JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2025

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Mike B. Gillespie

Certified Public Accountant

A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA
Eric C. Gillespie, CPA

414 East Nezpique Street
P.O Box 1347
Jennings, LA 70546
Telephone (337) 824-7773
Fax: (337) 824-7774

INDEPENDENT AUDITOR'S REPORT

Board of Control
Jefferson Davis Parish Library
Jennings, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Library (Library), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund information of the Library, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, of 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 judgement 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 judgement 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension related information as listed in the table of contents, 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.

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

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 other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2026, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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 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 Library's internal control over financial reporting and compliance.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 12, 2026

BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH LIBRARY
Governmental Funds Balance Sheet / Statement of Net Position
December 31, 2025

Statement A

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	75,215	-	75,215
Investments	1,718,169	-	1,718,169
Receivables:			
Due from other governments:			
Property taxes	1,874,091	-	1,874,091
State revenue sharing	20,364	-	20,364
Prepaid Expenses	8,414	-	8,414
Capital and Right-to-use assets, net	-	4,268,998	4,268,998
Other Long-term assets			
Net Pension asset	-	65,926	65,926
Total Assets	3,696,253	4,334,924	8,031,177
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow amounts on pension	-	106,538	106,538
Total Deferred Outflows of Resources	-	106,538	106,538
LIABILITIES			
Accounts payable	52,384	-	52,384
Contracts payable	8,218	-	8,218
Payroll and related liabilities	53,948	-	53,948
Long-term liabilities:			
Due within one year:			
Lease liability	-	1,871	1,871
Compensated absences	-	10,497	10,497
Due in more than one year:			
Lease liability	-	177	177
Total Liabilities	114,550	12,545	127,095
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	1,900,321	-	1,900,321
Deferred state revenue sharing revenue	30,666	-	30,666
Deferred inflow amounts on pension	-	59,577	59,577
Total Deferred Inflows of Resources	1,930,987	59,577	1,990,564
FUND BALANCE			
Nonspendable-prepaid expense	8,414	(8,414)	-
Unassigned	1,642,302	(1,642,302)	-
Total Fund Balance	1,650,716	(1,650,716)	-
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	$ 3,696,253		
NET POSITION			
Investment in capital assets, net		4,266,950	4,266,950
Restricted-nonexpendable		8,414	8,414
Unrestricted		1,744,692	1,744,692
Total Net Position		$ 6,020,056	6,020,056

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2025 **Statement B**

Total Ending Fund Balances - Governmental Funds (Statement A)			$	1,650,716
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial				
Costs of capital assets	$	6,873,998		
Accumulated depreciation		(2,606,631)		
Costs of right-to-use assets		16,409		
Accumulated amortization		(14,778)		
				4,268,998
Net Pension Asset is not a financial resource and therefore is not reported in governmental funds.				
Net pension asset				65,926
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:				
Compensated absences payable	$	(10,497)		
Lease liability		(2,048)		
				(12,545)
Deferred outflow and inflow of resources associated with pension and retirement are not current financial resources or uses and therefore are not reported in the governmental funds.				
Deferred outflows-pension	$	106,538		
Deferred inflows-pension		(59,577)		46,961
Net Position			$	6,020,056

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2025

Statement C

		General Fund	Adjustments	Statement of Activities
EXPENDITURES/ EXPENSES				
Current				
Culture and Recreation-Library Services:				
Salaries and related benefits	$	931,135	(20,145)	910,990
Operating services		391,736	-	391,736
Materials and supplies		88,130	-	88,130
Travel and other charges		8,678	-	8,678
Deduction from property taxes		53,512	-	53,512
Amortization expense		-	3,948	3,948
Depreciation expense		-	224,475	224,475
Debt service:				
Principal - lease		4,113	(4,113)	-
Interest		174	-	174
Capital outlay		586,712	(586,712)	-
Total Expenditures - Expenses		2,064,190	(382,547)	1,681,643
PROGRAM REVENUES				
Fees, fines and other charges for service		17,498	-	17,498
Operating grants and contributions		73,386	-	73,386
Total Program Revenues		90,884	-	90,884
Net Program Expenses				(1,590,759)
GENERAL REVENUES				
Property taxes, levied for general purposes		1,734,899	(6,838)	1,728,061
State revenue sharing		30,601	-	30,601
Interest earnings		102,841	-	102,841
Gain on the sale of capital assets		-	2,792	2,792
Miscellaneous		9,167	-	9,167
Total General Revenues		1,877,508	(4,046)	1,873,462
OTHER FINANCING SOURCES (USES)				
Gain on the sale of capital assets		2,792	(2,792)	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES		(93,006)	93,006	-
CHANGE IN NET POSITION		-	282,703	282,703
FUND BALANCE / NET POSITION:				
Beginning of the Year		1,743,722	3,993,631	5,737,353
End of the Year	$	1,650,716	4,369,340	6,020,056

