



St. John the Baptist Parish Library

LaPlace, Louisiana

FINANCIAL REPORT

December 31, 2023



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Carr, Riggs & Ingram, LLC
3850 North Causeway Boulevard
Suite 1400
Two Lakeway Center
Metairie, LA 70002

504.837.9116
504.837.0123 (fax)
CRLcpa.com

INDEPENDENT AUDITOR'S REPORT

To the President and Board of Control
St. John the Baptist Parish Library
LaPlace, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. John the Baptist Parish Library (the Library) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Library as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 4-8, budgetary comparison information on page 36, and GASB-required supplementary pension and OPEB information on pages 37-40, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head and schedule of compensation to board of control members are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, accompanying schedule of compensation, benefits and other payments to agency head and schedule of compensation to board of control members are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

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

June 21, 2024
Metairie, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

St. John the Baptist Parish Library Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) of the St. John the Baptist Parish Library's (the Library) financial performance presents a narrative overview and analysis of the Library's financial activities for the year ended December 31, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its codification. Certain comparative information between the current year and prior year has been presented in the MD&A.

FINANCIAL HIGHLIGHTS

The Library's assets and deferred outflows exceed its liabilities and deferred inflows by \$30.19 million, which represent a 31.14% increase from last year.

The Library's revenues increased by \$3,279,280 or 41.29%, principally due to an increase in ad valorem revenue during the current year.

The Library's expenses increased by \$286,514 which represents a 7.61% increase principally due primarily to pension related expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) required supplementary information.

The basic financial statements present information for the Library as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include the Statement of Net Position and Statement of Activities. These statements present financial information for all activities of the Library from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the Library's overall financial status.
- (2) Fund Financial Statements, which includes a Balance Sheet and a Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the Library allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The Library's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

St. John the Baptist Parish Library Management's Discussion and Analysis

NOTES TO THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Library's financial position. As of December 31, 2023, assets and deferred outflows exceeded liabilities and deferred inflows by \$30,186,414.

The Library has a net position "restricted" for an endowment totaling \$5,000 and earnings of \$2,850 that are restricted for book purchases. Restricted net positions represent those portions of net positions legally or contractually segregated for a specific future use.

The Library also has "unrestricted" net positions, and those are net positions that do not have any limitations on what the amounts may be used for.

CONDENSED STATEMENTS OF NET POSITION

	2023	2022	Dollar Change	Total % Change
Current assets	\$ 20,847,602	\$ 21,944,446	\$ (1,096,844)	(5.00%)
Non-current assets	13,194,788	5,385,012	7,809,776	145.03%
Total assets	34,042,390	27,329,458	6,712,932	24.56%
Deferred outflows of resources	2,387,891	1,834,705	553,186	30.15%
Total assets and deferred outflows	36,430,281	29,164,163	7,266,118	24.91%
Current liabilities	1,142,066	596,588	545,478	91.43%
Non-current liabilities	3,895,240	3,013,024	882,216	29.28%
Total liabilities	5,037,306	3,609,612	1,427,694	39.55%
Deferred inflows of resources	1,206,561	2,536,514	(1,329,953)	(52.43%)
Total liabilities and deferred inflows	6,243,867	6,146,126	97,741	1.59%
Net position				
Net investment in capital assets	13,194,788	4,423,415	8,771,373	198.29%
Restricted for endowment	5,000	5,000	-	0.00%
Restricted for book purchases	2,850	2,846	4	0.14%
Unrestricted	16,983,776	18,586,776	(1,603,000)	(8.62%)
Total net position	\$ 30,186,414	\$ 23,018,037	\$ 7,168,377	31.14%

St. John the Baptist Parish Library Management's Discussion and Analysis

The Library's total assets increased by \$6,712,932, which was the result of significant capital asset additions as compared to 2022. Total liabilities increased by \$1,347,278 due to increases in accounts and salaries payable and net pension liability.

Governmental activities increase the Library's net position by \$7,168,377. Key elements of this increase are as follows:

CONDENSED STATEMENTS OF ACTIVITIES

	2023	2022	Dollar Change	Total % Change
Revenues:				
Program revenues				
Charges for services	\$ 18,459	\$ 13,823	\$ 4,636	33.54%
Operating grants	1,343,620	23,789	1,319,831	5,548.07%
General revenues				
Ad valorem taxes, net	9,473,430	7,641,779	1,831,651	22.97%
State revenue sharing	83,623	29,560	54,063	182.89%
Non-employer pension contributions	15,684	16,887	(1,203)	(7.12%)
Interest earnings	262,946	68,373	194,573	284.58%
Other revenue	23,485	147,756	(124,271)	(84.11%)
Total revenues	11,221,247	7,941,967	3,279,280	41.29%
Expenses:				
Personnel services	2,504,016	2,168,567	335,449	15.47%
Operating services	1,091,091	1,232,948	(141,857)	(11.51%)
Material and supplies	129,334	57,906	71,428	123.35%
Travel and other charges	11,802	5,982	5,820	97.29%
Depreciation	293,540	297,848	(4,308)	(1.45%)
Loss on sale of capital assets	23,087	3,105	19,982	643.54%
Total expenses	4,052,870	3,766,356	286,514	7.61%
Change in net position	7,168,377	4,175,611	2,992,766	71.67%
Net position beginning of year	23,048,037	18,842,426	4,175,611	22.16%
Net position end of year	\$ 30,186,414	\$ 23,018,037	\$ 7,168,377	31.14%

The largest source of revenue for the Library was ad valorem (property) taxes which increased by \$1,831,651 compared to 2022. Charges for services consisting of fines and fees for library charges, increased compared to 2022 due to increased activity after Hurricane Ida and Covid-19 in 2022. Interest earnings increased by \$194,573 compared to 2022 due to higher interest rates and increased cash balances in 2023. Operating grants increased by \$1,319,831 due to the increase in FEMA reimbursement revenues related to Hurricane Ida.

