is located in Chalmette, Louisiana.

The accounting policies of the Library conform to accounting principles generally accepted in the United States of America (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. The following is a summary of significant accounting policies:

**a. Reporting Entity**

The Library is a department within the St. Bernard Parish Consolidated Government (the "Parish") for which the Parish Council appoints an advisory board. The Library is a component unit of the Parish, and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2021.

GASB Statement No. 14, "*The Financial Reporting Entity*", GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units-an Amendment of GASB Statement No. 14*," and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus: an amendment of GASB Statements No. 14 and No. 34*" established the criterion for determining which component units should be considered part of the Library for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Reporting Entity (Continued)**

2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Library and the potential component unit.
4. Imposition of will by the Library on the potential component unit.
5. Financial benefit/burden relationship between the Library and the potential component unit.

The Library is considered a component unit of the St. Bernard Parish Government based on the criteria above.

The Library has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

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

**b. Basis of Presentation**

The accompanying financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units.

**Government-Wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Library. The government-wide presentation focuses primarily on the sustainability of the Library as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through fees, intergovernmental revenues, and other non-exchange revenues.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Basis of Presentation (Continued)**

**Fund Financial Statements:**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on the major funds. The daily accounts and operations of the Library continue to be organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Library:

**General Fund**

The General Fund is the primary operating and sole fund of the Library and accounts for and reports the operations of the Library's office. The focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position rather than upon net income. The various fees and charges due to the Library's office and ad valorem tax revenue are accounted for in this fund. General operating expenditures are paid from this fund. The General Fund is always considered a major fund.

**c. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Library.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

**Government-Wide Financial Statements (Continued)**

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

**Fund Financial Statements**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

**Revenues**

Ad valorem taxes are recorded in the year the taxes are assessed; thus, the property taxes which are being levied to finance the current year budget are recognized as revenue in the current year. The taxes are generally collected in December of the current year and January through February of the ensuing year. State revenue sharing is an arrangement whereby local governments are reimbursed by the State for ad valorem taxes not billed due to the homestead exemption. The Library received \$22,572 from state revenue sharing for the year ended December 31, 2021.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

**Revenues (Continued)**

Grant revenue is recorded on the government-wide financial statements when the Library is entitled to the funds. Grant revenue is recorded on the fund financial statements when the Library is entitled to the funds and when they are considered available. Revenues from fees and other services are recognized when they become measurable and available (i.e., when the service is performed). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Miscellaneous revenues are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received.

Interest income on cash balances is recorded when the income is available.

Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d. Use of Estimates**

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

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Operating Budgetary Data**

The Library adopted a budget for its General Fund as required by Louisiana Revised Statutes 39:1303. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings of the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Library Board of Control. The Library did not amend its budget during 2021. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**f. Cash and Cash Equivalents**

Cash includes amounts in interest-bearing demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Highly liquid debt instruments with original maturities of 90 days or less are classified as cash equivalents.

**g. Receivables**

The Library uses the allowance method to account for uncollectible receivables. The allowance for uncollectible accounts is based on prior years' experience and management's analysis of possible bad debts. Bad debt recoveries are charged against the allowance account as realized. There was no allowance for uncollectible accounts as management has determined that all accounts are fully collectible as of December 31, 2021.

**h. Investments**

Investments are reported at fair value. All investments are traded on a national exchange and are valued at the last reported sales price at current exchange rates. There are no investments without an established market. Unrealized gains and losses on investments recorded at fair value are included in investment income. Investment policies are governed by state statutes.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Capital Assets and Depreciation**

The accounting treatment over property and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

All capital assets of the Library are recorded at historical cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets is charged as an expense against their operations.

In the fund financial statements capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Government-Wide Financial Statements:**

In the government-wide financial statements, property and equipment are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$250 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Estimated Lives</u>
Buildings and improvements	30 years
Furniture and equipment	5-7 years
Library collections	5 years

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Capital Assets and Depreciation (Continued)**

**Fund Financial Statements**

In the fund financial statements, the cost of capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The Library has deferred outflows/inflows related to pensions.

