

ST. MARY PARISH LIBRARY

Financial Report

Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Control
St. Mary Parish Library
Franklin, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Mary Parish Library ("Library"), a component unit of the Parish of St. Mary, 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 of the Library, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements as listed in the table of contents. 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 budgetary comparison schedule, schedule of employer's share of net pension liability/asset, schedule of employer pension contributions, or notes to required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 12, 2026

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. MARY PARISH LIBRARY

Statement of Net Position
December 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 1,646,291
Investments	1,404,270
Receivables:	
Ad valorem taxes, net of \$19,490 allowance	2,347,667
Due from other governmental units	35,562
Prepaid expenses	48,121
Total current assets	<u>5,481,911</u>
Capital assets:	
Land	320,891
Construction in progress	44,809
Other, net of accumulated depreciation	7,366,425
Total capital assets, net	<u>7,732,125</u>
Other assets:	
Net pension asset	<u>131,166</u>
Total assets	<u>13,345,202</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to net pension asset	<u>212,351</u>
LIABILITIES	
Current liabilities:	
Accounts payable	31,865
Accrued expenses	155,575
Compensated absences payable	58,797
Unearned revenues	5,000
Total liabilities	<u>251,237</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to net pension asset	<u>113,152</u>
NET POSITION	
Net investment in capital assets	7,732,125
Unrestricted	<u>5,461,039</u>
Total net position	<u>\$ 13,193,164</u>

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

ST. MARY PARISH LIBRARY

Statement of Activities
Year Ended December 31, 2025

Activities	Expenses	Program Revenues		Net (Expense) Revenue And Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Culture and recreation	<u>\$ 3,582,509</u>	<u>\$ 31,794</u>	<u>\$ 54,418</u>	\$ (3,496,297)
	General revenues:			
	Ad valorem taxes			2,751,810
	State revenue sharing			52,832
	Interest and investment income			156,464
	Miscellaneous			<u>20,044</u>
	Total general revenues			<u>2,981,150</u>
	Change in net position			(515,147)
	Net position, beginning			<u>13,708,311</u>
	Net position, ending			<u>\$ 13,193,164</u>

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

FUND FINANCIAL STATEMENTS

ST. MARY PARISH LIBRARY

Balance Sheet
Governmental Fund
December 31, 2025

ASSETS	<u>General</u>
Cash	\$ 1,646,291
Investments	1,404,270
Receivables:	
Ad valorem taxes, net of \$19,490 allowance	2,347,667
Due from other governmental units	35,562
Prepaid expenditures	48,121
Total assets	<u>\$ 5,481,911</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 31,865
Accrued expenses	155,575
Unearned revenues	5,000
Total liabilities	<u>192,440</u>
Deferred inflows of resources:	
Unavailable revenues	<u>35,158</u>
Fund balance:	
Nonspendable	48,121
Unassigned	5,206,192
Total fund balance	<u>5,254,313</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,481,911</u>

(continued)

ST. MARY PARISH LIBRARY

Balance Sheet (continued)
Governmental Fund
December 31, 2025

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

Total fund balance for governmental fund at December 31, 2025	\$ 5,254,313
Cost of capital assets, net of accumulated depreciation	7,732,125
Net pension asset	131,166
Deferred outflows of resources related to net pension asset	212,351
Compensated absences	(58,797)
Unavailable revenues not considered current financial resources	35,158
Deferred inflows of resources related to net pension asset	<u>(113,152)</u>
Net position at December 31, 2025	<u>\$ 13,193,164</u>

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

ST. MARY PARISH LIBRARY

Statement of Revenues, Expenditures, and Change in Fund Balance
 Governmental Fund
 Year Ended December 31, 2025

	<u>General</u>
Revenues	
Ad valorem taxes	\$ 2,751,810
Intergovernmental:	
Federal sources	40,673
State grants	125
State revenue sharing	52,832
Miscellaneous:	
Interest and investment earnings	156,464
Other sources	<u>51,838</u>
Total revenues	<u>3,053,742</u>
Expenditures	
Culture and recreation -	
Current:	
Ad valorem tax deductions	88,819
Insurance	171,518
Library materials - non capital	91,944
Materials and supplies	134,719
Miscellaneous	14,995
Professional services	129,122
Repairs and maintenance	313,027
Salaries and benefits	1,581,150
Telephone and utilities	187,583
Travel and other charges	25,531
Capital outlay:	
Books	97,398
Buildings and improvements	205,516
Furniture and equipment	26,604
Total expenditures	<u>3,067,926</u>
Net change in fund balance	(14,184)
Fund balance, beginning	<u>5,268,497</u>
Fund balance, ending	<u>\$ 5,254,313</u>

(continued)

ST. MARY PARISH LIBRARY

Statement of Revenues, Expenditures, and Change in Fund Balance (continued)
 Governmental Fund
 Year Ended December 31, 2025

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of
 Governmental Funds to the Statement of Activities

Total net changes in fund balance for the year ended December 31, 2025 per Statement of Revenues, Expenditures and Change in Fund Balances		\$	(14,184)
Capital outlay			329,518
Depreciation expense			(451,829)
Net effects of other transactions involving capital assets, i.e. sales and dispositions			(400,163)
Effects of recording net pension asset and deferred inflows and outflows of resources related to net pension asset:			
Decrease in pension expense	\$	7,891	
Nonemployer pension contribution revenue		<u>13,620</u>	<u>21,511</u>
Change in net position of governmental activities			<u>\$ (515,147)</u>

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

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

(1) Summary of Significant Accounting Policies

The St. Mary Parish Library (“Library”), which is a component unit of the Parish of St. Mary, was created under Louisiana Revised Statute 25:211. The Library operates under a Board of Control. The purpose of the Library is to provide library facilities to residents within its boundaries.

