

*Financial Report*

***Terrebonne Parish Library***  
***Houma, Louisiana***

*December 31, 2021*



**Bourgeois Bennett**  
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS  
A LIMITED LIABILITY COMPANY

*Financial Report*

***Terrebonne Parish Library***  
*Houma, Louisiana*

*December 31, 2021*

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Control,  
Terrebonne Parish Library,  
Houma, Louisiana.

### **Opinion**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Terrebonne Parish Library as of December 31, 2021, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 opinion. 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 Management's Discussion and Analysis on pages 5 through 11, the Schedule of Changes in the Library's Total OPEB Liability and Related Ratios on page 44, the Schedule of the Library's Proportionate Share of the Net Pension Liability (Asset) on page 45 and the Schedule of the Library's Contributions on page 46 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 supplementary information, on page 47, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2022 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." The signature is fluid and cursive, with "Bourgeois" on the top line and "Bennett, L.L.C." on the bottom line.

Certified Public Accountants.

Houma, Louisiana,  
September 2, 2022.

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

### **Terrebonne Parish Library**

December 31, 2021

Management's Discussion and Analysis of Terrebonne 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, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The Library's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of fiscal year 2021 by \$17,076,570 (net position), which represents a 4.30% increase from last fiscal year.

The Library's revenue increased \$1,125,744, (or 19.51%), primarily due to the increase in sales and use tax.

The Library's expenses increased \$116,020, (or 2.26%), primarily due to bond issuance costs incurred in the current year.

The Library did not have a deficit fund balance in the General Fund.

Capital assets decreased \$210,414 primarily due to disposals exceeding additions.

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

This discussion and analysis are intended to serve as an introduction to the Library's financial statements. The Library's annual report consists of three parts: (1) management's discussion and analysis (this section), (2) financial statements, and (3) various governmental compliance reports and schedules by certified public accountants and management.

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

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

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

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Library's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. The Statement of Activities presents information showing how the Library's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Library is culture and recreation and includes various services.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the Library are governmental funds.

#### **Governmental Funds**

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

The Library maintains three individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, Capital Project Fund, and the Debt Service Fund. The Library adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 12 through 18 of this report.

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

### **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. The notes to the financial statements can be found in Exhibit F of this report.

## **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, 2021, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,076,570. A large portion of the Library's net position, \$17,067,140 (or 99.94%), reflects its net investment in capital assets (e.g., land, buildings, office furniture, fixtures and equipment, and library collection). Consequently, these assets are not available for future spending.

### **Condensed Statements of Net Position**

	<u>December 31,</u>	<u>Dollar</u>
	<u>2021</u>	<u>Change</u>
Current and other assets	\$ 12,102,250	\$ 2,570,697
Capital assets	17,067,140	(210,414)
Deferred outflows of resources	<u>735,905</u>	<u>864,583</u>
Total assets and deferred outflows of resources	<u>29,905,295</u>	<u>20,712,834</u>
		9,192,461
Current liabilities	987,713	106,894
Long-term liabilities	10,497,160	3,933,349
Deferred inflows of resources	<u>1,343,852</u>	<u>1,331,487</u>
Total liabilities and deferred inflows of resources	<u>12,828,725</u>	<u>5,371,730</u>
		7,456,995
Net position:		
Net investment in capital assets	17,067,140	17,277,554
Restricted	7,517,103	-
Deficit	<u>(7,507,673)</u>	<u>(1,936,450)</u>
Total net position	<u>\$ 17,076,570</u>	<u>\$ 15,341,104</u>
		<u>\$ 1,735,466</u>

Current and other assets and long-term liabilities increased due to the Library's issuance of \$6,000,000 of new bonds during the year.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Governmental Activities**

Governmental activities increased the Library's net position by \$1,735,466. Key elements of this increase are as follows:

**Condensed Statements of Activities**

	For the Year Ended		Dollar Change	Percent Change
	December 31,	2021		
<b>Revenues</b>				
Taxes - sales and use	\$ 6,794,216	\$ 5,698,193	\$ 1,096,023	19.23%
Charges for services	31,302	27,918	3,384	12.12%
Fines and forfeitures	7,729	6,876	853	12.41%
Grants	51,952	29,356	22,596	76.97%
Miscellaneous:				
Investment income	23	1,547	(1,524)	-98.51%
Other	9,817	5,405	4,412	81.63%
Total revenues	<u>6,895,039</u>	<u>5,769,295</u>	<u>1,125,744</u>	<u>19.51%</u>
<b>Expenses</b>				
Culture and recreation	5,069,615	5,127,742	(58,127)	-1.13%
Debt service	183,641	9,494	174,147	1834.28%
Total expenses	<u>5,253,256</u>	<u>5,137,236</u>	<u>116,020</u>	<u>2.26%</u>
<b>Other Financing Sources</b>				
Insurance proceeds	93,683	-	93,683	100.00%
Total financing sources	<u>93,683</u>	<u>-</u>	<u>93,683</u>	<u>100.00%</u>
Increase in net position	1,735,466	632,059	1,103,407	174.57%
<b>Net Position</b>				
Beginning of year	<u>15,341,104</u>	<u>14,709,045</u>	<u>632,059</u>	<u>4.30%</u>
End of year	<u>\$ 17,076,570</u>	<u>\$ 15,341,104</u>	<u>\$ 1,735,466</u>	<u>11.31%</u>

Sales and use tax revenues increased \$1,096,023 as a result of the increase in the local economy in 2021. Debt service expenses increased \$174,147 due to costs incurred as a result of the Library issuing new bonds in the current year and incurring interest expense and bond issuance costs.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the Library's governmental funds 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 fiscal year. As of the end of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$11,485,932, an increase of \$9,134,247 in comparison with the prior year. Fund balance in the General Fund is \$3,860,219. The remainder of fund balance is included in the Capital Project Fund and Debt Service Fund at \$7,093,952 and \$531,761, respectively.

The General Fund is the chief operating fund of the Library. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balances and total governmental fund balance to total fund expenditures. In 2021, the fund balance of the Library's General Fund increased \$1,721,865. The main factor of this increase was the increase in sales tax revenues in the current year. The Capital Project Fund is a new fund for the current year to maintain bond proceeds. The Debt Service Fund has a total fund balance of \$531,761, an increase of \$318,430 in comparison with the prior year resulting from a transfer in from the general fund.

### **General Fund Budgetary Highlights**

The budget was amended three times during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

#### **Revenues**

- Increase in sales tax revenue to account for additional expected proceeds.
- Increase in other financing uses to account for insurance proceeds received due to damages at the East Houma branch, as well as damages caused by Hurricane Ida.