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH LIBRARY
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025 **Statement D**

Total Net Change in Fund Balance - Governmental Funds (Statement C)		$	(93,006)
Amounts reported for governmental activities in the statement of activities are different because:			
In statement of activities pension expense is based on proportionate share computation based on changes in total net pension liability, and in governmental funds pension expense is measured by the amount of financial resources used (essentially employer contribution paid).			14,311
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:			
Depreciation expense	(224,475)		
Capital outlays	586,712		
Amortization expense	(3,948)		
			358,289
The net effect of various transaction involving capital assets (ie., dispositions and adjustments) is to decrease net position.			
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The net amount of these transactions for the current year were as follows			
Payments to lease liability	4,113		
			4,113
In the statement of activities, certain operating expenses - compensated absences (vacations and other absences) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid):			
Change in compensated absences payable			(1,004)
Change In Net Position of Governmental Activities		$	282,703

The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

The Jefferson Davis Parish Library (Library) was established by the parish governing authority under the provisions of Louisiana Revised Statute 25:211. The Library provides citizens of the parish access to library materials, books, magazines, records, and films. The Library is governed by a board of control that is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214 The members of the board of control serve without pay. The Library operates through four facilities in Jefferson Davis Parish. The main facility is in Jennings, and others are located in Elton, Welsh, and Lake Arthur. The library has approximately twenty employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34 *Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Jefferson Davis Parish Police Jury, which holds the Library's corporate powers For this reason, the Library is a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity

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

C. FUND ACCOUNTING

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Library functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the Library's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Library.

The following are the Library's governmental funds:

General Fund – the primary operating fund of the Library and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Library policy.

D. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and C are accounted for using a current financial resources measurement focus With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenue, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Library operations

The amounts reflected in the General Fund of Statements A and C use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recognized as revenue in the period for which they are levied, provided they are measurable and available. Accordingly, the 2025 property tax levy, which is intended to finance the Library's 2026 budget, will be recognized as revenue in 2026. The 2025 tax levy has been recorded as a deferred inflow of resources in the Library's 2025 financial statements.

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. Interest income represents amounts earned on deposits and investments with financial institutions. Interest earned is recorded when earned and available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for vacation leave, which is recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement C) display information about the Library as a whole. These statements include all the financial activities of the Library. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.*

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement C) are derived directly from Library users as a fee for services; program revenues reduce the cost of the function to be financed from the Library's general revenues.

E. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. The Library does not have a formal investment policy, but does adhere to State laws regarding allowable investments.

State statutes authorize the Library to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool

The Library participates in the LAMP which is an external investment pool that is not SEC-registered. Because LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

Investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company

An annual audit of LAMP is conducted by an independent by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc. 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

F. ACCOUNTS RECEIVABLE

The financial statements for the Library contain an allowance for uncollectible accounts of \$25,030. Uncollectible amounts for ad valorem taxes are estimated and recognized as bad debts based on historical trends and amounts for other receivables are recognized at the time information becomes available which would indicate the collectability of the particular receivable.

G. PREPAID EXPENSES

Prepaid items are recorded as assets on the balance sheet and statement of net position. The Library uses the consumption method to recognize these items as expenses in the period in which the service applies or the goods are utilized.

H. CAPITAL ASSETS

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.

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets, except the library collections, purchased or acquired with an original cost of \$1,000 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. The library collection is 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 is expensed as incurred.

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

Buildings and building improvements	40 years
Furniture and fixtures	5 – 12 years
Vehicles	5 years
Library Collections	7 years

Amortization of the right-to-use leased assets is computed by the straight-line method over the estimated contract period.