**k. Pensions**

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

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**l. Compensated Absences**

All full-time employees of the Library earn vacation and sick leave at varying rates depending on years of service. Vacation and sick leave can be accumulated without limitation. Upon termination or retirement, unused vacation leave of up to 30 days is paid to employees at their current rate of pay or transferred to the System at no cost to the Library for two employees and actuarial costs for one employee. Vacation and sick leave are considered to be due within one year of the end of the fiscal year.

**m. Fund Equity**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net Invested in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds or other borrowings, when applicable, that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position** - Consists of assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position** - All other net position that do not meet the definition of "restricted" or "invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2021, and for the year then ended, the Library did not have or receive restricted resources classified as restricted net position.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**m. Fund Equity (Continued)**

**Fund Financial Statements**

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable equity as of December 31, 2021.

**Restricted** - amounts that can be spent only for a specific purpose because of the constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted equity as of December 31, 2021.

**Committed** - amounts that can be used only for specific purposes determined by a formal decision of the Library. There was \$11,400,000 committed for capital outlay of which \$1,520,941 had been expended as of December 31, 2021 yielding a balance of \$9,879,059.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purposes. There was \$2,300,000 assigned for revenue shortfalls, \$500,000 assigned for a building maintenance fund for the new building, and \$500,000 assigned for unemployment insurance reserve as of December 31, 2021.

**Unassigned** - all amounts not included in other spendable classifications. The Library has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level.

**n. Stabilization Arrangements**

The Library has formally set aside amounts for use in emergency situations or to offset anticipated revenue shortfalls should they occur. The stabilization arrangement was authorized through formal resolution of the Library Board of Control. The stabilization balance as of December 31, 2021 was \$2,300,000 and was included in the assigned fund balance.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New Pronouncements**

During the year ending December 31, 2021, the Library implemented the following GASB Statements:

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement did not affect the Library's financial statements.

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this Statement are effective for reporting period beginning after December 15, 2020. This Statement did not affect the Library's financial statements.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New Pronouncements (Continued)**

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement did not affect the Library's financial statements.

Statement No. 98, "*The Annual Comprehensive Financial Report*" establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. This Statement did not affect the Library's financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" 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 provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease 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 requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**o. New Pronouncements (Continued)**

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in the Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**o. New Pronouncements (Continued)**

service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution and other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p. Subsequent Events**

The Library evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 14, 2022, which is the date the financial statements were available to be issued.

**Note 2 - DEPOSITS AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-2) commercial paper of domestic corporations.

**Bank Deposits**

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances are as follows:

	Bank Balances	Reported Amount
Cash	\$3,539,432	\$3,515,157

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library has a written policy for custodial credit risk. As of December 31, 2021, \$795,812 (held with Hancock Whitney Bank) of the Library's bank balance of \$1,045,812 was in excess of FDIC insurance and was collateralized with a Federal Home Loan Bank letter of credit and therefore not subject to custodial credit risk. As of December 31, 2021, cash and cash equivalents were adequately collateralized in accordance with state law.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments**

State statutes authorize investing in obligations of the U.S. Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

As of December 31, 2021, the Library had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>5 or more</u>
U.S. Treasury Securities	\$ 7,199,424	\$ 7,199,424	\$ -	\$ -
U.S. Government Money Market Fund	5,420,884	N/A	N/A	N/A
Totals	<u>\$ 12,620,308</u>	<u>\$ 7,199,424</u>	<u>\$ -</u>	<u>\$ -</u>

As a means of limiting its exposure to fair value losses arising from interest rates, the Library's investment policy emphasizes maintaining liquidity to match specific cash flows. The Library's investment policy limits investments to those allowed under state law.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investments in United States Treasury are not exposed to custodial credit risk because the principal and interest are fully guaranteed by the government of the United States.