#### **Expenditures**

- Increase in major repairs to account for the cost to repair damages caused by the flooding at the East Houma branch, as well as damages caused by Hurricane Ida.

During the year, actual revenues were more than the final budgetary estimates by \$848,467; actual expenditures were less than the final budgetary estimates by \$438,756.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The Library's net investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$17,067,140 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings, office furniture, fixtures and equipment, and library collection.

	<u>2021</u>	<u>2020</u>
Land	\$ 308,890	\$ 107,267
Construction in progress	9,652	36,070
Buildings	26,610,855	26,273,926
Office furniture, fixtures, and equipment	1,131,130	1,520,307
Library collection	<u>8,694,110</u>	<u>9,078,713</u>
 Totals	 <u>\$ 36,754,637</u>	 <u>\$ 37,016,283</u>

Major capital asset events during the current fiscal year included the following:

- Property for future parking area.
- Renovations to the East Houma branch.

Additional information on the Library's capital assets can be found in Exhibit F, Note 3 of this report.

### **Long-Term Debt**

During the year ended December 31, 2021, the Library issued \$6,000,000 in Public Library Sales Tax Bonds, Series 2021. Additional information on the Library's new debt can be found in Note 5, Exhibit F of this report.

Other postemployment benefit obligations increased \$78,661 to \$3,732,819 as of December 31, 2021 due to changes in assumptions and other inputs. Obligations for unpaid annual leave increased \$3,001. Unpaid annual leave obligations amounted to \$282,192 as of December 31, 2021.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Control considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

The Library's 2022 operations have been budgeted with the following increases and decreases in the revenues and expenditures:

- Capital outlay, decrease of 33.4% as a result of decrease in cost of building improvements.
- Debt service, increase of 140.0% as a result of the first bond payment for the Series 2021 bonds being due in 2022.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Control of the Terrebonne Parish Library, Houma, Louisiana 70360.

**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET****Terrebonne Parish Library**

December 31, 2021

	General Fund	Capital Project Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>						
Cash and cash equivalents	\$ 2,541,141	\$ 7,103,604	\$ 531,761	\$ 10,176,506	\$ -	\$ 10,176,506
Receivables:						
Sales and use taxes	834,041	-	-	834,041	-	834,041
Due from Terrebonne Parish Sales and Use Tax Department	647,269	-	-	647,269	-	647,269
Due from Terrebonne Parish Consolidated Government	10,733	-	-	10,733	-	10,733
Net pension asset	-	-	-	-	433,701	433,701
Capital assets:						
Non-depreciable	-	-	-	-	318,542	318,542
Depreciable, net of accumulated depreciation	-	-	-	-	16,748,598	16,748,598
Total assets	<u>4,033,184</u>	<u>7,103,604</u>	<u>531,761</u>	<u>\$ 11,668,549</u>	<u>17,500,841</u>	<u>29,169,390</u>
<b>Deferred Outflows of Resources</b>						
Other postemployment benefits	-	-	-	-	489,558	489,558
Pensions	-	-	-	-	246,347	246,347
Total deferred outflows of resources	-	-	-	-	<u>735,905</u>	<u>735,905</u>
Total assets and deferred outflows of resources	<u>\$ 4,033,184</u>	<u>\$ 7,103,604</u>	<u>\$ 531,761</u>	<u>\$ 11,668,549</u>	<u>18,236,746</u>	<u>29,905,295</u>
<b>Liabilities</b>						
Accounts payable and accrued expenditures Due to Terrebonne Parish Consolidated Government	\$ 172,965	\$ -	\$ -	\$ 172,965	108,610	281,575
Long-term liabilities:						
Due within one year	-	-	9,652	-	9,652	-
Due after one year	-	-	-	-	696,486	696,486
Total liabilities	<u>172,965</u>	<u>9,652</u>	<u>-</u>	<u>182,617</u>	<u>11,302,256</u>	<u>11,484,873</u>
<b>Deferred Inflows of Resources</b>						
Other postemployment benefits	-	-	-	-	838,035	838,035
Pensions	-	-	-	-	505,817	505,817
Total deferred inflows of resources	-	-	-	-	<u>1,343,852</u>	<u>1,343,852</u>
Total liabilities and deferred inflows of resources	<u>172,965</u>	<u>9,652</u>	<u>-</u>	<u>182,617</u>	<u>12,646,108</u>	<u>12,828,725</u>
<b>Fund Balances/Net Position</b>						
Fund balances:						
Restricted:						
Capital projects	-	7,093,952	-	7,093,952	(7,093,952)	-
Debt service	-	-	531,761	531,761	(531,761)	-
Unassigned	3,860,219	-	-	3,860,219	(3,860,219)	-
Total fund balances	<u>3,860,219</u>	<u>7,093,952</u>	<u>531,761</u>	<u>11,485,932</u>	<u>(11,485,932)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,033,184</u>	<u>\$ 7,103,604</u>	<u>\$ 531,761</u>	<u>\$ 11,668,549</u>	<u>1,160,176</u>	<u>12,828,725</u>
Net position:						
Net investment in capital assets					17,067,140	17,067,140
Restricted:						
Capital projects					7,093,952	7,093,952
Debt service					423,151	423,151
Deficit					(7,507,673)	(7,507,673)
Total net position					<u>\$ 17,076,570</u>	<u>\$ 17,076,570</u>

See notes to financial statements.

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

**Terrebonne Parish Library**

December 31, 2021

<b>Fund Balances - Governmental Fund</b>		<b>\$ 11,485,932</b>
 Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 36,754,637	
Less accumulated depreciation	<u>(19,687,497)</u>	17,067,140
Long-term assets are not financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset	433,701	
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds.		
Other postemployment benefit obligations	489,558	
Pensions	<u>246,347</u>	735,905
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued interest payable	(108,610)	
Bonds payable and unamortized bond premium	(7,178,635)	
Other postemployment benefit obligations	(3,732,819)	
Compensated absences payable	<u>(282,192)</u>	(11,302,256)
Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds.		
Other postemployment benefit obligations	(838,035)	
Pensions	<u>(505,817)</u>	(1,343,852)
<b>Net Position of Governmental Activities</b>		<b><u>\$ 17,076,570</u></b>

See notes to financial statements.