St. John the Baptist Parish Library Management's Discussion and Analysis

The most significant changes in expenses included an increase in material and supplies as well as the reduction of operating services. Personnel services increased \$335,449 due to an increase in net pension liability. The increase in material and supplies of \$71,428 as compared to 2022 was due to purchases of equipment in 2023 that did not meet the capitalization threshold.

GOVERNMENTAL FUND

The focus of the Library's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. As of December 31, 2023, the Library's governmental fund reported an ending unassigned fund balance of \$16,076,173, a decrease of \$2,687,390 in comparison with the prior year that is available for spending at the Library's discretion.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Library adopted a budget during 2023 and amended the budget to take into consideration significant changes in revenues or expenditures. A comparison of the original and amended budget to actual totals of revenues and expenditures is on page 36 of the financial statements.

During the year, revenues were higher than original budgetary estimates by \$680,488 and expenditures were lower than original budgetary estimates by \$5,714,473.

CAPITAL ASSETS

The Library had a net book value of \$13,194,788 invested in a broad range of capital assets, including land, the Library collection, furniture and equipment, buildings and parking lot as of December 31, 2023. This amount represents the original cost of all capital assets less total accumulated depreciation. The significant increase in capital assets in 2023 resulted from the ongoing construction of the new Reserve branch of the Library.

Even though the Library is restricted by state statute from owning buildings and land (real property), GASB Statement No. 34 requires that buildings be reported as capital assets on the Library's statement of net position and depreciated annually, as applicable, because the Library has primary responsibility for managing and maintaining the building.

St. John the Baptist Parish Library Management's Discussion and Analysis

The table below lists capital assets by type, and the accumulated depreciation at year-end:

	2023	2022
Land	\$ 509,763	\$ 471,487
Construction in progress	11,067,537	2,088,595
Library collection	2,340,930	2,610,169
Furniture and equipment	622,893	1,056,897
Buildings	2,530,643	2,530,643
Less: Accumulated depreciation	(3,876,978)	(4,334,376)
Net Capital Assets	\$ 13,194,788	\$ 4,423,415

LONG-TERM LIABILITIES

The Library's long-term liabilities outstanding at year end totaled \$4,085,385 and was comprised of net pension liability of \$647,832, other post-employment benefit liability of \$3,367,388 and accrued annual leave of \$70,165.

ECONOMIC FACTORS AND 2024 BUDGET

The Library considered the following factors and indicators when preparing its budget for the 2024 fiscal year-end: (1) ad valorem revenue will remain at approximately the same level as last year, and (2) the Library anticipates that personnel costs, operating services, materials, and supplies, capital outlays, and the costs of adding to the Library collection will remain approximately the same year over year.

The Library expects that anticipated revenues and existing funds for the year will be sufficient to meet its anticipated operating expenses.

REQUESTS FOR INFORMATION

The financial report is designed to provide the citizens, taxpayers, investors, and creditors with a general overview of the Library's finances, and to show the Library's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Library Director of the St. John the Baptist Parish Library, 2920 Highway 51, LaPlace, Louisiana, 70068, or telephone, 985-652-6857.

BASIC FINANCIAL STATEMENTS

St. John the Baptist Parish Library
Statement of Net Position

December 31, 2023

Governmental Activities

Assets

Current assets	
Cash	\$ 10,832,860
Ad valorem tax receivables, net	8,594,086
Due from federal government	1,043,889
Other assets	376,767
Capital assets, net	13,194,788
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Total assets	34,042,390

Deferred Outflows of Resources

Deferred outflows related to pension liability	929,825
Deferred outflows related to OPEB liability	1,458,066
<hr/>	
Total deferred outflows of resources	2,387,891

Liabilities

Current liabilities	
Accounts and salaries payable	871,505
Unearned FEMA revenue	80,416
Accrued annual leave - due within one year	70,165
Total OPEB liability - due within one year	119,980
Total current liabilities	1,142,066
<hr/>	
Non-current liabilities	
Net pension liability	647,832
Total OPEB liability	3,247,408
Total non-current liabilities	3,895,240
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Total liabilities	5,037,306

Deferred Inflows of Resources

Advance collection of ad valorem taxes	316,485
Deferred inflows related to pension liability	77,800
Deferred inflows related to OPEB liability	812,276
<hr/>	
Total deferred inflows of resources	1,206,561

Net Position

Net investment in capital assets	13,194,788
Restricted for endowment	5,000
Restricted for book purchases	2,850
Unrestricted	16,983,776
Total net position	\$ 30,186,414

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

St. John the Baptist Parish Library
Statement of Activities

<i>For the Year Ended December 31, 2023</i>		Program Revenues		Net (Expense) Revenue and Change in Net Position
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
Governmental Activities				
Library services:				
Personnel services	\$ 2,504,016	\$ -	\$ -	\$ (2,504,016)
Operating services	1,091,091	18,459	1,343,620	270,988
Material and supplies	129,334	-	-	(129,334)
Travel and other charges	11,802	-	-	(11,802)
Depreciation	293,540	-	-	(293,540)
Total governmental activities	\$ 4,029,783	\$ 18,459	\$ 1,343,620	(2,667,704)

General revenues:	
Ad valorem taxes	9,473,430
State revenue sharing	83,623
Non-employer pension contributions	15,684
Interest earnings	262,946
Other revenue	23,485
Loss on sale and disposal of capital assets	(23,087)
Total general revenues	9,836,081
Change in net position	7,168,377
Net position - beginning of year	23,018,037
Net position - end of year	\$ 30,186,414

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

**St. John the Baptist Parish Library
Balance Sheet-Governmental Fund**

December 31, 2023

General Fund

Assets

Cash	\$ 10,832,860
Ad valorem tax receivables, net	8,594,086
Due from federal government	1,043,889
Prepaid expenses	376,767

Total assets	\$ 20,847,602
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Liabilities

Accounts and salaries payable	\$ 871,505
Unearned FEMA revenue	80,416

Total liabilities	951,921
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Deferred Inflows of Resources

Unavailable revenue - ad valorem taxes	247,549
Unavailable revenue - FEMA	1,043,889
Advance collection of ad valorem taxes	316,485

Total deferred inflows of resources	1,607,923
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Fund Balance

Nonspendable	381,767
Restricted for book purchases	2,850
Committed	1,826,968
Unassigned	16,076,173

Total fund balance	18,287,758
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Total liabilities, deferred inflows of resources, and fund balance	\$ 20,847,602
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The accompanying notes are an integral part of this financial statement.