In accordance with GASB Statement No. 31, the Library recognized the net decrease in the fair value of investments for the year ended December 31, 2021. The decrease in the fair value of investments takes into account all changes in fair value (including purchases and sales). For the year ended December 31, 2021, the Library recognized a net decrease in the fair value of investments totaling \$1,307.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

Investments as reported on the financial statements as of December 31, 2021 are comprised of the following:

	U.S. Treasury Securities	U.S. Government Money Market Fund
Reported amounts	<u>\$ 7,199,424</u>	<u>\$ 5,420,884</u>

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real property, merchandise, and movable property located in St. Bernard Parish. Assessed values are established by the St. Bernard Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The tax rate for the year ended December 31, 2021 was \$3.78 per \$1,000 of assessed valuation of property within St. Bernard Parish. Taxes are due and payable on November 15<sup>th</sup> of each year and become delinquent on December 31<sup>st</sup> with interest being charged on payments after January 1<sup>st</sup>. Taxes are collected by the St. Bernard Parish Sheriff's Office who remits the dedicated millage to the Library.

**Note 4 - RECEIVABLES**

The details of the ad valorem taxes receivable as of December 31, 2021 are as follows:

Ad valorem receivable	\$1,362,998
Less: allowance for uncollectible accounts	-
	<u>\$1,362,998</u>

There were no material receivable balances past due in excess of 90 days as of December 31, 2021.

**Note 5 - CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<u>Balance December 31, 2020</u>	<u>Additions/ Transfer From Other Assets</u>	<u>Deletions</u>	<u>Balance December 31, 2021</u>
Capital assets not being depreciated:				
Land	\$ 1,084,398	\$ -	\$ -	\$ 1,084,398
Construction in progress	<u>1,479,294</u>	<u>41,647</u>	<u>-</u>	<u>1,520,941</u>
Total capital assets not being depreciated	<u>2,563,692</u>	<u>41,647</u>	<u>-</u>	<u>2,605,339</u>
Capital assets being depreciated:				
Building	262,910	-	-	262,910
Furniture and equipment	1,751,464	54,339	-	1,805,803
Library collections	<u>4,003,755</u>	<u>20,545</u>	<u>(46,891)</u>	<u>3,977,409</u>
Total capital assets being depreciated	6,018,129	74,884	(46,891)	6,046,122
Less accumulated depreciation	<u>(5,857,915)</u>	<u>(86,463)</u>	<u>46,891</u>	<u>(5,897,487)</u>
Total capital assets being depreciated, net	<u>160,214</u>	<u>(11,579)</u>	<u>-</u>	<u>148,635</u>
Total capital assets, net	<u>\$ 2,723,906</u>	<u>\$30,068</u>	<u>\$ -</u>	<u>\$ 2,753,974</u>

Depreciation expense of \$86,463 was charged to operations for the year ended December 31, 2021.

**Note 6 - DUE FROM LOCAL GOVERNMENT**

The Library has an amount receivable from the Parish Government related primarily to insurance recoveries that were received by the Parish as a result of casualty losses resulting from Hurricane Katrina. As of December 31, 2021, amounts due from Parish Government totaled \$485,273.

**Note 7 - RETIREMENT PLANS**

**Plan Description**

The Parochial Employees' Retirement System of Louisiana (the "System") is the administrator of a cost-sharing, multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have its own retirement system and which elects to become members of the System.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

**Eligibility Requirements**

All permanent employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

**Retirement Benefits**

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

For employees hired prior to January 1, 2007:

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

**Note 7 - RETIREMENT PLANS (Continued)**

**Retirement Benefits (Continued)**

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

Generally, the monthly amount of the retirement allowance of any member shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

**Survivor Benefits**

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

Any member who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

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

**Deferred Retirement Option Plan**

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

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

**Note 7 - RETIREMENT PLANS (Continued)**

**Deferred Retirement Option Plan (Continued)**

Upon termination of employment prior to or at the end of the specified period of participation, a participant in DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his/her account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on DROP benefits for the period between the end of DROP participation and the member's retirement date.

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

**Disability Benefits**

A member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years or service, not to be less than fifteen, or 3% multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2007 and to age sixty-two for those members who are enrolled January 1, 2007 and later.

**Note 7 - RETIREMENT PLANS (Continued)**

**Cost of Living Increases:**

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

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees sixty-two and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age fifty-five.