I. NON-CURRENT LIABILITIES

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Fund Financial Statements

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements

Government-wide Financial Statements

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligation consists of net pension liability.

J. COMPENSATED ABSENCES

Full-time and part-time employees are eligible for annual leave after 90 days of employment. Temporary personnel shall not earn annual leave. Employees are eligible for annual leave according to the schedule below This schedule is based on calendar year, so new accrual rate begins January 1 following achievement of that Year of Service.

A. Employees working 40 hours per week

Years of Service	Annual Leave Accrual
0	If hired before Sept. 1, 40hrs (5 days). If hired after. 24hrs (3 days)
1	80hrs (10 days)
2	120hrs (15 days)
3+	160hrs (20 days)

B. Employees working less than 40 hours per week shall earn annual leave at a prorated amount based on the above schedule.

Holidays falling during the annual leave period are not counted as part of the annual leave allowance. No vacation hours are earned during an extended leave period. Employees requesting an extended leave of absence must use all earned annual leave before beginning extended leave of absence An employee may accrue and carry over up to 40 hours of yearly annual leave or the prorated equivalent. Upon resignation or termination, an employee will be paid for unused annual leave.

Sick leave with pay based on a 40 hour work week is allowed all employees. Employees working less than forty hours per week shall earn sick leave at a prorated amount as per the Jefferson Davis Parish Library Board of Control Salary Schedule. Temporary personnel shall not earn sick leave. One day of sick leave with pay is allowed all full time staff members per month after thirty days of employment. Staff members working less than eight (8) hours per day receive a proportionate amount of sick leave as per the Jefferson Davis Parish Library Board Salary Schedule. An employee may accrue up to 60 days of sick leave. Unused sick leave will be forfeited upon resignation or termination

Vacation and compensatory time that is expected to be liquidated with expendable available financial resources is reported as expenditures and a fund liability in the fund financial statements. The amount not expected to be paid with current resources is not reported in the fund financial statements. The entire compensated absence liability is reported in the government-wide financial statements.

K. PENSION/ RETIREMENT SYSTEM

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 (PERS), and additions to/deductions from PERSs' and fiduciary net position have been determined on the same basis as they are reported by PERS. PERS's fiduciary net position was determined using the accrual basis of accounting. 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.

L. DEFERRED OUTFLOW/ INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. All of the items that qualify for reporting in this category are related to pension amounts. See pension/ retirement footnote for further details of these items. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

In the current year, this separate financial statement element reflects an increase in net assets that applies to a future period. Deferred inflow of resources reported in the accompanying statements relate to property tax revenues and state revenue sharing revenues assessed in 2025, but levied to finance the Library's 2026 expenditures. The Library will not recognize the related revenues until 2026. Additionally, items related to pension amounts qualify for reporting in this category. See pension/ retirement footnote for further details of these items.

M. FUND EQUITY

Fund Financial Statements

Governmental funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance- This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance- These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the organization's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance- This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes but are neither restricted nor committed. The Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance- This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Library's policy to use restricted amounts first and then unrestricted amounts as they are needed For unrestricted amounts of fund balance, it is the Library's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Government-wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Equity on the government-wide financial statements is classified as net position and displayed in three categories:

Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by the balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – Consists of all other net position that does not meet the definition of the above two components and is available for general use by the Library.

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

N. USE OF ESTIMATES

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

2. LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide tax	5.66	5.66	2028

Property taxes are levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Jefferson Davis Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date which is usually in June. Properties for which taxes have not been paid are sold for the amount of the taxes. Taxes levied November 1, 2024 and the related state revenue sharing is for budgeted expenditures in 2025 and will be recognized as revenue in 2025

Taxes receivable at December 31, 2025, were $1,874,091 net of allowance for uncollectible taxes of $25,030.

3. DEPOSITS AND INVESTMENTS

Bank Deposits

The year end balances of deposits are as follows.

Deposit Type		Bank Balances		Reported Amount
Cash –on hand	$	-	$	630
Cash -demand deposits		73,851		74,585
Totals	$	73,851	$	75,215

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

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's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of December 31, 2025, the Library had deposits (collected bank balances) totaling $73,851. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the Library.

Investments

At December 31, 2025, the Library had the following investments and maturities.