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

**Terrebonne Parish Library**

For the year ended December 31, 2021

	General Fund	Capital Project Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>						
Taxes - sales and use	\$ 6,794,216	\$ -	\$ -	\$ 6,794,216	\$ -	\$ 6,794,216
Charges for services	31,302	-	-	31,302	-	31,302
Fines and forfeitures	7,729	-	-	7,729	-	7,729
Grants	51,952	-	-	51,952	-	51,952
Miscellaneous:						
Investment income	23	-	-	23	-	23
Other	9,817	-	-	9,817	-	9,817
Total revenues	<u>6,895,039</u>	<u>-</u>	<u>-</u>	<u>6,895,039</u>	<u>-</u>	<u>6,895,039</u>
<b>Expenditures/Expenses</b>						
Current:						
Culture and recreation:						
Personal services	3,069,550	-	-	3,069,550	(98,878)	2,970,672
Supplies and materials	86,613	-	-	86,613	-	86,613
Other services and charges	663,928	-	-	663,928	-	663,928
Repairs and maintenance	244,891	-	-	244,891	-	244,891
Depreciation	-	-	-	-	1,103,511	1,103,511
Total culture and recreation	<u>4,064,982</u>	<u>-</u>	<u>-</u>	<u>4,064,982</u>	<u>1,004,633</u>	<u>5,069,615</u>
Debt service:						
Interest and fiscal charges	-	-	-	-	25,991	25,991
Bond issuance costs	-	157,650	-	157,650	-	157,650
Total debt service	<u>-</u>	<u>157,650</u>	<u>-</u>	<u>157,650</u>	<u>25,991</u>	<u>183,641</u>
Capital outlay	<u>883,445</u>	<u>9,652</u>	<u>-</u>	<u>893,097</u>	<u>(893,097)</u>	<u>-</u>
Total expenditures/expenses	<u>4,948,427</u>	<u>167,302</u>	<u>-</u>	<u>5,115,729</u>	<u>137,527</u>	<u>5,253,256</u>
Excess (deficiency) of revenues over expenditures	<u>1,946,612</u>	<u>(167,302)</u>	<u>-</u>	<u>1,779,310</u>	<u>(137,527)</u>	<u>1,641,783</u>
<b>Other Financing Sources (Uses)</b>						
Bond proceeds	-	6,000,000	-	6,000,000	(6,000,000)	-
Premium on bonds	-	1,261,254	-	1,261,254	(1,261,254)	-
Insurance proceeds	93,683	-	-	93,683	-	93,683
Operating transfers in	-	318,430	-	318,430	(318,430)	-
Operating transfers out	(318,430)	-	-	(318,430)	318,430	-
Total other financing sources (uses)	<u>(224,747)</u>	<u>7,261,254</u>	<u>318,430</u>	<u>7,354,937</u>	<u>(7,261,254)</u>	<u>93,683</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>						
	<u>1,721,865</u>	<u>7,093,952</u>	<u>318,430</u>	<u>9,134,247</u>	<u>(9,134,247)</u>	<u>-</u>
<b>Change in Net Position</b>						
Beginning of year	<u>2,138,354</u>	<u>-</u>	<u>213,331</u>	<u>2,351,685</u>	<u>12,989,419</u>	<u>15,341,104</u>
End of year	<u>\$ 3,860,219</u>	<u>\$ 7,093,952</u>	<u>\$ 531,761</u>	<u>\$ 11,485,932</u>	<u>\$ 5,590,638</u>	<u>\$ 17,076,570</u>

See notes to financial statements.

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

**Terrebonne Parish Library**

For the year ended December 31, 2021

<b>Net Change in Fund Balances - Governmental Fund</b>	\$ 9,134,247
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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	\$ 893,097	
Depreciation expense	<u>(1,103,511)</u>	(210,414)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Bond proceeds	(6,000,000)	
Premiums on bonds issued	<u>(1,261,254)</u>	(7,261,254)

Some expenditures 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.

Amortization of bond premium	82,619	
Increase in other postemployment benefit obligations	(26,106)	
Accrued interest payable	(108,610)	
Increase in compensated absences	(3,001)	
Pension expense	<u>127,985</u>	<u>72,887</u>

<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 1,735,466</u></b>
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See notes to financial statements.

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

**Terrebonne Parish Library**

For the year ended December 31, 2021

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Favorable (Unfavorable)
<b>Revenues</b>			
Taxes - sales and use	\$ 5,450,000	\$ 5,946,961	\$ 847,255
Charges for services	50,000	25,000	6,302
Fines and forfeitures	18,000	10,000	(2,271)
Grants	1,000	57,250	(5,298)
Miscellaneous:			
Investment income	100	100	(77)
Other	10,000	7,261	2,556
Total revenues	<u>5,529,100</u>	<u>6,046,572</u>	<u>848,467</u>
<b>Expenditures</b>			
Current:			
Culture and recreation:			
Personal services	3,191,770	3,191,770	122,220
Supplies and materials	134,000	86,613	47,387
Other services and charges	829,955	663,928	124,711
Repairs and maintenance	233,350	244,891	171,809
Total culture and recreation	<u>4,389,075</u>	<u>4,531,109</u>	<u>466,127</u>
Capital outlay	<u>688,700</u>	<u>856,074</u>	<u>(27,371)</u>
Total expenditures	<u>5,077,775</u>	<u>5,387,183</u>	<u>438,756</u>
Excess of revenues over expenditures	451,325	659,389	1,287,223
<b>Other Financing Sources (Uses)</b>			
Insurance proceeds	-	93,683	93,683
Operating transfers out	-	(318,415)	(318,430)
			(15)
<b>Excess of Revenues Over Expenditures and Other Financing Uses</b>			
	451,325	434,657	1,287,208
<b>Fund Balance</b>			
Beginning of year	<u>779,962</u>	<u>2,138,354</u>	<u>2,138,354</u>
End of year	<u>\$ 1,231,287</u>	<u>\$ 2,573,011</u>	<u>\$ 3,860,219</u>
			<u>\$ 1,287,208</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Library**

December 31, 2021

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

The accounting policies of Terrebonne Parish Library (the "Library") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a. Reporting Entity**

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

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

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Library and the potential component unit.
4. Imposition of will by the Library on the potential component unit.
5. Financial benefit/burden relationship between the Library and the potential component unit.

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

**a. Reporting Entity (Continued)**

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

**b. Basis of Presentation**

The Library's financial statements consist of the government-wide statements on all activities of the Library and the governmental fund financial statements (individual major funds).

**Government-Wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Library. As a general rule, the effect of interfund activity has been removed from these statements. 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 of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**Fund Financial Statements:**

Emphasis in the fund financial statements is on the major funds in governmental categories. The daily accounts and operations of the Library are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the Library:

**General Fund** - The General Fund is the general operating fund of the Library. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

**Capital Projects Fund** - The Capital Projects Fund accounts for debt proceeds that are legally restricted to expenditures for operating, maintaining, acquiring, improving, and constructing public libraries in the Parish, including the purchase of the necessary equipment and furnishings.