*Contributions.* According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2020, the actuarially determined employer contribution rate was 11.11% of member's compensation. However, the actual rate for the year ending December 31, 2020 was 12.25%.

According to state statute, the System also receives 0.25% of 1% of ad valorem taxes collected within the respective parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the Plan from the Library were \$22,442 for the year ended December 31, 2021.

*Pension Asset.* As of December 31, 2021, the Library reported an asset of \$47,151 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2020, the Library's proportion was .026891%, which was a decrease of .000855% from its proportion measure as of December 31, 2019.

**Note 7 - RETIREMENT PLANS (Continued)**

*Pension Benefit.* For the year ended December 31, 2021, the Library recognized net pension benefit of \$19,644.

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* As of December 31, 2021, 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	\$ 11,480	\$ (5,628)
Change of assumptions	15,426	-
Net difference between projected and actual earnings on pension plan investments	-	(92,025)
Changes in proportion and differences between Library contributions and proportionate share of contribution	74	(1,238)
Library contributions subsequent to the measurement date	<u>22,442</u>	<u>-</u>
Totals	<u>\$49,422</u>	<u>\$(98,891)</u>

The Library reported \$22,442 as deferred outflows of resources related to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (20,138)
2023	(7,133)
2024	(29,604)
2025	<u>(15,036)</u>
Total	<u>\$ (71,911)</u>

**Note 7 - RETIREMENT PLANS (Continued)**

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

<b>Valuation date</b>	December 31, 2020
<b>Actuarial cost method</b>	Entry Age Normal
<b>Actuarial assumptions:</b>	
<b>Expected remaining service lives</b>	4 years
<b>Investment rate of return</b>	6.40%, net of investment expense, including inflation.
<b>Projected salary increases</b>	4.75% (2.30% inflation, 2.45% merit)
<b>Mortality rates</b>	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
<b>Cost of living adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

**Note 7 - RETIREMENT PLANS (Continued)**

The long-term expected rate of return on pension plan investments was determined using a triangulation method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 7.00% as of December 31, 2020. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.00%	0.86%
Equity	51.00%	3.36%
Alternatives	14.00%	0.67%
Real assets	2.00%	0.11%
Totals	100.00%	5.00%
Inflation		2.00%
Expected arithmetic nominal return		7.00%

*Discount Rate.* The discount rate used to measure the total 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, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 7 - RETIREMENT PLANS (Continued)**

*Sensitivity of the Library's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension (asset) liability of the participating employers calculated using the discount rate of 6.40%, as well as what the employers' net pension (asset) 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 5.40%	Current Discount Rate 6.40%	1.0% Increase 7.40%
Library's proportionate share of the net pension (asset) liability	(\$98,862)	(\$47,151)	(\$169,434)

*Pension Plan Fiduciary Net Position.* The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2020. Access to the audit report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

**Note 8 - BUDGETARY INFORMATION**

The Library legally adopted a budget for its General Fund for the year ended December 31, 2021 on October 19, 2020. The budget was made available for public inspection at the Library's office on October 2, 2020. The proposed budget was published in the official journal on October 2, 2020. The budget hearing was held at the Library's office on October 19, 2020. The budget for the year ended December 31, 2021 was not amended. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget.

The amount budgeted for capital outlay did not include amounts previously committed for capital outlay related to the construction of the new library facility.

**Note 9 - COMMITMENTS**

The Library has been directed by the St. Bernard Parish Government to service the contract with contractors related to the construction of a new library facility. The total estimated amount of these contracts is approximately \$11,400,000. As of December 31, 2021, approximately \$1,040,000 of the work related to these contracts has been completed.

**Note 10 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to general liability, workers' compensation, unemployment compensation, property, and group health benefits. The Library carries insurance coverage for its exposure to risk of loss. No settlements were made during the year that exceeded the Library's insurance coverage.

**Note 11 - COMPENSATION OF BOARD MEMBERS**

No compensation was paid to the Library Board of Control for the year ended December 31, 2021.