Investment Type		Fair Value		Investment Maturities (in Years) Less Than 1
Louisiana Asset Management Pool (LAMP)	$	1,718,169	$	1,718,169
Totals	$	1,718,169	$	1,718,169

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

GASB Statement No. 40 *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 73 days as of December 31, 2025.
- Foreign currency risk: Not applicable in a 2a7 like pools.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130 or on its website at www.lamppool.com .

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is a follows.

	Balance Beginning	Additions	Dispositions/ Reclassifica-tions	Balance Ending
Capital assets not being depreciated:				
Land	$ 118,363	$ -	$ -	$ 118,363
Construction in progress	1,213,058	365,958	(1,454,937)	124,079
Total capital assets not being depreciated	1,331,421	365,958	(1,454,937)	242,442
Capital assets being depreciated:				
Buildings and improvements	3,289,378	7,345	1,454,937	4,751,660
Furniture and equipment	489,772	84,007	-	573,780
Vehicles	245,999	55,669	-	301,668
Software	7,200	-	-	7,200
Library collections	993,090	73,732	(69,574)	997,248
Total capital assets being depreciated	5,025,439	220,753	(69,574)	6,631,556
Less accumulated depreciation for				
Buildings and improvements	1,129,200	97,803		1,227,003
Furniture and equipment	369,762	44,038		413,800
Vehicles	191,067	15,302		206,369
Software	689	1,440		2,129
Library collections	761,012	65,892	(69,574)	757,330
Total accumulated depreciation	2,451,730	224,475	(69,574)	2,606,631
Total capital assets being depreciated, net	2,573,709	(3,722)	1,454,937	4,024,925
Right-to-use Lease Assets:				
Equipment	16,409	-	-	16,409
Total right-to-use leased assets	16,409	-	-	16,409
Less accumulated amortization for:				
Equipment	10,830	3,948	-	14,778
Total accumulated amortization	10,830	3,948	-	14,778
Total right-to-use leased Assets being amortized, net	5,579	(3,948)	-	1,631
Capital and Right-to-use lease assets, net	$ 3,910,709	358,288	-	4,268,998

5. PENSION PLAN

General Information about the Pension Plan

The employer pension schedules for the Parochial Employees' Retirement System of Louisiana (PERS) are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

PERS is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana. PERS issues a publicly available financial report that can be obtained at www.persla.org.

Plan Description and Eligibility Requirements
The Parochial Employees' Retirement System of Louisiana (PERS) is a cost-sharing multiple-employer defined benefit pension plan established by R.S. 11:1901 of the Louisiana Revised Statutes (Act 205 of the 1952 regular session of the Legislature of the State of Louisiana).

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

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

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

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Library only participates in Plan A, as of December 31, 2025.

Benefits Provided
The following is a description of the plan and its benefits and is provided for general informational purposes only. PERS provides normal retirement, survivor's benefits, deferred retirement option (DROP), and disability benefits. Participants should refer to the appropriate statutes for more complete information.

JEFFERSON DAVIS PARISH LIBRARY
NOTES TO THE BASIC FINANCIAL STATEMENTS

Retirement Benefits:

A. Normal Retirement

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2% of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

B. Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

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

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

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

C. Deferred Retirement Option Plan

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

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

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

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

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

D. Disability Benefits

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

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

Cost of Living Increases

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

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2025, the actuarially determined contribution rate was 7.34% of member's compensation for Plan A and 5.50% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2025, was 11.00% for Plan A and 7.00% for Plan B.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. The Library recognized $13,684 of non-employer contributions.

The Library's contractually required employer contribution rate for the year ended December 31, 2025 was 11.00% of annual covered wages. Employer contributions to the pension plan from the Library were $63,444 for the year ended December 31, 2025.

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

At December 31, 2025 the Library reported an asset of ($65,926) for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2024 and the total pension liability (asset) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date. The Library's proportion of the Net Pension Liability (Asset) was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the Library's proportion was .065556%, which was an increase of .006212% points from its proportion measured as of December 31, 2023.

For the year ended December 31, 2024, the Library recognized pension expense of $58,511 plus/(less) employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $94.