St. John the Baptist Parish Library

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

<i>December 31,</i>	<i>2023</i>
Fund balance, total governmental fund	\$ 18,287,758
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets	17,071,765
Less accumulated depreciation	<u>(3,876,977)</u>
	13,194,788
Long-term assets at December 31, 2023	
Compensated absences payable	(70,165)
Unavailable revenues are deferred in governmental funds but not in governmental activities	1,291,438
The net pension and total OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds:	
Deferred Outflows - Pension	929,825
Deferred Inflows - Pension	(77,800)
Net Pension Liability	(647,832)
Deferred Outflows - OPEB	1,458,066
Deferred Inflows - OPEB	(812,276)
Total OPEB Liability	<u>(3,367,388)</u>
Net position of governmental activities	\$ 30,186,414

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

St. John the Baptist Parish Library
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund

For the Year Ended December 31, 2023

General Fund

Revenues

Intergovernmental revenues	
Ad valorem taxes	\$ 9,456,117
State revenue sharing	83,623
Federal revenue	299,731
Fees, fines, and charges for library services	18,459
Interest earnings	262,946
Other revenue	23,485

Total revenues	10,144,361
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Expenditures

Library services	
Personnel services	2,134,753
Operating services	1,362,587
Material and supplies	129,334
Travel and other charges	11,802
Capital outlay	8,816,504

Total expenditures	12,454,980
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Net change in fund balance	(2,310,619)
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Fund balance at beginning of year	20,598,377
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Fund balance at end of year	\$ 18,287,758
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The accompanying notes are an integral part of this financial statement.

St. John the Baptist Parish Library
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Fund to the Statement of Activities

<i>For the Year Ended December 31,</i>	<i>2023</i>
Net change in fund balance, total governmental fund	\$ (2,310,619)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	\$ 9,088,000
Depreciation expense	(293,540)
Loss on sale and disposal of capital assets	<u>(23,087)</u>
	8,771,373
Difference in revenue recognition on the modified accrual basis as reported in the Statement of Activities versus revenue recognition on the full accrual basis	1,061,202
Contributions to the pension plan received from Non-employer Contributing entities are not reported as revenues in governmental funds	15,684
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	147,100
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense	(293,590)
OPEB expense	(222,536)
Payment of compensated absences is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position by the excess of compensated absences used over amounts earned.	(237)
Change in net position of governmental activities	\$ 7,168,377

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

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. John the Baptist Parish Library (the Library) was established by the parish governing authority under provisions of Louisiana Revised Statute (LSA-R.S.) 25:211 and is governed by a Board of Control that is appointed by the St. John the Baptist Parish Council (the Council) in accordance with provisions of LSA-R.S.25:214. The Library provides citizens of the parish access to Library materials in print resources, such as books and magazines, as well as a wide variety of non-print resources, such as DVDs, several formats of audiobooks, online research databases and electronic reference resources, electronic downloadable books (e-books), internet access, and a small selection of music on compact disk. In addition to print and non-print resources, the Library provides the public access to computer workstations in all branches, conducts programs for children and adults, and provides access to meeting rooms when these spaces are not being used for Library programs. The assets of the Library are made available to non-residents through a small fee for a non-resident card and through an inter-library loan agreement with the State Library of Louisiana.

One main library and three branch libraries served St. John the Baptist Parish with a population of approximately 43,000 people in the current year as estimated by the United States Census Bureau. The Library has continued to expand its electronic access services of informational, instructional, and entertainment databases, e-books, downloadable audio books, music and streaming video in addition to the resources offered through the State Library of Louisiana via the Louisiana Library Connection database program. A continuing increase of marketing for Library resources and programs serves to inform the public on the variety and value of these resources and services.

Reporting Entity

Governmental accounting standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. A component unit is a government who is financially accountable to another government or one for which another government can exert influence over its budget and operations.

Because the Council appoints the governing board (Board of Control) and because of the scope of public service, the Library was determined to be a component unit of St. John the Baptist Parish Council, the governing body of the Parish and the governmental body with oversight responsibility.

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

Basis of Presentation

The accompanying basic financial statements of the Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The Library has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussions and Analysis - for State and Local Governments*. In this regard, the Library is treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the Library established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis (b) Basic Financial Statements, and (c) Required Supplementary Information (other than Management's Discussion and Analysis). The accompanying financial statements of the St. John the Baptist Parish Library present information only as to the transactions of the programs of the Library as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all of the nonfiduciary 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 calendar period. Governmental activities generally are financed through ad valorem taxes, State revenue sharing, fees, fines, and charges for Library services, and other revenues.

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

Separate financial statements are provided for the major governmental fund. 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the year. Unavailable revenues are included as deferred inflows of resources on the governmental fund financial statements. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Ad valorem taxes; state revenue sharing; fees, fines and charges for library services; and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Library.