**Note 12 - STATE OF LOUISIANA TAX ABATEMENT**

The Library's property tax revenues were reduced for the year ended December 31, 2021 by \$204,873 under the Louisiana Industrial Ad Valorem Tax Exemption Program and the Restoration Tax Abatement program which were entered into by the State of Louisiana.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE LIBRARY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the seven years ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability	<u>0.026891%</u>	<u>0.027746%</u>	<u>0.028055%</u>	<u>0.027470%</u>	<u>0.027953%</u>	<u>0.028347%</u>	<u>0.028160%</u>
Library's proportionate share of the net pension (asset) liability	<u>(\$47,151)</u>	<u>\$1,306</u>	<u>\$124,518</u>	<u>(\$20,390)</u>	<u>\$57,570</u>	<u>\$74,618</u>	<u>\$33,134</u>
Library's covered-employee payroll	<u>\$179,608</u>	<u>\$175,928</u>	<u>\$172,472</u>	<u>\$169,084</u>	<u>\$165,776</u>	<u>\$165,776</u>	<u>\$162,531</u>
Library's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	<u>-26.2522%</u>	<u>0.7423%</u>	<u>72.1961%</u>	<u>-12.0591%</u>	<u>34.7276%</u>	<u>45.0113%</u>	<u>20.3863%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>104.0000%</u>	<u>99.8900%</u>	<u>88.8600%</u>	<u>101.9800%</u>	<u>94.1500%</u>	<u>92.2300%</u>	<u>99.1500%</u>

The schedule is provided beginning with the Library's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE LIBRARY'S CONTRIBUTIONS****St. Bernard Parish Library**  
Chalmette, Louisiana

For the seven years ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 22,442	\$ 22,000	\$ 20,232	\$ 19,836	\$ 21,136	\$ 15,748	\$ 23,567
Contributions in relation to the contractually required contribution	<u>(22,442)</u>	<u>(22,000)</u>	<u>(20,232)</u>	<u>(19,836)</u>	<u>(21,136)</u>	<u>(15,748)</u>	<u>(23,567)</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Library's covered-employee payroll	<u>\$183,208</u>	<u>\$179,608</u>	<u>\$175,928</u>	<u>\$172,472</u>	<u>\$169,084</u>	<u>\$165,776</u>	<u>\$162,531</u>
Contributions as a percentage of covered-employee payroll	<u>12.25%</u>	<u>12.25%</u>	<u>11.50%</u>	<u>11.50%</u>	<u>12.50%</u>	<u>9.50%</u>	<u>14.50%</u>

The schedule is provided beginning with the Library's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2021

**Agency Head Name:** Ethel B. Llamas, Director

<b>Purpose</b>	
Salary	\$ 84,115
Benefits - insurance	7,025
Benefits - retirement	10,304
Benefits - other	1,220
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	286
Registration fees	0
Conference travel	0
Continuing professional education fees	55
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<u>\$103,005</u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Control,  
St. Bernard Parish Library,  
Chalmette, 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 funds of the St. Bernard Parish Library (the "Library"), a component unit of St. Bernard Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 14, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. This 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. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,  
June 14, 2022

## SCHEDULE OF FINDINGS AND RESPONSES

### **St. Bernard Parish Library** Chalmette, Louisiana

For the year ended December 31, 2021

#### **Section I - Summary of Auditor's Results**

##### a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?                     Yes  None reported

Noncompliance material to financial statements noted?                     Yes  No

##### b) Federal Awards

The Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

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

There were no findings reported during the audit for the year ended December 31, 2021 related to internal control over financial reporting.

##### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2021.

**Section III - Internal Control and Compliance Material to Federal Awards**

**Internal Control/Compliance**

The St. Bernard Parish Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **St. Bernard Parish Library Chalmette, Louisiana**

For the year ended December 31, 2021

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

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

No material weaknesses were reported during the audit of the financial statements for the fiscal year ended December 31, 2020.

No significant deficiencies were reported during the audit of the financial statements for the fiscal year ended December 31, 2020.

##### **Compliance and Other Matters**

There were no compliance findings material to the financial statements reported during the audit for the fiscal year ended December 31, 2020.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

The St. Bernard Parish Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2020, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2020.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **St. Bernard Parish Library Chalmette, Louisiana**

For the year ended December 31, 2021

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

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

No material weaknesses were reported during the audit of the financial statements for the fiscal year ended December 31, 2021.