At December 31, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflow of Resources
Differences between expected and actual experience	$	40,232	$	5,731
Net difference between projected and actual earnings on pension plan investments		-		43,412
Changes of Assumptions		-		7,254
Changes in proportion and difference between Employer contributions and proportionate share of contributions		2,759		3,180
Employer contribution subsequent to the measurement date		63,547		-
Total	$	106,538	$	59,577

Deferred outflows of resources of $63,547 related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as an adjustment of the Net Pension (Liability) Asset in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended June 30:		
2026	$	26,158
2027		57,760
2028		(67,791)
2029		(32,713)
Thereafter		-

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

Actuarial Methods and Assumptions

The net pension asset was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2025, are as follows:

Valuation Date	December 31, 2024
Actuarial cost method	Entry Age Normal
Expected Remaining Service Lives	4 years
Investment rate of return	6.40% net of investment expenses, including inflation
Inflation rate	2.30%
Projected salary increases	Plan A 4.75% Plan B 4.25%
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 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 MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.

The discount rate used to measure the total pension liability was 6.40% for Plan A and 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended December 31, 2024.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Fixed income	37%	1.08%
Equity	47%	2.82%
Alternatives	15%	0.76%
Real assets	1%	0.07%
Totals	100%	4.73%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.13%

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

The following presents the net pension liability/(asset) of the participating employers as of December 31, 2024 calculated using the discount rate of 6.40%, as well as what the employers' 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.

Plan A:

	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset)	$ 336,439	$ (65,926)	$ (403,663)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS December 31, 2024 Annual Financial Report at www persla.org.

Payables to the Pension Plan

As of December 31, 2025, the Library owed $10,826 in legally required contributions to PERS.

6. LONG-TERM DEBT AND OBLIGATIONS

Summary of the long-term liability transactions during the year:

		Balance Beginning	Additions	Reductions	Balance Ending	Due Within One Year
Other Obligations:						
Lease liability	$	6,162	-	(4,113)	2,048	1,871
Compensated absences		9,492	1,004	-	10,497	10,497
Net pension liability		56,538	-	(56,538)	-	-
Total long-term liabilities	$	72,192	1,004	60,651	12,545	12,368

The Library has entered a lease agreement involving printing and imaging equipment. The total of the Library's right-to-use leased assets are recorded at a cost of $16.409 less accumulated amortization of $14,778.

The future minimum lease payments under lease agreements are as follows:

Year Ending December,	Leases					
		Principal		Interest		Total
2026	$	1,871	$	34	$	1,905
2027		177		1		178
2028		-		-		-
2029		-		-		-
2030-2034		-		-		-
2035-2039		-		-		-
2040-2044		-		-		-
2044-2048		-		-		-
	$	2,048	$	35	$	2,083

7. LITIGATION AND CLAIMS

As of the date of this report, the Library is not involved in any litigation and is not aware of any pending claims that could have a material impact on these financial statements.

8. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Library carries commercial insurance to cover all of these risks except theft. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

Retirement plan payments in the amount of $13,684 were made by the Sheriff, acting in his capacity as Ex Officio Tax Collector, to The Parochial Employees' Retirement System of Louisiana on behalf of the Board. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to The Parochial Employees' Retirement System of Louisiana on behalf of the Board. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

10. COMMITMENTS

As of December 31, 2025, the Board had the following remaining construction in progress and building improvement commitments:

Project Location	Project Authorization	Expended thru December 31, 2025	Remaining Commitment
Welsh Library Addition/Renovation	$ 369,989	$ 82,184	$ 287,805

11. SUBSEQUENT EVENTS

The Library evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 12, 2026, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH LIBRARY
GOVERNMENTAL FUND - GENERAL FUND **Schedule 1**
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Final Budget Positive (Negative)
REVENUES				
Fees, fines and other charges for service	$ 14,495	$ 17,535	$ 17,498	$ (37)
Ad valorem taxes	1,541,538	1,721,538	1,734,899	13,361
State revenue sharing	30,751	30,751	30,601	(150)
Other grants	73,494	73,494	73,386	(108)
Interest earned	85,000	102,000	102,841	841
Miscellaneous	3,700	11,555	11,959	404
Proceeds from damaged assets	-	-	-	-
Total Revenues	1,748,978	1,956,873	1,971,184	14,311
EXPENDITURES				
Culture and recreation:				
Salaries and related benefits	986,023	918,070	931,135	(13,065)
Operating services	349,054	346,739	391,736	(44,997)
Materials and supplies	72,350	97,005	88,130	8,875
Travel and other charges	15,000	6,300	8,678	(2,378)
Deduction from ad valorem taxes	55,000	53,510	53,512	(2)
Capital outlay	329,650	721,252	586,712	134,540
Debt Service	-	-	4,287	(4,287)
Total Expenditures	1,807,077	2,142,876	2,064,190	78,686
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(58,099)	(186,003)	(93,006)	92,997
FUND BALANCES BEGINNING OF YEAR	2,490,544	2,490,544	1,743,722	(746,822)
FUND BALANCES END OF YEAR	$ 2,432,445	$ 2,304,541	$ 1,650,716	$ (653,825)

See accompanying note to budgetary comparision schedule.