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

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

**Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal, interest, and related costs. The Debt Service Fund is reported as a major fund.

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

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

**Government-Wide Financial Statements:**

The 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.

**Fund Financial Statements:**

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Sales taxes are considered "measurable" when in the hands of merchants and are recognized as revenue at that time. Charges for services are recorded when earned since they are measurable and available. Fines, forfeitures, and miscellaneous revenues are recorded as revenues when received in cash by the Library because they are generally not measurable until actually received. Grant revenues are recognized at the time the Library is entitled to the funds.

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d. Use of Estimates**

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

**e. Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Control (the "Board") adopted a budget for the Library's General Fund. Public hearings and advertisements were conducted. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The Library amended its budget three times during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

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

The General Fund budget presentation is included in the financial statements.

**f. Accounts Receivable**

The financial statements for the Library contain no allowance for uncollectible accounts. Uncollectible amounts due for sales and use taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

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

**g. Investments**

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met.

Some of the Library's monies are held and invested by the Parish. Investments during the year consisted of LAMP, which is reported as cash equivalents.

**h. Capital Assets**

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

**Government-Wide Financial Statements:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets, except for the library collection, purchased or acquired with an original cost of \$500 or more, are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Donated capital assets with estimated historical costs amounted to \$356,745 or .97% of total capital assets. All items included in the library collections are capitalized and valued at historical cost. Library collection items disposed of are accounted for at 100% of the average cost of the item.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings	10 - 40 years
Office furniture, fixtures, and equipment	3 - 5 years
Library collection	4 - 5 years

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

**h. Capital Assets (Continued)**

**Fund Financial Statements:**

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

**i. Deferred Outflows of Resources**

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) expenditure until then. The Library has deferred outflows of resources related to debt refunding, other postemployment benefits, and pensions.

**j. Long-Term Debt**

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or governmental fund financial statements.

**Government-Wide Financial Statements:**

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of public library sales tax revenue bonds and other net postemployment benefit (OPEB) obligations and the net pension liability.

**Fund Financial Statements:**

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

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

**k. Accumulated Vacation and Sick Leave**

Full-time employees are granted between 10 and 20 days of vacation each calendar year, depending on their length of employment and position. Vacation time does not vest. Any unused vacation time remaining as of December 31 is forfeited, however with the director's approval, vacation time can be carried to the next year, not to exceed 20 days. Sick leave is granted to full-time employees at a rate of 10 days per year. Each full-time employee accrues sick leave at a rate of 1.54 hours per each 40 hours worked. Sick leave that is not used may be accumulated. Upon retirement, an employee will remain on the payroll until the accumulated sick leave is exhausted, at which time the employee will begin receiving retirement benefits from the retirement system.

**l. Other Postemployment Benefits**

GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employee's retirement. The Library has recorded liabilities for postemployment health care benefits as of December 31, 2021.

In the government-wide financial statements the other postemployment benefits liability is recorded as long-term obligations.

In the governmental fund type fund financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

**m. Pensions**

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

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

**n. Deferred Inflows of Resources**

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Statement of Net Position reports deferred inflows of resources related to other postemployment benefits and pensions.

**o. Interfund Transfers**

In the fund financial statements interfund activity is reported as interfund loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate.

Permanent reallocations of resources between funds of the Library are classified as interfund transfers. In other words, transfers are not expected to be repaid. For the purposes of the government-wide financial statements, all interfund loans and transfers between individual governmental funds have been eliminated.

**p. Equity**

**Government-Wide Statements**

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

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

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

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

**p. Equity (Continued)**

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Library's Board of Control. Commitments may be established, modified, or rescinded only through resolutions approved by the Library's Board of Control.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assigned amounts may be established, modified, or rescinded by a majority vote of the Library's Board of Control.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the Library considers an expenditure to be made from the most restrictive first when more than one classification is available. The Library's fund balance was classified as restricted and unassigned as of December 31, 2021.

**q. New GASB Statements**

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

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are

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

**q. New GASB Statements (Continued)**

superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. This Statement did not affect the Library's financial statements.

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

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

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

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments'

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

**q. New GASB Statements (Continued)**

leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

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

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

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

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

**q. New GASB Statements (Continued)**

(2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

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

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

**q. New GASB Statements (Continued)**

for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

**r. Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through September 2, 2022, which is the date the financial statements were available to be issued.

**Note 2 - DEPOSITS AND INVESTMENTS**

Some of the Library's monies are held in a cash and investment pool maintained by the Parish and available for use by all funds. The Library's portion of this pool is included on the Statement of Net Position and Governmental Fund Balance Sheet as "cash and cash equivalents and investments" as of December 31, 2021.

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

**Deposits**

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

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

**Deposits (Deposits)**

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 10,277,162</u>	<u>\$ 10,176,506</u>

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library has a written policy for custodial credit risk which is similar to state law. As of December 31, 2021, \$9,941,149 of the Library's bank balance of \$10,277,162 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the depositor's name by state statute. The Parish maintains pledging to cover funds held and invested for the Library.

As of December 31, 2021, cash in excess of FDIC insurance were adequately collateralized, under state law, by securities held by unaffiliated banks for the account of the Library or the Parish. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, 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 depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Exhibit F**  
**(Continued)**

**Note 3 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Deletions and Adjustments	Balance December 31, 2021
<b>Capital assets not being depreciated:</b>				
Land	\$ 107,267	\$ 201,623	\$ -	\$ 308,890
Construction in progress	36,070	9,652	(36,070)	9,652
<b>Total capital assets not being depreciated</b>	<b>143,337</b>	<b>211,275</b>	<b>(36,070)</b>	<b>318,542</b>
<b>Capital assets being depreciated:</b>				
Buildings	26,273,926	336,929	-	26,610,855
Office furniture, fixtures, and equipment	1,520,307	48,280	(437,457)	1,131,130
Library collection	9,078,713	332,683	(717,286)	8,694,110
<b>Total capital assets being depreciated</b>	<b>36,872,946</b>	<b>717,892</b>	<b>(1,154,743)</b>	<b>36,436,095</b>
<b>Less accumulated depreciation for:</b>				
Buildings	(10,258,231)	(670,353)	-	(10,928,584)
Office furniture, fixtures, and equipment	(1,283,374)	(68,201)	437,457	(914,118)
Library collection	(8,197,124)	(364,957)	717,286	(7,844,795)
<b>Total accumulated depreciation</b>	<b>(19,738,729)</b>	<b>(1,103,511)</b>	<b>1,154,743</b>	<b>(19,687,497)</b>
<b>Total capital assets being depreciated, net</b>	<b>17,134,217</b>	<b>(385,619)</b>	<b>-</b>	<b>16,748,598</b>
<b>Total capital assets, net</b>	<b>\$ 17,277,554</b>	<b>\$ (174,344)</b>	<b>\$ (36,070)</b>	<b>\$ 17,067,140</b>

**Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenditures as of December 31, 2021 consisted of the following:

	General Fund	Accrued Interest	Government- Wide Totals
Vendors	\$ 140,835	\$ -	\$ 140,835
Salaries and benefits	32,130	-	32,130
Interest to bondholders	-	108,610	108,610
<b>Totals</b>	<b>\$ 172,965</b>	<b>\$ 108,610</b>	<b>\$ 281,575</b>

**Note 5 - LONG-TERM OBLIGATIONS**

**Issuance of Bonds**

On July 29, 2021, the Library issued \$6,000,000 of Public Library Sales Tax Bonds, Series 2021 with an average yield of .905%. The net proceeds of \$7,261,254 (includes bond premium of \$1,261,254 and \$157,650 of bond issuance costs) were issued for the purpose of operating, maintaining, acquiring, improving, and constructing public libraries in the Parish, including the purchase of the necessary equipment and furnishings. The bonds bear interest ranging between 1.00% and 5.00% and are payable through August 1, 2031 primarily from special parish-wide one-fourth of one percent sales and use tax.

The following is a summary of changes in the long-term obligations of the Library for the year ended December 31, 2021:

	Payable January 1, 2021	Obligations		Payable December 31, 2021	Due Within One Year
	Retired	Generated			
Sales tax bonds	\$ -	\$ -	\$6,000,000	\$ 6,000,000	\$ 505,000
Unamortized bond premium	- (82,619)	1,261,254	1,178,635	191,486	
Compensated absences	279,191	-	3,001	282,192	-
Other postemployment benefits	3,654,158	-	78,661	3,732,819	-
<b>Totals</b>	<b>\$3,933,349</b>	<b>\$(82,619)</b>	<b>\$7,342,916</b>	<b>\$11,193,646</b>	<b>\$ 696,486</b>

Compensated absences are described in Note 1k. See Note 6 for further explanation of the other postemployment benefit (OPEB) obligation and Note 7 for the net pension asset.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2021 are as follows:

Year Ending December 31,	Principal	Interest	Totals
2022	\$ 505,000	\$ 259,232	\$ 764,232
2023	525,000	242,650	767,650
2024	540,000	226,900	766,900
2025	545,000	221,500	766,500
2026	570,000	194,250	764,250
2027 - 2031	<u>3,315,000</u>	<u>513,500</u>	<u>3,828,500</u>
<b>Totals</b>	<b><u>\$6,000,000</u></b>	<b><u>\$ 1,658,032</u></b>	<b><u>\$7,658,032</u></b>

**Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The Parish administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the payment of medical, dental, and life insurance premiums for eligible employees, retirees and their dependents as approved by the Terrebonne Parish Council. Louisiana Revised Statute 33:5161 grants the authority to establish and amend the benefit terms and financing requirements to the Terrebonne Parish Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Eligible retirees can continue their health coverage by an election at retirement. Retirees are not eligible to rejoin at any other time. For employees retiring before January 1, 2005 the Library funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

Library employees hired prior to January 1, 2013 and any such employee having at least ten years of permanent, full-time creditable service with the Library shall be eligible to continue participation, provided they have participated in the Plan for the immediate five continuous years prior to retirement, in group medical insurance coverage under the following vesting schedule: 1 to 15 years of service, 2.75% per year; 16 to 20 years of service, 3.75% per year; and 21 to 30 years of service, 4% per year. The parish will pay up to 80% of the group insurance premium or the maximum percentage of premium paid for active employees; whichever is lesser. For all other employees hired on or after January 1, 2013 and who are members of the Parochial Employees Retirement System, post-retirement benefits shall only be available to eligible retiring employees with a minimum of thirty (30) years of service, who are at least fifty-five (55) years of age at retirement and participated in the Plan for the immediate five continuous years prior to retirement. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. A retiree is not allowed to participate in the Plan if not elected when offered such participation upon retirement.

**Employees Covered by Benefit Terms**

Inactive employees currently receiving benefit payments	12
Active employees	<u>43</u>
Total	<u>55</u>

The Department's total OPEB liability of \$3,732,819 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

**Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Funding Policy**

The Library fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2021 the Library paid \$79,858 for the retirees' current year premiums.

**Total OPEB Liability**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability as of December 31, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

<b>Measurement Date</b>	December 31, 2021
<b>Actuarial Valuation Date</b>	January 1, 2021
<b>Inflation</b>	2.50%
<b>Salary Increases, Including Inflation</b>	3.00%
<b>Discount Rate</b>	1.84%
<b>Healthcare Cost Trend Rates</b>	Medical - 6.00% in year one decreasing in decrements of 0.50% per year until 5.00% through year five.  Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five.

The discount rate was based on the December 31, 2021 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2020 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2020 for males or females, as appropriate.

**Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance as of December 31, 2020	<u>\$ 3,654,158</u>
Changes for the year:	
Service cost	84,797
Interest	73,413
Difference between expected and actual experience	(11,985)
Changes in assumptions and other inputs	41,547
Change in proportion	(13,428)
Benefit payments	<u>(95,683)</u>
Net changes	<u>78,661</u>
Balance as of December 31, 2021	<u>\$ 3,732,819</u>

**Sensitivity to Total OPEB Liability to Change in the Discount Rate**

The following presents the total OPEB liability of the Library, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1.00%	Current Discount Rate	1.00%
	Decrease <u>(0.84%)</u>	Rate <u>(1.84%)</u>	Increase <u>(2.84%)</u>
Total OPEB Liability	<u>\$ 4,489,981</u>	<u>\$ 3,732,819</u>	<u>\$ 3,141,208</u>

**Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate**

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	<u>\$ 3,045,402</u>	<u>\$ 3,732,819</u>	<u>\$ 4,661,034</u>

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

For the year ended December 31, 2021 the Library recognized OPEB expense of \$105,964. As of December 31, 2021, the Library reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 55,302	\$(345,160)
Change in assumptions	362,980	(312,583)
Change in proportion	<u>71,276</u>	<u>(180,292)</u>
Totals	<u>\$489,558</u>	<u>\$(838,035)</u>

**Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (49,995)
2023	(72,848)
2024	(226,146)
2025	<u>512</u>
Total	<u><u>\$ (348,477)</u></u>

**Note 7 - DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The Library contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

**Benefits Provided.** The System provides retirement, deferred retirement, disability, and death benefits. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service.

**Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The monthly service retirement allowances the employee would have received had the person elected to terminate is paid into the DROP Fund. The election to participate in DROP is irrevocable once participation begins. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity, or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who become disabled may receive benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service, compensation, and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

**Contributions.** According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2020, the actuarial employer contribution rate was 7.39% of member's compensation. However, the actual contribution rate for the fiscal years ending December 31, 2021 and 2020 was 7.50%.

According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the Library were \$143,868 for the year ended December 31, 2021.

**Net Pension Asset.** As of December 31, 2021, the Library reported an asset of \$433,701 for its proportionate share of the System's net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2020, the Library's proportion was 1.6894%, which was an increase of 0.1397% from its proportion measured as of December 31, 2019.

**Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Pension Expense.** For the year ended December 31, 2021, the Library recognized pension expense of (\$15,883).

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** As of December 31, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 27,343	\$ (12,313)
Net difference between projected and actual earnings on pension plan investments	-	(492,412)
Change in assumptions	74,056	-
Changes in proportionate share	1,080	(1,092)
Contributions subsequent to the measurement date	<u>143,868</u>	<u>-</u>
	<u><u>\$246,347</u></u>	<u><u>\$(505,817)</u></u>

The Library reported \$143,868 as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For The Year Ending December 31,</u>	<u>Amount</u>
2022	\$(124,026)
2023	(27,781)
2024	(165,435)
2025	<u>(86,096)</u>
Total	<u><u>\$(403,338)</u></u>

**Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

<b>Valuation Date</b>	December 31, 2020
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	4 years
<b>Investment Rate of Return</b>	6.40%, net investment expense, including inflation
<b>Projected Salary Increases</b>	4.25% (2.30% inflation, 1.95% merit)
<b>Inflation Rate</b>	2.30%
<b>Mortality Rates</b>	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disables Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing method (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.

**Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)**

These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% as of the measurement date, December 31, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.00%	0.86%
Equity	51.00%	3.36%
Alternatives	14.00%	0.67%
Real assets	<u>2.00%</u>	<u>0.11%</u>
Totals	<u>100.00%</u>	5.00%
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Rate		<u>7.00%</u>

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

**Sensitivity of the Library's Proportionate Share of the Collective Net Pension (Liability) Assets to Changes in the Discount Rate.** The following presents the Library's proportionate share of the collective net pension liability asset using the discount rate of 6.40%, as well as what the Library's proportionate share of the net pension (liability) 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:

**Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)**

	1.00% Decrease <u>(5.40%)</u>	Current Discount Rate <u>(6.40%)</u>	1.00% Increase <u>(7.40%)</u>
Library's proportionate share of the net pension liability (asset)	<u>\$405,451</u>	<u>(\$433,701)</u>	<u>(\$1,134,925)</u>

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

**Note 8 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Library carries commercial insurance and also participates in the Parish's risk management program for general liability, property insurance, workers' compensation and group health insurance. No settlements were made during the year that exceeded the Library's insurance coverage. The Library pays monthly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure, and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$10,000,000
Property Insurance	\$65,000,000
Workers' Compensation	Statutory

Coverage for general liability and property claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,038,046 as of December 31, 2020, then secondly by the Library.

**Note 8 - RISK MANAGEMENT (Continued)**

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2020 was \$16,149,813. Insurance contracts cover the excess liability on individual claims. Covered employees are subject to a lifetime maximum claims limit. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$4,089,382 as of December 31, 2020, then secondly by the Library.

Worker's compensation claims in excess of \$600,000 are covered under an insurance contact for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2021, the Library had no claims in excess of the above coverage limits.

Total premiums paid to the Parish for insurance coverage during the year ended December 31, 2021 totaled \$768,450.

**Note 9 - COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members for the year ended December 31, 2021.

**Note 10 - HURRICANE IDA**

On August 29, 2021, Hurricane Ida made landfall in South Louisiana causing widespread damage. The Library sustained significant wind damage to various buildings, infrastructure, and equipment. The Library is covered under the Parish which has an insurance policy and is also receiving money from Federal Emergency Management Agency (FEMA) for disaster recovery. As of September 2, 2022, the extent of the costs of repairs and/or construction to the Library's property is unknown as are the total amounts to be received from FEMA and insurance recoveries.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS**

**Terrebonne Parish Library**

For the four years ended December 31, 2021

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 84,797	\$ 107,415	\$ 73,085	\$ 163,227
Interest	73,413	123,809	99,623	237,839
Changes of benefit terms	-	-	-	(3,565,525)
Difference between expected and actual experience	(11,985)	(542,166)	146,339	(35,274)
Changes in assumptions or other inputs	41,547	(390,008)	872,556	(246,116)
Change in proportion	(13,428)	(211,206)	90,546	-
Benefit payments	(95,683)	(116,543)	(126,207)	(98,940)
<b>Net Change in Total OPEB Liability</b>	<b>78,661</b>	<b>(1,028,699)</b>	<b>1,155,942</b>	<b>(3,544,789)</b>
Beginning of year	<u>3,654,158</u>	<u>4,682,857</u>	<u>3,526,915</u>	<u>7,071,704</u>
End of year	<u><b>\$ 3,732,819</b></u>	<u><b>\$ 3,654,158</b></u>	<u><b>\$ 4,682,857</b></u>	<u><b>\$ 3,526,915</b></u>
<b>Covered Employee Payroll</b>	<b><u>\$ 2,205,404</u></b>	<b><u>\$ 2,313,589</u></b>	<b><u>\$ 2,157,854</u></b>	<b><u>\$ 2,045,760</u></b>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b><u>169.26%</u></b>	<b><u>157.94%</u></b>	<b><u>217.01%</u></b>	<b><u>172.40%</u></b>
<b>Notes to Schedule:</b>				
Changes of benefit terms:				
Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.				
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period.	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>

The schedule is provided beginning with the Library's year end December 31, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**Schedule 2****SCHEDULE OF THE LIBRARY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY (ASSET)****Terrebonne Parish Library**

For the seven years ended December 31, 2021

	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability	<u>1.6894%</u>	<u>1.5497%</u>	<u>1.6752%</u>	<u>1.7430%</u>	<u>1.8666%</u>	<u>1.9347%</u>	<u>1.9521%</u>
Library's proportionate share of the net pension (asset) liability	<u>(\$433,701)</u>	<u>(\$112,118)</u>	<u>\$452,577</u>	<u>(\$219,313)</u>	<u>\$242,485</u>	<u>\$344,460</u>	<u>\$152,206</u>
Library's covered payroll	<u>\$1,858,879</u>	<u>\$ 1,828,357</u>	<u>\$1,786,071</u>	<u>\$1,844,445</u>	<u>\$1,910,836</u>	<u>\$1,892,050</u>	<u>\$1,764,026</u>
Library's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>-23.331%</u>	<u>-6.132%</u>	<u>25.339%</u>	<u>-11.890%</u>	<u>12.690%</u>	<u>18.206%</u>	<u>8.628%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>106.76%</u>	<u>102.05%</u>	<u>91.93%</u>	<u>104.02%</u>	<u>95.50%</u>	<u>93.48%</u>	<u>99.89%</u>