No significant deficiencies were reported during the audit of the financial statements for the fiscal year ended December 31, 2021.

##### **Compliance and Other Matters**

There were no compliance findings material to the financial statements reported during the audit for the fiscal year ended December 31, 2021.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

The St. Bernard Parish Library did not expend more than \$750,000 in Federal awards during the year ended December 31, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

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

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Board of Control,  
St. Bernard Parish Library,  
Chalmette, Louisiana.

We have performed the procedures described in Schedule 4 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. St. Bernard Parish Library (the "Library") management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are described in Schedule 4.

We were engaged by the Library to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these 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.

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
June 14, 2022.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**St. Bernard Parish Library**  
Chalmette, Louisiana

For the year ended December 31, 2021

The required procedures and our findings are as follows:

**Procedures Performed on the Library's Written Policies and Procedures:**

1. Obtain and inspect the Library's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Library's operations:
  - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.  
Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  - 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.  
Performance: Obtained and read the written policy for purchasing, and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  - c) Disbursements, including processing, reviewing, and approving.  
Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Written Policies and Procedures: (Continued)**

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of 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).

Performance: Obtained and read the written policy for receipts/collections, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the written policy for contracting, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- 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).

Performance: Obtained and read the written policy for credit cards, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Written Policies and Procedures: (Continued)**

- 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 all employees, including elected officials, annually attest through signature verification that they have read the Library's ethics policy.

Performance: Obtained and read the written policy for ethics, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for debt service, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for information technology and disaster recovery/business continuity, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for sexual harassment, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Board:**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

**Procedures Performed on the Library's Board: (Continued)**

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: The Library's bylaws state that 5 meetings should be held each year. We obtained and read minutes from three board meetings during the year ended December 31, 2021 and noted the first 2 meetings of the year were canceled.

Exceptions: We note the Library did not have a sufficient number of Board Meetings during the year.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Performance: Inspected meeting minutes and determined that the minutes referenced or included regular budget-to-actual comparisons relating to public funds.

Exceptions: There were no exceptions noted.

- 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, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable. The Library did not have a negative ending unassigned fund balance in the prior year audit report.

**Procedures Performed on the Library's Bank Reconciliations:**

3. Obtain a listing of the Library's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Library's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Bank Reconciliations: (Continued)**

- 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); and  
Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account. Inspected management's documentation for timely preparation of the bank reconciliations.  
Exceptions: There were no exceptions noted.
  
- b) Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
Performance: Inspected the Library's documentation for the December bank reconciliation for the applicable bank account and verified a member of management who does not handle cash, post ledger, or issue checks has reviewed the bank reconciliation.  
Exceptions: There were no exceptions noted.
  
- 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.  
Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding for longer than 12 months as of the end of the fiscal period.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Collections (Excluding Electronic Funds Transfers):**

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select 5 deposit sites (or all deposit sites if less than 5).  
Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.  
Exceptions: There were no exceptions noted.
  
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:  
Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Observed that job duties are properly segregated. Selected the sole location for testing.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

- a) Employees that are responsible for cash collections do not share cash drawers/registers.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements.  
Exceptions: There were no exceptions noted.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements.  
Exceptions: There were no exceptions noted.
  - 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.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements.  
Exceptions: There were no exceptions noted.
  - 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 verifies the reconciliation.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements.  
Exceptions: There were no exceptions noted.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.  
Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was enforced during the fiscal period.  
Exceptions: There were no exceptions noted.
7. Randomly select 2 deposit dates for each of the Library's 5 bank accounts selected for procedures #3 under "Procedures Performed on the Library's Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits selected and:

**Procedures Performed on the Library's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

- a) Observe that receipts are sequentially pre-numbered.  
Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.  
Exceptions: There were no exceptions noted.
  
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
Performance: Traced supporting documentation to the deposit slip.  
Exceptions: There were no exceptions noted.
  