JEFFERSON DAVIS PARISH LIBRARY
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2025

A. BUDGETARY PRACTICES

General Budget Practices The Jefferson Davis Parish Library (Library) follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the Library is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the Library's Director develops a proposed annual budget for the general fund. The budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a board meeting in order to obtain public input. The budget is subsequently adopted by the Board through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Board of Control.

Budget Basis of Accounting The governmental fund budgets are prepared on the modified accrual basis of accounting. Legally, the Library cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Library to amend the budget to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Fund	Final Budget	Actual	Unfavorable Variance
General Fund	$ -	$ -	$ -

Reason for unfavorable variance: N/A

Schedule 2

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2025*

Parochial Retirement System of Louisiana:

Plan A:

Year Ending December 31st	Employer's proportion of net pension liability (asset)		Employer's proportionate share of the net pension liability (asset)		Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a % of covered payroll	Plan fiduciary net position as a % of the total pension liability
2025	0.065557%	$	(65,926)	$	511,512	(12.89%)	101.97%
2024	0.059344%		56,538		430,111	13.14%	98.03%
2023	0.054136%		208,358		397,849	52.37%	91.74%
2022	(0.063315%)		(298,241)		396,077	(75.30%)	110.46%
2021	(0.061237%)		(107,374)		409,008	(26.25%)	104.00%
2020	(0.053346%)		(2,730)		367,731	(0.68%)	99.89%
2019	0.066408%		294,744		408,251	72.20%	88.86%
2018	0.060863%		(45,175)		374,623	(12.06%)	101.98%
2017	0.061211%		126,065		362,845	34.74%	94.15%
2016	0.061963%		163,104		355,266	45.91%	92.23%

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

*The amounts presented have a measurement date of the previous fiscal year end. Note that the Library did not participate in Plan B during the current fiscal year.

Schedule 3

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer Contributions
For the Year Ended December 31, 2025

Parochial Retirement System of Louisiana:

Plan A:

Date		Contractually Required Contribution		Contributions in Relation to Contractually Required Contribution		Contribution Deficiency (Excess)		Employer's Covered Payroll	Contributions as a % of Covered Payroll
2025	$	63,444	$	63,444	$	-	$	577,696	10.98%
2024		58,314		58,314		-		511,512	11.40%
2023		46,463		49,463		-		430,111	11.50%
2022		45,752		45,752		-		397,849	11.50%
2021		48,519		48,519		-		396,077	12.25%
2020		50,103		50,103		-		409,008	12.25%
2019		42,289		42,289		-		367,731	11.50%
2018		46,949		46,949		-		408,251	11.50%
2017		46,828		46,828		-		374,623	12.50%
2016		47,170		47,170		-		362,845	13.00%

Additional Comments - Note that the Library did not participate in Plan B during the current fiscal year.

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

JEFFERSON DAVIS PARISH LIBRARY
Required Supplementary Information
Additional Pension/ Retirement Information
Notes to Required Supplementary Information
For the Year Ended December 31, 2025

Parochial Retirement System of Louisiana:

Plan A:

Changes of Benefit Terms: None.

Changes of Assumptions: None.

Additional Comments - Note that the Library did not participate in Plan B during the current fiscal year.

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON DAVIS PARISH LIBRARY
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2025 **Schedule 5**

Agency Head Name:		Michael Staton
Agency Head Title.		Director
Salary	$	73,502
Benefits - insurance		8,609
Benefits - retirement		8,085
Benefits - Medicare		950
Benefits - Life Insurance		111
Benefits - Worker Compensation Insurance		184
Telephone		781
Travel		1,324
Registration fees		205
	$	93,751

OTHER REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

Mike B. Gillespie
Certified Public Accountant
A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA
Eric C. Gillespie, CPA

414 East Nezpique Street
P.O Box 1347
Jennings, LA 70546
Telephone (337) 824-7773
Fax: (337) 824-7774

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 *GOVERNMENTAL AUDITING STANDARDS*

Board of Control
Jefferson Davis Parish Library
Jennings, 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 the major fund information of the Jefferson Davis Parish Library (Library), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated June 12, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report 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*.