Fund Financial Statements

The Library's governmental fund type is described as follows:

General Fund – The General Fund is the principal fund of the Library and accounts for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets. The various taxes, fees, and charges due to the Library are accounted for in this fund, as well as, general operating expenditures.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

The budget was completed, advertised in the local paper, and made available for public inspection at the Library on October 11, 2022. A public hearing was held on November 1, 2022, for suggestions and comments from the public, after which the proposed budget was formally adopted on that date. The budgets which included proposed cash expenditures and the means of financing them were published in the official journal prior to the public hearing. All appropriations lapse at year end, and any accounts payable outstanding at year end are included in the next year's budget with funds appropriated in that year to finance them. Formal budget integration is not employed as a management control device during the year; however, the Library Director monitors the budget during the year.

The Library Director is authorized to transfer amounts between line items within any fund. When actual cash revenues fail to meet budgeted cash revenues by five percent or more and/or actual cash expenditures exceed budgeted expenditures by five percent or more, a budget amendment to reflect such change is adopted by the Library Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

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

Cash

Cash deposits include amounts in interest-bearing demand deposits and a savings account. Under state law, the Library may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, U.S. Treasury Bills or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Receivables

There was a 2% allowance for doubtful accounts for ad valorem tax receivable set up based on past experience of the differences between the amount of taxes received and accrued as recorded on the financial statements. At December 31, 2023, the balance of this allowance was \$29,323.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are recorded at either historical cost or estimated historical cost and are depreciated over their useful lives (excluding salvage value). Additions to the Library collection are currently being recorded at the actual purchase price of the item. Any donated capital assets are recorded at their estimated fair value at the date of donation. The estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight-line depreciation is used based on the following estimated useful lives:

- Furniture and equipment – 5 years
- Vehicles – 5 years
- Outdoor metal furniture and parking lot – 20 years
- Library collection – 7 years
- Building – 40 years

Also, GASB Statement No. 34 requires that buildings be reported as capital assets on the Library's statement of net position and depreciated annually over 40 years, as applicable, because the Library has primary responsibility for managing and maintaining its buildings.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Library has two (2) items that qualify for reporting as deferred outflows of resources, *pension and OPEB related deferrals*. The deferred outflows related to pension are an aggregate of items related to the pension liability as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pension will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows related to OPEB are an aggregate of items related to the OPEB liability as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred outflows related to OPEB will be recognized as either OPEB expense or a reduction in the total OPEB liability in future reporting years.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net 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(s) and so will not be recognized as an inflow of resources (revenue) until then.

The Library has three (3) items that qualify for reporting as deferred inflows of resources, advance collection of ad valorem taxes and pension and OPEB related deferrals. Advance collection of ad valorem taxes are amounts received in advance of the tax year in which the ad valorem taxes are levied. The deferred inflows related to the advance collection of ad valorem taxes will be recognized as a revenue in future reporting years. The deferred inflows related to pension are an aggregate of items related to the pension liability as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pension will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to OPEB are an aggregate of items related to the OPEB liability as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred inflows related to OPEB will be recognized as a reduction to OPEB expense in future reporting years.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: ad valorem taxes and FEMA intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

The Library has the following vacation and sick leave policies:

Vacation (annual) leave is accumulated by employees at a variable rate, which is predetermined by the Library Board and depends on the employee's years of service. The leave is accumulated on a monthly basis and is credited at the end of each month. Upon separation from employment, the employee is paid for all vacation leave that is accumulated and credited to the employee. Employees may accumulate a maximum of two and one half times their rate of annual leave. A long-term liability is set up on the financial statements to account for the amount due to employees who have accumulated annual leave as of the end of the year.

Sick leave is granted to full-time employees at the rate of 12 working days (96 hours) per calendar year. Any unused amount of sick leave can be accumulated without limit and carried forward from one year to the next indefinitely. No compensation for unused sick leave is paid to employees upon retirement or termination. Unused sick leave is recorded and maintained for each employee and retiree in accordance with the rules of the Parochial Employees' Retirement System so that upon retirement the unused amount can be converted to additional retirement credit.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

Categories and Classification of Fund Equity

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

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

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

The fund balance are as follows:

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

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

St. John the Baptist Parish Library Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

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

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as committed. Under the Library’s adopted policy, only the Board may assign amounts for specific purpose.

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

Restricted Net Position

Restricted net position represents those portions of assets legally segregated for a specific future use. The Library restricts assets on the statement of net position for an endowment received in 1976 and associated investment earnings restricted for the purchase of books for the Library.

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 21, 2024, and determined that there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

St. John the Baptist Parish Library

Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective for the Library in a future year. These statements are as follows:

- Compensated absences and
- Certain risk disclosures

The Library is currently evaluating the effects that these statements will have on its financial statements.

Note 2: CASH

At December 31, 2023, the carrying amounts (book balances) of all cash of the Library was as follows:

Cash on hand	\$	650
Interest-bearing checking		8,908,076
Library Retirees Benefit Fund		1,866,106
Savings – LA Federal Credit Union		50,178
Savings accounts (Endowment)		7,850
Total	\$	10,832,860

These deposits are stated at cost, which approximates market. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2023, the Library had \$10,854,228 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance in each bank and \$10,354,228 of pledged securities held by the custodial bank in the name of the fiscal agent bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

Note 3: LEVIED TAXES

Through the Council, the Library is authorized to levy a 10-mill ad valorem tax for Library operations, maintenance, and construction. The Library levied and received 9.94 mills for the year ended December 31, 2023. The authorization for the millage expires December 31, 2027.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 4: CAPITAL ASSETS