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

**Schedule 3****SCHEDULE OF LIBRARY CONTRIBUTIONS****Terrebonne Parish Library**

For the seven years ended December 31, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 143,868	\$ 139,416	\$ 137,127	\$ 133,955	\$ 147,556	\$ 152,867	\$ 170,285
Contributions in relation to the contractually required contribution	(143,868)	(139,416)	(137,127)	(133,955)	(147,556)	(152,867)	(170,285)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's covered payroll	<u>\$ 1,918,237</u>	<u>\$ 1,858,879</u>	<u>\$ 1,828,357</u>	<u>\$ 1,786,071</u>	<u>\$ 1,844,445</u>	<u>\$ 1,910,836</u>	<u>\$ 1,892,050</u>
Contributions as a percentage of covered-employee payroll	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>9.00%</u>

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

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Parish Library**

For the year ended December 31, 2021

**Agency Head Name:** Mary Cosper LeBoeuf, Director

<b>Purpose</b>	
Salary	\$ 112,965
Benefits - insurance	25,022
Benefits - retirement	8,811
Benefits - other	712
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	410
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchedered expenses	-
Special meals	<u>147</u>
	<u><u>\$ 148,067</u></u>

Note:

Mary Cosper LeBoeuf is the Director for the Terrebonne Parish Library.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Control,  
Terrebonne Parish Library,  
Houma, 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 each major fund of Terrebonne Parish Library (the "Library"), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Library's financial statements and have issued our report thereon dated September 2, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 Library's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." The signature is fluid and cursive, with "Bourgeois" on the top line and "Bennett, L.L.C." on the bottom line.

Certified Public Accountants.

Houma, Louisiana,  
September 2, 2022.

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Terrebonne Parish Library**

For the year ended December 31, 2021

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

##### a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  No

##### b) Federal Awards

Terrebonne Parish Library did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

No financial statement findings were noted during the audit of the financial statements for the year ended December 31, 2021.

#### **Section III - Federal Award Findings and Questioned Costs**

Not applicable.

**REPORTS BY MANAGEMENT**

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

### **Terrebonne Parish Library**

For the year ended December 31, 2021

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

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

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

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

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

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2020.

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

Terrebonne Parish Library did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

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

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

### **Terrebonne Parish Library**

For the year ended December 31, 2021

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

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

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

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

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

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

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

Terrebonne Parish Library did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

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

**STATEWIDE AGREED-UPON PROCEDURES**

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

To the Board of Control,  
Terrebonne Parish Library,  
Houma, Louisiana.

We have performed the procedures described in Schedule 5 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. Terrebonne 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 the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 5.

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

We are required to be independent of the Library and to meet out 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 Statue 24:513, this report is distributed by the LLA as a public document.

*Bourgeois Bennett, LLC.*

Certified Public Accountants

Houma, Louisiana,  
September 2, 2022.

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

**Terrebonne Parish Library**

For the year ended December 31, 2021

The required procedures and our findings are as follows:

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

1. Obtain and inspect the Library's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Library's operations:
  - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.  
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted
  - c) Disbursements, including processing, reviewing, and approving.  
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.

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

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - Performance: Obtained and read the written policy for payroll and personnel.
  - Exceptions: The payroll/personnel policy does not include the approval process for employee rate of pay or approval maintenance of pay rate schedules in the policy.
- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - Performance: Obtained and read the policy for contracting.
  - Exceptions: The contracting policy does not include a requirement for the legal review of contracts.
- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
  - Exceptions: There were no exceptions noted.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
  - Exceptions: There were no exceptions noted.
- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Library's ethics policy.
  - Performance: Inquired of management regarding the Library's ethics policy.
  - Exceptions: The ethics policy does not include the requirement of employees to annually attest through signature verification that they have ready the Library's ethics policy.
- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - Performance: Obtained and read the written debt service policy and found it to address all the functions listed above.
  - Exceptions: There were no exceptions noted.

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

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

Performance: Inquired of management regarding the Library's information technology disaster recovery/business continuity.

Exceptions: There were exceptions noted. The Library did not have the policy during the fiscal period.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Performance: Obtained and read the written minutes of the Board meetings. The Board is met with a quorum every other month.

Exceptions: There were no exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Obtained and read the written minutes of all Board meetings.

Exceptions: The minutes do not reference budget-to-actual comparisons.

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

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least 1 meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Obtained the prior year's audit report and observed the unrestricted fund balance in the General Fund. The General Fund did not have a negative ending unrestricted fund balance.

Exceptions: There were no exceptions noted.

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

3. Obtain a listing of the Library's bank accounts from management and management's representation that the listing is complete. Ask management to identify the Library's main operating account. Select the Library's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select 1 month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Exceptions: There were no exceptions noted.

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

Performance: Observed that bank reconciliations were prepared within 2 months of the related statement closing date.

Exceptions: There were no exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not manage cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Observed that a member of management or a board member reviewed each bank reconciliation.

Exceptions: There were no exceptions noted.

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

Performance: Inspected documents for items outstanding more than 12 months.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select 1 collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of management, and observed employees do not share cash drawers.

Exceptions: There were exceptions noted. At each Library, the Children's department shares cash bags.

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

Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash are not responsible for making deposits.

Exceptions: There were no exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

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

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

Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

7. Randomly select 2 deposit dates for each of the Library's 5 bank accounts selected for procedures #3 under "Procedures Performed on the Library's Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the 10 deposits selected and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that sequentially pre-numbered receipts are not needed.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit ticket, deposit receipt, and bank interest receipt.

Exceptions: There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

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

- d) Observe that the deposit was made within 1 business day of receipt at the collection location (within 1 week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and cash is stored securely in a locked safe or drawer).

Performance: Observed that the deposits tested were made within 1 business day of receipt or within 1 week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and cash is stored securely in a locked safe or drawer.

Exceptions: There were no exceptions noted.

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

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained a listing of locations that process payments and received management's representation that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Library has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and received management's representation that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.