Library's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Library's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Library's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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. The 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 However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 12, 2026

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of report issued: An unmodified opinion was issued on the financial statements.
2. Internal control over financial reporting:
   - Material weakness(es) identified? - Yes
   - Significant deficiencies identified that are not considered to be material weakness(es)? – No
3. Noncompliance material to financial statements noted? – No
4. Was a management letter issued? – No

Federal Awards

5. Internal control over major programs:
   - Material weakness(es) identified? – No
   - Significant deficiencies identified? – None reported
6. Type of auditor's report issued on compliance for major programs. N/A
7. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? – No findings required to be reported under 2 CFR 200.516(a).
8. The programs tested as major programs included:

Assisted Listing No.	Program Name
N/A	N/A

9. The threshold used for distinguishing between Type A and B federal award programs was not applicable as no federal programs were subject to major program determination.
10. A statement as to whether the auditee qualified as a low-risk auditee in accordance with the Uniform Guidance (2 CFR 200) was not applicable, as the Library was not subject to the Single Audit requirements.

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2025

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS

2025-001 Lack of Segregation of Duties Across Financial Processes

Condition: The Library has established various internal controls over financial processes; however, a significant concentration of key accounting and financial responsibilities exists within the Comptroller function, resulting in inadequate segregation of duties across multiple transaction cycles. Specifically, the Comptroller performs incompatible functions involving authorization, custody, recording, and reconciliation activities across expenditures and accounts payable, cash disbursements, cash receipts, and journal entries, including initiating and recording transactions, maintaining the vendor master file, processing and reconciling disbursements, recording receipts, and posting and approving journal entries. While certain compensating controls are in place, including supervisory approvals, dual signatures on checks, independent review of bank reconciliations, and involvement of administrative personnel in select processes, these controls do not fully mitigate the risks associated with the concentration of duties, particularly in higher-risk areas such as cash disbursements and journal entries. As a result, the control structure increases the risk that errors, unauthorized transactions, or fraudulent activity could occur and not be timely detected.

Criteria: The Government Finance Officers Association (GFOA) and the Louisiana Legislative Auditor (LLA) recommend that governmental entities adopt the COSO Internal Control – Integrated Framework as the basis for designing and evaluating internal controls. The COSO framework emphasizes that no single individual should have control over all phases of a transaction, including authorization, custody, recording, and reconciliation. Additionally, sound internal control principles require that key accounting activities, including disbursements, journal entries, and bank reconciliations, be subject to independent review and approval, and that responsibilities for initiating, approving, recording, and reconciling transactions be appropriately segregated or supported by effective compensating controls.

Cause of Condition: The condition results from limited personnel within the administrative and accounting functions, which has necessitated the assignment of multiple financial responsibilities to a limited number of individuals, particularly the Comptroller. Although management has implemented certain compensating controls, including supervisory reviews, dual signatures on disbursements, and involvement of administrative personnel in specific processes, these controls are not consistently designed or sufficient to provide independent oversight across all significant financial processes, particularly in the areas of cash disbursements, vendor maintenance, and journal entries

Potential Effect of Condition: The concentration of incompatible duties across multiple financial cycles significantly increases the risk of error, irregularities, or fraudulent activity. The combination of vendor master file maintenance, disbursement processing, and reconciliation functions increases the risk of unauthorized disbursements, including the potential for creation and payment of fictitious vendors. The lack of independent review over journal entries increases the risk that unauthorized, erroneous, or inappropriate financial reporting adjustments, including those resulting from management override, could occur and not be detected in a timely manner. Additionally, the combination of recording and reconciliation duties within the cash receipts cycle increases the risk of misappropriation of receipts and reduces the likelihood that errors or irregularities would be identified promptly. Although compensating controls are present, they reduce but do not eliminate these risks given the extent of role concentration. As a result, there is an increased risk that a material misstatement of the financial statements, whether due to error or fraud, could occur and not be detected in a timely manner.