A summary of changes in capital assets and accumulate depreciation during the year is listed as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Capital assets not being depreciated:				
Land	\$ 471,487	\$ 38,276	\$ -	\$ 509,763
Construction in progress	2,088,595	8,978,942	-	11,067,537
Capital assets being depreciated:				
Library collection	2,610,169	61,087	(330,327)	2,340,929
Furniture and equipment	1,056,897	9,695	(443,699)	622,893
Buildings	2,530,643	-	-	2,530,643
Total capital assets, being depreciated	6,197,709	70,782	(774,026)	5,494,465
Less accumulated depreciation for:				
Library collection	2,082,874	202,133	(330,327)	1,954,680
Furniture and equipment	851,509	1,419	(420,612)	432,316
Buildings	1,399,993	89,988	-	1,489,981
Total accumulated depreciation	4,334,376	293,540	(750,939)	3,876,977
Governmental activities capital assets, net	\$ 4,423,415	\$8,794,460	\$ (23,087)	\$ 13,194,788

Note 5: ACCRUED ANNUAL LEAVE

At December 31, 2023, employees of the Library have accumulated and vested amounts of employee annual leave benefits, which are computed in accordance with GASB Codification Section C60. The amount is recorded in the statement of net position as a long-term liability, and the calculation is based on the number of hours each employee has earned and credited to their benefit times their individual hourly rate at the end of the year.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 6: PENSION PLAN

Substantially all employees of the Library are members of the Parochial Employees' Retirement System of Louisiana (PERS). This system is a cost-sharing multiple-employer, defined benefit pension plan administered by a separate board of trustees.

General Information about the Pension Plan

Plan Description

Parochial Employees' Retirement System of Louisiana 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).

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Library participates in Plan A.

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 their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) 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.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS.

Benefits Provided

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

Any member of Plan A can retire providing they meet one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 6: PENSION PLAN (Continued)

For employees hired after January 1, 2007:

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

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

Disability Benefits

For Plan A, 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 of Plan A 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 of service, not to be less than 15, or 3% multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

Survivor Benefits

Upon the death of any member of Plan A with five (5) 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 of Plan A, 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 (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan benefits (DROP)

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

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the 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.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 6: PENSION PLAN (Continued)

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

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

Cost of Living Adjustments

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

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 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 55.

Contributions

Contributions for all members are established by statute at 9.50% of compensation for the year ended December 31, 2023. The contributions are deducted from the member's salary and remitted by the Library.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2023, the actuarially determined contribution rate was 7.49% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2023 was 11.50% for Plan A. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Library were \$147,100 for the year ended December 31, 2023.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 6: PENSION PLAN (Continued)

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Library reported a liability of \$647,832 for its proportionate share of the Net Pension Liability of PERS. The net pension Liability was measured as of December 31, 2022 and the total pension liability or asset used to calculate the NPL was determined based on an actuarial valuation as of that date. The Library's proportion of the NPL was based on a projection of the Library's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. At December 31, 2022, the Library's proportion was 0.168321%, which was a decrease of 0.035821% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Library recognized a pension expense of \$294,034 less the Library's amortization of the difference between employer contributions and proportionate share of contributions of \$(143,119).

At year end, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>PERS</u>		
Differences between expected and actual experience.	\$ 23,932	\$ 71,375
Net difference between projected and actual earnings on pension plan investments.	683,903	-
Changes in assumptions.	20,675	-
Changes in proportion and differences between employer contributions and proportionate share of contributions.	54,195	6,425
Employer contributions subsequent to the measurement date.	147,100	-
Total PERS	\$ 929,825	\$ 77,800

Deferred outflows of resources of \$147,100 related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2024.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 6: PENSION PLAN (Continued)

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

Year Ending December 31,	Amount of Amortization PERS
2024	43,528
2025	126,252
2026	228,554
2027	306,591

Actuarial Assumptions

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

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry age normal cost
Investment rate of return	6.40% (net of investment expense)
Expected remaining	
service lives	4 years
Inflation Rate	2.30%
Projected salary increases	4.75%
 Cost of Living adjustments	 The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
 Mortality rates	 Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 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.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 6: PENSION PLAN (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of the arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of December 31, 2021 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real assets	2%	0.12%
Totals	100%	5.60%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.70%

St. John the Baptist Parish Library Notes to the Financial Statements

Note 6: PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS 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 PERS'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 asset.

Sensitivity of the Proportionate Share of the NPA to Changes in the Discount Rate

The following presents the Library's proportionate share of the Net Pension Asset using the discount rate of 6.40%, as well as what the Library's proportionate share of the Net Pension Asset 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	Current Discount Rate	1.0% Increase
PERS - Library's proportionate share of the net pension asset	\$ 1,602,111	\$ 647,832	\$ (152,208)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Library recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2023, the Library recognized revenue as a result of support received from non-employer contributing entities of \$15,684.

Pension Plan Fiduciary Net Position

PERS issues publicly available financial reports that include financial statements and required supplementary information for the systems. Detailed information about the system's fiduciary net position is available in the issued financial report. The report may be obtained by visiting the Louisiana Legislative Auditor's website at www.la.gov and searching under the Reports section.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 7: OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description – The St. John the Baptist Parish Library (the Library) provides certain continuing health care and life insurance benefits for its retired employees. The St. John the Baptist Parish Library’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Library. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Library. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by Plan A of the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 100% of the rate is paid by the employer. The insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced by to 50% of the original amount at age 70.

Employees covered by benefit terms – As of the measurement date December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	18
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	26
	44

Total OPEB Liability

The Library’s total OPEB liability is \$3,367,388 as of the measurement date December 31, 2023, the end of the fiscal year.

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

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	3.26%, annually (As of End of Year Measurement Date)

St. John the Baptist Parish Library Notes to the Financial Statements

Note 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Healthcare cost trend rates	Medical: 5.5% annually for 5 years, decreasing to 4.14% after 52 years; Dental: 4%
Mortality	120% of Pub-2010 for General Employees and Healthy Retirees with MP-2021 scale

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2022.

Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 3,056,821
Changes for the year:	
Service cost	86,614
Interest	115,325
Differences between expected and actual experience	41,443
Changes in assumptions	180,910
Benefit payments and net transfers	(113,725)
Net changes	310,567
Balance at December 31, 2023	\$ 3,367,388

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

	1.0% Decrease (2.26%)	Current Discount Rate (3.26%)	1.0% Increase (4.26%)
Total OPEB liability	\$ 3,843,937	\$ 3,367,388	\$ 2,977,968

St. John the Baptist Parish Library
Notes to the Financial Statements

Note 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 3,005,230	\$ 3,367,388	\$ 3,806,657

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

For the year ended December 31, 2023, the Library recognized OPEB expense of \$336,261. At December 31, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 528,849	\$ (349,234)
Changes in assumptions	926,217	(463,042)
Total	\$ 1,458,066	\$ (812,276)

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

Years ending December 31:	
2024	\$ 134,323
2025	134,323
2026	134,323
2027	134,323
2028	54,249
Thereafter	54,249

**St. John the Baptist Parish Library
Notes to the Financial Statements**

Note 8: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities of the Library at December 31, 2023:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Due within one year
Accrued annual leave	\$ 69,928	\$ 89,934	\$ 89,697	\$ 70,165	\$ 70,165
Net Pension Liability	-	647,832	-	647,832	-
Total OPEB liability	3,056,821	310,567	-	3,367,388	119,980
Total long-term liabilities	\$ 3,126,749	\$1,048,333	\$ 89,697	\$ 4,085,385	\$ 119,980

Note 9: FUND BALANCE

On August 19, 1976, the Library received an endowment of \$5,000 in memory of Dr. John Smyth. In accordance with the endowment agreement, this money is held in perpetuity in an interest-bearing account. The interest earnings from this investment are required to be used on the purchases of books for the Library, and are included in Restricted fund balance on the Balance Sheet. The original gift amount is included as Nonspendable fund balance on the Balance Sheet.

On September 24, 2019, the Board reserved \$1,826,968 for retiree insurance that is included as Committed on the Balance Sheet.

Note 10: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Library is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Library, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Library or results of activities.

Note 11: RISK MANAGEMENT

The Library is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current year, nor have there been any settlements which have exceeded the insurance coverage maintained for the past three years.

St. John the Baptist Parish Library Notes to the Financial Statements

Note 12: TAX ABATEMENTS

Louisiana Economic Development (LED) is a Department of the State of Louisiana and administers many development oriented incentives, including the Industrial Tax Exemption Program (ITEP).

Under the ITEP, tax abatements are negotiated for a variety of economic development purposes, including job creation, business relocation, retention, and expansion.

As of December 31, 2023, five industrial companies are currently under the ITEP. The typical term of these agreements are for ten years and provided Ad valorem tax abatement during the year of 2023 in the amount of \$312,305.

The LED has not made any commitments as part of the agreements other than to reduce taxes. The Library is not subject to any tax abatement agreements entered into by other governmental entities other than the LED.

REQUIRED SUPPLEMENTARY INFORMATION

St. John the Baptist Parish Library
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Cash Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis
	Original	Final				
Revenues						
Intergovernmental revenues						
Ad valorem taxes	7,200,000	7,361,220	7,420,232	59,012	(2,035,885)	9,456,117
State revenue sharing	88,282	88,282	83,623	(4,659)	-	83,623
Federal revenue	175,138	380,123	380,123	-	80,392	299,731
Fees, fines and charges for library services	14,750	12,010	18,459	6,449	-	18,459
Interest earnings	12,060	262,932	262,946	14	-	262,946
Other revenue	18,150	21,937	23,485	1,548	-	23,485
Total revenues	7,508,380	8,126,504	8,188,868	62,364	(1,955,493)	10,144,361
Expenditures						
General government						
Salaries, related benefits and payroll taxes	2,664,704	2,429,299	2,163,609	265,690	28,856	2,134,753
Operating services	906,550	1,224,516	1,159,354	65,161	(203,233)	1,362,587
Material and supplies	127,500	61,800	64,819	(3,019)	(64,515)	129,334
Travel and other charges	29,000	11,200	12,707	(1,507)	905	11,802
Capital outlay	14,429,800	14,766,700	9,042,591	5,724,109	226,087	8,816,504
Total expenditures	18,157,554	18,493,515	12,443,081	6,050,434	(11,899)	12,454,980
Net Change in Fund Balance	(10,649,174)	(10,367,011)	(4,254,213)	6,112,798	(1,943,594)	(2,310,619)
Fund balance, beginning of year	10,075,156	9,771,465	16,498,087	6,726,622	(4,100,290)	20,598,377
Fund balance, end of year	\$ (574,018)	\$ (595,546)	\$ 12,243,874	\$ 12,839,420	\$ (6,043,884)	\$ 18,287,758

St. John the Baptist Parish Library
Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability	2022	2022	2021	2020	2019	2018
Service cost	\$86,614	\$144,705	\$ 138,535	\$ 130,648	\$ 39,991	\$ 45,595
Interest	115,325	62,176	61,483	63,344	75,726	70,467
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	41,443	624,569	10,356	(559,361)	162,933	(34,047)
Changes of assumptions	180,910	(612,713)	24,402	1,063,240	293,116	(136,419)
Benefit Payments	(113,725)	(107,796)	(119,757)	(113,514)	(152,228)	(144,292)
Net change in total OPEB liability	310,567	110,941	115,018	584,357	419,537	(198,696)
Total OPEB liability - beginning	3,056,821	2,945,881	2,830,862	2,246,505	1,826,968	2,205,664
Total OPEB liability - ending	\$3,367,388	\$3,056,821	\$2,945,881	\$2,830,862	\$2,246,505	\$1,826,968
Covered-employee payroll	\$1,295,146	\$1,257,423	\$1,431,787	\$1,390,084	\$1,001,098	\$971,940
Total OPEB liability as a percentage of covered-employee payroll	260.00%	243.10%	205.75%	203.65%	224.40%	187.97%