- c) Trace the deposit slip total to the actual deposit per the bank statement.  
Performance: Traced deposit slip total to actual deposit per bank statement.  
Exceptions: There were no exceptions noted.
  
- d) Observe 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 any cash is stored securely in a locked safe or drawer).  
Performance: Observed that the deposits tested were made within one business day of receipt.  
Exceptions: There were no exceptions noted.
  
- e) Trace the actual deposit per the bank statement to the general ledger.  
Performance: Traced the actual deposit per the bank statement to the general ledger.  
Exceptions: There was no exceptions noted.

**Procedures Performed on the Library's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):**

- 8. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Select 5 locations (or all locations if less than 5).  
Performance: Obtained a listing of locations that process payments for the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.  
Exceptions: There were no exceptions noted.
  
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Library has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

**Procedures Performed on the Library's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- a) At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least 2 employees are involved.  
Exceptions: There were no exceptions noted.
  - b) At least 2 employees are involved in processing and approving payments to vendors.  
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.  
Exceptions: There were no exceptions noted.
  - c) The employees responsible for processing payments are prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
Performance: Obtained a listing of employees involved in processing payments to vendors. Management confirmed and we observed that no employees processing payments are involved in adding/modifying vendor files.  
Exceptions: There were no exceptions noted.
  - 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.  
Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments. Also, noted signed checks are given to an employee who is not involved in processing payments.  
Exceptions: There were no exceptions noted.
10. For each location selected under #8 above, obtain the Library's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- Performance: Obtained the Library's non-payroll disbursement transaction population and management's representation in a separate letter that the population is complete. Selected 5 disbursements from the sole location that processes payment for testing.  
Exceptions: There were no exceptions noted.
  - a) Observe that the disbursement matched the related original invoice/billing statement.  
Performance: Observed the 5 disbursements matched the related original invoice/billing statements.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.  
Performance: Observed the 5 disbursements included evidence of segregation of duties.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Credit Cards, Debit Cards, Fuel Cards, P-Cards:**

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.  
Performance: Observed all active cards for the fiscal period, including the card numbers and the names of the persons who maintain possession of the cards. Obtained management's representation in a separate letter that the listing of credit cards is complete.  
Exceptions: There were no exceptions noted.
- 12. Using the listing prepared by management, select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe 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.  
Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.  
Exceptions: There were no exceptions noted.
  - b) Observed that finance charges and/or late fees were not assessed on the selected statements.  
Performance: There were no finance charges and/or late fees assessed on the selected statements.  
Exceptions: There were no exceptions noted.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing).
  - a) For each transaction, report whether the transaction is supported by:

**Procedures Performed on the Library's Credit Cards, Debit Cards, Fuel Cards, P-Cards:  
(Continued)**

- 1) An original itemized receipt that identifies precisely what was purchased.  
Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts which identifies precisely what was purchased.  
Exceptions: There were no exceptions noted.
  
- 2) Written documentation of the business/public purpose.  
Performance: Observed the transactions from the monthly statements were supported with written documentation of the business/public purpose.  
Exceptions: There were no exceptions noted.
  
- 3) Documentation of the individuals participating in meals (for meal charges only).  
Performance: Inspected the transactions from the monthly statements did not have any individuals participating in meals.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Travel and Travel-Related Expense Reimbursements  
(Excluding Card Transactions):**

14. Obtain from management a listing of all travel and related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:  
Performance: Obtained general ledger for travel and related expense reimbursements. We obtained management's representation in a separate letter the listing is complete. There were 2 travel related expense reimbursements noted. We requested receipts, approval, reimbursement summary, and check disbursement.  
Exceptions: There were no exceptions noted.
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).  
Performance: Noted the reimbursement agreed to the actual travel cost. The use of a per diem rate was not applicable.  
Exceptions: There were no exceptions noted.
  
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.  
Performance: Observed the reimbursement was supported by an original itemized receipt that identifies precisely what was purchased.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Travel and Travel-Related Expense Reimbursements  
(Excluding Card Transactions): (Continued)**

- c) Observe 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 (procedures #1h).

- Performance: Observed each reimbursement is supported by documentation of the business/public purpose.