Recommendation: Management should strengthen internal controls by enhancing segregation of duties to the extent feasible, particularly in higher-risk areas such as cash disbursements, accounts payable, and journal entries. Management should ensure that key responsibilities for authorization, custody, recording, and reconciliation are appropriately separated or subject to independent review. Access to critical functions, such as vendor master file maintenance and payment processing, should be restricted and monitored. All journal entries should be subject to independent review and approval, including verification of supporting documentation. Where full segregation of duties is not practical due to staffing limitations, management should implement robust compensating controls, including enhanced documented supervisory reviews, increased oversight by the Director and Board, and the use of system-based access controls where available.

Management's Response: Management acknowledges that certain financial responsibilities are concentrated within a limited number of personnel due to the size of the Library's administrative staff. Management recognizes that full segregation of duties may not be practical or cost-effective; however, management will continue to evaluate opportunities to enhance segregation of duties where feasible. In addition, management will strengthen compensating controls by implementing more formalized and consistently documented review and approval procedures. Additional supervisory oversight will be performed to ensure that key transactions, journal entries, and bank reconciliations are independently reviewed, properly supported, and appropriately documented.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
MANAGEMENT'S STATUS OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2025

SECTION I –INTERNAL CONTROL AND COMPLIANCE FINDINGS

No finding reported.

SECTION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

SECTION III –MANAGEMENT LETTER

No findings reported.

* * * *

THIS REPORT HAS BEEN PREPARED BY MANAGEMENT

JEFFERSON DAVIS PARISH LIBRARY
Jennings, Louisiana
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2025

SECTION I –INTERNAL CONTROL AND COMPLIANCE FINDINGS

2025-001 Lack of Segregation of Duties Across Financial Processes

Management acknowledges that certain financial responsibilities are concentrated within a limited number of personnel due to the size of the Library's administrative staff. Management recognizes that full segregation of duties may not be practical or cost-effective; however, management will implement and maintain compensating controls to mitigate the related risks These controls include enhanced supervisory review and approval of key transactions, journal entries, and bank reconciliations, as well as more formalized and consistently applied and documented review procedures. Management will also periodically evaluate staffing and processes to determine whether additional segregation of duties can be achieved in the future. These measures are intended to provide reasonable assurance that financial activity is properly reviewed and authorized despite the limitations imposed by staffing levels.

Person responsible: Comptroller
Expected completion date: December 31, 2026

SECTION II –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

SECTION III –MANAGEMENT LETTER

No findings reported.

* * * * *

THIS REPORT HAS BEEN PREPARED BY MANAGEMENT

Mike B. Gillespie

Certified Public Accountant
A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA
Eric C. Gillespie, CPA

414 East Nezpique Street
P.O. Box 1347
Jennings, LA 70546
Telephone (337) 824-7773
Fax: (337) 824-7774

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCREDURES

To the Board of Control
Jefferson Davis Parish Library
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Jefferson Davis Parish Library's management is responsible for those C/C areas identified in the SAUPs.

Jefferson Davis Parish Library has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows.

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

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

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

2) Board or Finance Committee

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

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

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

3) *Bank Reconciliations*

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

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

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

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

4) *Collections (excluding electronic funds transfers)*

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

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

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

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

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

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

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

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

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

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

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

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

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

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

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

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

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

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

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

C. For each location selected under procedure #5A above, obtain the entity'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

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

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

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

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

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

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

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

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

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

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

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

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

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

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

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

9) Payroll and Personnel

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

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

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

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records, and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

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

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

13) Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

iii. Obtain a listing of the entity'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.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

C. Using the 5 randomly selected 5 employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42.1267. The requirements are as follows.

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

We performed the procedure and verbally discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42.343.

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

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

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

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

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

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

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

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No exceptions were noted as a result of applying the procedures listed above except for the following findings.

Collections

1. The entity does not use sequentially pre-numbered receipts.

2. The entity has two bank accounts. Two deposits were selected from each of the two bank accounts. We observed that one of the two deposits selected from the main operating bank account was supported by collection documentation to indicate the deposit was made within one business day of collection.

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Management's Overall Response: Management concurs with the exception noted.

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

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

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

Mike B. Gillespie, CPA, APAC

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 12, 2026