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

St. John the Baptist Parish Library
Schedule of Proportionate Share of Net Pension
Liability for Retirement System
Last Nine Fiscal Years

For the Year Ended December 31,	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Parochial Employees' Retirement System of Louisiana					
2023	0.168321%	\$ 647,832	\$ 1,240,650	52.22%	91.70%
2022	0.204142%	\$ (961,597)	\$ 1,267,503	-75.87%	110.10%
2021	0.164826%	\$ (289,008)	\$ 1,100,883	-26.25%	104.64%
2020	0.148612%	\$ 6,996.00	\$ 942,316	0.74%	99.89%
2019	0.162283%	\$ 720,270	\$ 996,330	72.29%	88.86%
2018	0.167423%	\$ (124,269)	\$ 930,736	-13.35%	101.98%
2017	0.173023%	\$ 356,343	\$ 1,026,123	34.73%	94.15%
2016	0.191209%	\$ 503,317	\$ 1,102,283	45.66%	92.23%
2015	0.202450%	\$ 55,352	\$ 1,139,306	4.86%	99.15%

*Amounts presented were determined as of the measurement date (prior year ended December 31).

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

St. John the Baptist Parish Library
Schedule of Employer Contributions to Retirement System
Last Nine Fiscal Years

For the Year Ended December 31,	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Parochial Employees' Retirement System of Louisiana					
2023	\$ 147,100	\$ 147,100	\$ -	\$ 1,279,128	11.5%
2022	\$ 142,675	\$ 142,675	\$ -	\$ 1,240,650	11.5%
2021	\$ 152,635	\$ 152,635	\$ -	\$ 1,267,503	12.2%
2020	\$ 134,858	\$ 134,858	\$ -	\$ 1,100,883	12.2%
2019	\$ 108,366	\$ 108,366	\$ -	\$ 942,316	11.5%
2018	\$ 114,578	\$ 114,578	\$ -	\$ 996,320	11.5%
2017	\$ 116,342	\$ 116,342	\$ -	\$ 930,736	12.5%
2016	\$ 133,396	\$ 133,396	\$ -	\$ 1,026,123	13.0%
2015	\$ 159,831	\$ 159,831	\$ -	\$ 1,102,283	14.5%

*Amounts presented were determined as of the end of the year.

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

St. John the Baptist Parish Library Notes to the Required Supplementary Information

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The Library adopted a budget as required by Louisiana Revised Statute 39:1301-1316 for the year ended December 31, 2023.

NOTE 2: NET PENSION LIABILITY

Changes of Assumptions

For the actuarial valuation for the year ended December 31, 2020, the investment rate of return decreased from 6.50% to 6.40%, and inflation decreased from 2.40% to 2.30%.

For the actuarial valuation for the year ended December 31, 2018, the investment rate of return decreased from 6.75% to 6.50%, the projected salary decreased from 5.25% to 4.75%, and inflation decreased from 2.50% to 2.40%.

For the actuarial valuation for the year ended December 31, 2017, the investment rate of return decreased from 7.00% to 6.75%, projected salary increases remained at 5.25%, and inflation remained at 2.50%.

For the actuarial valuation for the year ended December 31, 2015, the investment rate of return decreased from 7.25% to 7.00%, projected salary decreased from 5.75% to 5.25%, and inflation decreased from 3.00% to 2.50%.

NOTE 3: TOTAL OPEB LIABILITY

Changes of Assumptions

The discount rate changed from 3.72% to 3.26% for the valuation year ended December 31, 2023.

The discount rate changed from 2.06% to 3.72% for the valuation year ended December 31, 2022.

The discount rate changed from 2.12% to 2.06% for the valuation year ended December 31, 2021.

The discount rate changed from 2.74% to 2.12% for the valuation year ended December 31, 2020.

The discount rate changed from 4.10% to 2.74% for the valuation year ended December 31, 2019.

OTHER SUPPLEMENTARY INFORMATION

St. John the Baptist Parish Library
Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended December 31,

2023

Agency Head Name: Andrea Tullos, Library Director

Purpose	Amount
Salary	\$ 103,022
Benefits-insurance	18,954
Benefits-retirement	11,848
Benefits-medicare	1,457
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (travel advances)	-
Special meals	-
Other	-
Total	\$ 135,281

St. John the Baptist Parish Library
Schedule of Compensation to Board of Control Members

For the Year Ended December 31,

2023

Board of Control Member	Per Diem		Dues	
Leatrice Arlie	\$	350	\$	45
Denise M. Burrell		300		45
Elois Joseph		350		45
Yvette Scioneaux		150		45
Blaine Tatje		250		45
Lisa T. Wilder		400		45
Total paid by St. John the Baptist Parish Library	\$	1,800	\$	270

The only compensation the Board Members receive is \$50 for each meeting they attend.



ST. JOHN THE BAPTIST PARISH LIBRARY

SINGLE AUDIT REPORT

DECEMBER 31, 2023

**REPORT**

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 <i>Government Auditing Standards</i>	1
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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 President and Board of Control
St. John the Baptist Parish Library
LaPlace, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of St. John the Baptist Parish Library (the Library), as of and for the year ended December 31, 2023, 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 21, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Matairie, Louisiana
June 21, 2024

**Independent Auditor's Report on Compliance for the
Major Program, on Internal Control over Compliance, and on the
Schedule of Expenditures of Federal Awards Required by The Uniform Guidance**

To the President and Board of Control
St. John the Baptist Parish Library
LaPlace, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited St. John the Baptist Parish Library's (the Library) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Library's major federal program for the year ended December 31, 2023. The Library's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Library complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Library's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Library's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Library's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Library's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Library's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Library's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and the major fund of the Library, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements. We issued our report thereon dated May XX, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Carr, Rigg & Ingram, L.L.C.