- a) At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

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

- b) At least 2 employees are involved in processing and approving payments to vendors.
    - Performance: Obtained a listing of locations that process and approve payments for the fiscal period from management. Observed at least 2 employees are involved.
    - Exceptions: There were no exceptions noted.
  - c) The employees responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
    - Performance: Obtained a listing of employees involved in processing payments to vendors.
    - Observed if any employees involved are adding/modifying vendor files.
    - Exceptions: There were no exceptions noted.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
    - Performance: Obtained a listing of employees involved with signing and mailing checks.
    - Exceptions: There were no exceptions noted.
10. For each location selected under #8 above, obtain the Library's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- Performance: Obtained the Library's non-payroll disbursement transaction population and management's representation that the listing is complete in a separate letter.
  - Exceptions: There were no exceptions noted.
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Library.
    - Performance: Observed the 5 disbursements matched the related original invoice/billing statements.
    - Exceptions: There were no exceptions noted.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
    - Performance: Observed the 5 disbursements included evidence of segregation of duties.
    - Exceptions: There were no exceptions noted.

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

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

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards and P-card, and received management's representation that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.

12. Using the listing prepared by management, select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select 1 monthly statement or combined statement for each card (for a debit card, select 1 monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were exceptions noted. The Library Director approved all monthly statements, including her own.

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

Performance: Observed finance charges and late fees were not assessed on the selected statements.

Exceptions: There were exceptions noted. There was 1 card that was assessed a \$15 late fee.

13. Using the monthly statement or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Performance: Observed the June and July 2021 statement of all active credit cards, bank debit cards, fuel cards and P-cards for the fiscal period and observed the transactions were supported by original itemized receipts that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

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

- 2) Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were 3 receipts that did not have written documentation of the business/public purpose.

- 3) Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed documentation of individuals participating in the meals.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Library's Travel and Travel-Related Expense Reimbursements:**

14. Obtain from management a listing of all travel and related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained general ledger for travel and expense reimbursements and obtained management's representation that the listing is complete. No travel related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Performance: No travel related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

Performance: No travel related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Performance: No travel related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

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

Performance: No travel related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained a listing of contracts in effect during the fiscal year from management and received management's representation that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.

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

Performance: Inspected supporting contract documentation and inquired of client about any contracts subject to Louisiana Public Bid Law. None of the contracts were subject to Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

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

Performance: Per the Library's policy, the contracts selected were not required to be approved by the Library's Board of Control.

Exceptions: There were no exceptions noted.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Performance: Observed the contracts selected were not amended.

Exceptions: There were no exceptions noted.

- d) Randomly select 1 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.

Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoiced to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

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

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. 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.

Performance: Obtained the listing of employees with their related salaries from management and received management's representation that the listing is complete in a separate letter.

Selected 5 employees and agreed paid salaries to authorized salaries/pay rate per the personnel files.

Exceptions: There were no exceptions noted.

17. Randomly select 1 pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Performance: Selected 1 pay period to test leave taken during that period. Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employees.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected and agreed the rate paid to employees to the pay rate in the personnel files.

Exceptions: There were no exceptions noted.

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

18. Obtain from management 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 2 employees or officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations, agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees'/officials' pay rates in the employees' or officials' personnel files.

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management and received management's representation in a separate letter that the listing is complete. The hours used in management's termination payment calculations were agreed to cumulative leave records and the pay rates agreed to authorized pay rates in the personnel files.

Exceptions: There were no exceptions noted.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines. Obtained management's representation that employer and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

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

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

- a) Observe that the documentation demonstrates each employee or official completed 1 hour of ethics training during the fiscal period.

Performance: Observed the ethics course completion certificates for the 5 employees tested.

Exceptions: There were no exceptions noted.

- b) Observe that the documentation demonstrates each employee or official attested through signature verification that he or she has read the Library's ethics policy during the fiscal period.

Performance: Observed the documentation demonstrating the employees agree to the ethics training and policy. There were no changes to the ethics policy.

Exceptions: There were no exceptions noted.

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

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtain for each bond/note issued.

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period.

Exceptions: There were no exceptions noted.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select 1 bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Performance: Inquired of management regarding a listing of bonds/notes outstanding at the end of the fiscal period and read the bond covenants.

Exceptions: There were no exceptions noted.

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

23. Obtain a listing of misappropriations of public funds or assets during the fiscal period, and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Library reported the misappropriation(s) to the legislative auditor and the district attorney of the Parish in which the Library is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

24. Observe that the Library has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

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

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

- a) Obtain and inspect the Library's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Performance: We performed the procedures and discussed the results with management.

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

Performance: We performed the procedures and discussed the results with management.

- c) Obtain a listing of the Library's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedures and discussed the results with management.

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

26. Using the 5 randomly selected employees/officials from procedure #16 under "Procedures Performed on the Library's Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least 1 hour of sexual harassment training during the calendar year.

Performance: Examined personnel files and sexual harassment training documentation for the 5 employees tested.

Exceptions: There were no exceptions noted.

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

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

Performance: Inquired of management regarding posting the sexual harassment policy and complaint procedure on its website.

Exceptions: The sexual harassment policy and complaint procedures were not posted on the Library's website.

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

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

Performance: Inquired of management regarding the Library's annual sexual harassment report for the fiscal period.

Exceptions: There were no reports filed during the fiscal period.

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

Performance: Inquired of management regarding the Library's annual sexual harassment report for the fiscal period.

Exceptions: There were no reports filed during the fiscal period.

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

Performance: Inquired of management regarding the Library's annual sexual harassment report for the fiscal period.

Exceptions: There were no reports filed during the fiscal period.

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

Performance: Inquired of management regarding the Library's annual sexual harassment report for the fiscal period.

Exceptions: There were no reports filed during the fiscal period.

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

Performance: Inquired of management regarding the Library's annual sexual harassment report for the fiscal period.

Exceptions: There were no reports filed during the fiscal period.

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

- 1e) Management will consider adding the required provision to the existing payroll/personnel policy.
- 1f) Management will consider adding the required provision to the existing contracting policy.
- 1i) Management will consider adding the required provision to the existing ethics policy.
- 1k) Management will consider drafting an information technology disaster recovery/business continuity policy.
- 2b) Management will consider including/referencing budget-to-actual comparisons in their meeting minutes.
- 5a) Management will consider giving each employee in the Children's department their own cash bag.
- 12a) Management will consider improving controls to ensure that an employee is not approving their own credit card statements.
- 12b) Management will make an effort to pay the credit card bill timely to avoid late fees.
- 13a2) Management will make an effort to ensure the business/public purpose of each credit card purchase is documented.
- 27) Management will consider posting the sexual harassment policy on the Library's website.
- 28a-e) Management will consider preparing and submit the annual sexual harassment report containing the applicable requirements of R.S. 42:344 on or before the February 1 deadline next year.