- Exceptions: There were no exceptions noted.

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

- Performance: Observed written approval from someone other than the person receiving the reimbursement.

- Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Contracts:**

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Select 5 contracts (or all contracts if less than 5) from the listing excluding our contract, and:

- Performance: Obtained 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, noting none.

- Exceptions: There were no exceptions noted.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- Not applicable. The Library did not initiate or renew any contracts during the fiscal period.

- b) Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- Not applicable. The Library did not initiate or renew any contracts during the fiscal period.

**Procedures Performed on the Library's Contracts: (Continued)**

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms.

Not applicable. The Library did not initiate or renew any contracts during the fiscal period.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Not applicable. The Library did not initiate or renew any contracts during the fiscal period.

**Procedures Performed on the Library's Payroll and Personnel:**

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

Performance: Obtained a listing of employees employed during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Observed that supervisors approved the attendance and leave of the selected employees.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Payroll and Personnel: (Continued)**

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

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

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

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

- 18. Obtain from management a list of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' or officials' cumulative leave records, and agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files and agree the termination payment to the Library's policy.

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Per management and payroll records examined no employees who were terminated during the fiscal period

Exceptions: There were no exceptions noted.

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

Performance: Obtained management's representation that employer and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

**Procedure Performed on the Library's Ethics:**

- 20. Using the 5 selected employees/officials from procedure #16 under "Procedures Performed on the Library's Payroll And Personnel", obtain ethics compliance documentation from management and:

**Procedure Performed on the Library's Ethics: (Continued)**

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.  
Performance: Inspected the personnel files and ethics course completion certificates for the 5 employees tested.  
Exceptions: There were no exceptions noted.
  
- b) Observe whether the Library maintains documentation which demonstrates each employee and official were notified of any changes to the Library's ethics policy during the fiscal period, as applicable.  
Performance: Examined personnel files for signature verification of reading of the ethics policy of the Library.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Debt Service:**

- 21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instruments issued.  
Not applicable, as the Library has no debt.
  
- 22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).  
Not applicable, as the Library has no debt.

**Procedures Performed on the Library's Fraud Notice:**

- 23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Library reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Library is domiciled.  
Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Fraud Notice: (Continued)**

24. Observe that the Library 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.  
Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Information Technology Disaster Recovery/Business Continuity:**

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management".
- a) Obtain and inspect the Library's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.  
Performance: We performed the procedure and discussed the results with management.  
Exceptions: There were no exceptions noted.
  - b) Obtain and inspect the Library's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.  
Performance: We performed the procedure and discussed the results with management.  
Exceptions: There were no exceptions noted.
  - c) Obtain a listing of the Library's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.  
Performance: We performed the procedure and discussed the results with management.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Sexual Harassment:**

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

Performance: We obtained the sexual harassment training documentation from management for the 5 employees selected and noted that each employee completed at least one hour of sexual harassment training during the calendar year.

Exceptions: There were no exceptions noted.

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

Performance: We noted the Library posted the sexual harassment policy and complaint procedure on its website.

Exceptions: There were no exceptions noted.

28. Obtain the Library's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

Performance: Obtained from management the Library's annual sexual harassment report for the fiscal period, noting it included this information.

Exceptions: There were no exceptions noted.

- b) Number of sexual harassment complaints received by the agency;

Performance: Obtained from management the Library's annual sexual harassment report for the fiscal period, noting it included this information and that there were none.

Exceptions: There were no exceptions noted.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Performance: Obtained from management the Library's annual sexual harassment report for the fiscal period, noting it included this information and that there were none.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Sexual Harassment: (Continued)**

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;

Performance: Obtained from management the Library's annual sexual harassment report for the fiscal period, noting it included this information and that there were none.

Exceptions: There were no exceptions noted.

- e) Amount of time it took to resolve each complaint.

Performance: Obtained from management the Library's annual sexual harassment report for the fiscal period, noting it included this information and that there were none.

Exceptions: There were no exceptions noted.

**Management's Overall Response to Exceptions:**

- 2a Management will ensure that the required number of meetings take place in the future, and will ensure that cancelled meetings are rescheduled.