Metairie, Louisiana
June 21, 2024

**St. John the Baptist Parish Library
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Identification Number	Pass-Through to Sub-Recipients	Expenditures
U.S. Department of Homeland Security				
Federal Emergency Management Agency, passed through the State of Louisiana, Governor's Office of Homeland Security and Emergency Preparedness -				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	660442	\$ -	\$ 204,985
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	677625	-	1,111,674
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	703951	-	26,961
Total U.S. Department of Homeland Security			-	1,343,620
Total Expenditures of Federal Awards			\$ -	\$ 1,343,620

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Library
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Note 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the federal awards of the St. John the Baptist Parish Library (the Library) and is presented on the accrual basis of accounting. The Library's reporting entity is defined in Note 1 to the Library's financial statements for the year ended December 31, 2023. All federal awards received from federal agencies are included on the schedule.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Library's financial statements for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The Library did not elect to use the 10 percent (10%) de minimis indirect cost rate.

Note 3: LOANS

The Library did not expend federal awards related to loans or loan guarantees during the year.

Note 4: FEDERALLY FUNDED INSURANCE

The Library has no federally funded insurance.

Note 5: NONCASH ASSISTANCE

The Library did not receive any federal noncash assistance for the year ended December 31, 2023.

**St. John the Baptist Parish Library
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023**

A. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

1. Type of auditors’ report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	No

Federal Awards

1. Type of auditors’ report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
d. Significant deficiencies identified not considered to be material weaknesses?	None Noted
3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. The major programs tested for the year ended December 31, 2021 were:	
Disaster Grants – Public Assistance	97.036
5. Dollar threshold used to distinguish between type A and type B programs:	\$750,000
6. Auditee qualified as a low-risk auditee?	No

**St. John the Baptist Parish Library
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023**

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

There were no findings related to the financial statements reported for the year ended December 31, 2023.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings related to major federal award program reported for the year ended December 31, 2023.

D. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters reported for the year ended December 31, 2023.

**St. John the Baptist Parish Library
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022**

A. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

There were no findings related to the financial statements reported for the year ended December 31, 2022.

B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There was no Single Audit required for the year ended December 31, 2022.

C. FINDINGS REALTED TO COMPLIANCE AND OTHER MATTERS

There was Single Audit required for the year ended December 31, 2022.



Carr, Riggs & Ingram, LLC
3850 North Causeway Boulevard
Suite 1400
Two Lakeway Center
Metairie, LA 70002

504.837.9116
504.837.0123 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Control
St. John the Baptist Parish Library
Laplace, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. The St. John the Baptist Parish Library's (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 LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the Library's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Library's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were found as a result of applying the above procedure.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Results: No exceptions were found as a result of applying the above procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.
Results: No exceptions were found as a result of applying the above procedure.
- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Results: No exceptions were found as a result of applying the above procedure.
- v. ***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 rates of pay or approval and maintenance of pay rate schedules.
Results: No exceptions were found as a result of applying the above procedure.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Results: No exceptions were found as a result of applying the above procedure.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Results: No exceptions were found as a result of applying the above procedure.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Results: No exceptions were found as a result of applying the above procedure.
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Library's ethics policy.
Results: No exceptions were found as a result of applying the above procedure.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Results: This procedure was not applicable as the Library has not incurred any debt.

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

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

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

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

2) Board or Finance Committee

- A. 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

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

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

- ii. 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

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

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

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

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: This procedure was not applicable as there were no prior audit findings.

3) Bank Reconciliations

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

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

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

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

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

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

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

4) Collections (excluding electronic funds transfers)

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

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

- B. 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., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

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

- i. Employees responsible for cash collections do not share cash drawers/registers;

Results: Exception noted. In all four collection locations, cash drawers are shared by up to five employees.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

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

- iii. Each employee responsible for collecting cash is not also 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; and

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

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

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

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

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

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- i. Observe that receipts are sequentially pre-numbered.

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

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

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

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

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

- iv. 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 the cash is stored securely in a locked safe or drawer).

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

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

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

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

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

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

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

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

- ii. At least two employees are involved in processing and approving payments to vendors;

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

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

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

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- C. For each location selected under procedure #5A 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. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Library, and

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

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

- D. Using the Library's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Library's policy, and (b) approved by the required number of authorized signers per the Library's policy.

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

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

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

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

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

Results: Exception noted. On one monthly statement, late fees were assessed due to a missed payment.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and 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:

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

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

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

- iii. 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 Policies and Procedures procedure #1A(vii); and

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

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

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

8) Contracts

- A. 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

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

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

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

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

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

- iv. 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.

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

9) Payroll and Personnel

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

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

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

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

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

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
Results: No exceptions were found as a result of applying the above procedure.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the Library's cumulative leave records; and
Results: No exceptions were found as a result of applying the above procedure.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
Results: No exceptions were found as a result of applying the above procedure.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Library's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to Library policy.
Results: No exceptions were found as a result of applying the above procedure.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
Results: No exceptions were found as a result of applying the above procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
Results: No exceptions were found as a result of applying the above procedure.
 - ii. Observe whether the Library maintains documentation which demonstrates that each employee and official were notified of any changes to the Library's ethics policy during the fiscal period, as applicable.
Results: No exceptions were found as a result of applying the above procedure.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
Results: No exceptions were found as a result of applying the above procedure.

11) Fraud Notice

- A. 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 as required by R.S. 24:523.

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

- B. 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.

Results: Exception noted. Fraud notice was not posted on the Library's website.

12) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the Library's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

- ii. Obtain and inspect the Library's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- iii. 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.

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

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

13) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

- B. 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).

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

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

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

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

- ii. Number of sexual harassment complaints received by the agency;

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

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

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

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

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

- v. Amount of time it took to resolve each complaint.

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

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

We are required to be independent of 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.

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

June 21, 2024
Metairie, Louisiana