The accounting and reporting policies of the Library conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, *Audits of State and Local Governmental Units*.

The financial statements of the Library have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Council is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Government Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the St. Mary Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- Appointing a voting majority of an organization’s governing body, and the ability of the parish council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
- Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
- Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish council appoints the governing body and has the ability to significantly impose its will, the Library is a component unit of the Parish of St. Mary, the financial reporting entity. In addition, there are no component units which combine with the Library, as the primary government, to form a separate financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the Parish of St. Mary, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

B. Basis of Presentation

The accompanying financial statements of the Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for States and Local Governments*, issued in June 1999, as amended.

Government-wide financial statements –

The government-wide financial statements include the statement of net position and the statement of activities of the Library. These statements include the financial activities of the overall government. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library’s net position is reported in two parts – net investment in capital assets and unrestricted.

The government-wide statement of activities reports both the gross and net cost of the Library’s function. The function is also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function) is normally covered by general revenues (property taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the Library as an entity and the change in the Library’s net position resulting from the current year’s activities.

Fund financial statements –

The fund financial statements provide information about the Library’s funds. The emphasis of fund financial statements is on major governmental funds.

The Library has the following fund type:

Governmental Funds –

The focus of the governmental fund’s measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Library:

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

General Fund –

The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments. All other revenues are recognized when received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Capital Assets

All capital assets purchased or acquired with an original per unit cost of \$1,500 or more or \$25,000 combined cost for bulk purchases are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Books	7 years
Buildings and improvements	20-40 years
Furniture and equipment	5-7 years

E. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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.

F. Pensions

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees Retirement System (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.

G. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Library considers restricted funds to have been spent first.

Fund balance for the Library's governmental fund (General Fund) are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

3. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Control is the highest level of decision-making authority for the Library. Commitments may be established, modified, or rescinded only through formal actions approved by the Board.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Library's adopted policy, only the Board of Control may assign amounts for specific purposes.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Library considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Library considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Control has provided otherwise in its commitment or assignment actions.

H. Interest Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

I. Compensated Absences

Employees earn annual vacation and sick leave at varying rates depending upon length of service. Vacation time must be used within the fiscal year or will be converted to sick time and carried over to subsequent periods. Upon termination, an employee is compensated for the accumulated vacation time, provided they were employed for one year. Sick leave is earned at a rate of ninety-six (96) hours per year. Five hundred and twenty (520) hours of accrued sick leave may be accumulated, and employees may be compensated for accrued sick leave upon retirement. Compensated absences liability is reported in accordance with GASBS No. 101, *Compensated Absences*.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2025, the Library has cash (book balances of demand deposits) totaling \$1,646,291, as follows:

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

Demand deposits	\$ 90,381
Time deposits	1,555,826
Petty cash	<u>84</u>
Total	<u>\$ 1,646,291</u>

These deposits are stated at cost, which approximates market. 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2025 totaling \$1,660,740 are secured as follows:

Bank balances	<u>\$ 1,660,740</u>
Federal deposit insurance	\$ 250,000
Uninsured and collateralized by pledged securities	<u>1,410,740</u>
Total federal insurance and pledged securities	<u>\$ 1,660,740</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Library's deposits may not be recovered, or the Library will not be able to recover collateral securities that are in the possession of an outside party. The Library does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. As of December 31, 2025, deposits in the amount of \$1,410,740 were exposed to custodial credit risk since the deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Library's name.

(3) Investments

Under state law, the Library may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and 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 (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

As of December 31, 2025, the Library had the following investments and maturities (in years):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>
LAMP	<u>\$ 1,404,270</u>	<u>\$ 1,404,270</u>

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Library will not be able to recover the value of its investment. The Library does not have an investment policy that conforms to state law, as described above, which has no provision for custodial risk.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Library does not have an investment policy that conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The types of investments allowed by state law ensure that the Library is not exposed to credit risk.

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. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with R.S. 33:2955. Separately issued financial statements for LAMP are available at www.lamppool.com.

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 a 2a7-like investment pool. The following facts are relevant for 2a7-like 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 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of December 31, 2025.
- Foreign currency risk: Not applicable to 2a7-like pools.

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.

Fair Value Measurements

To the extent available, the Library's investments are recorded at fair value as of December 31, 2025.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

GASB Statement No. 72, *Fair Value Measurements and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Library measures its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1-quoted prices for identical investments in active markets
- Level 2-observable inputs other than quoted market prices
- Level 3-unobservable inputs

The Library's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external pool is the same as the net asset value of the pool shares.

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and are billed to the taxpayers by the Sheriff in October or November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Property tax revenues are budgeted in the year billed.

The taxes are based on assessed values determined by the Tax Assessor of St. Mary Parish and are collected by the St. Mary Parish Sheriff. The taxes are remitted to the Library net of deductions for pension fund contributions.

For the year ended December 31, 2025, taxes of 5.72 mills were levied on property with net assessed valuations totaling \$484,075,767 and were dedicated to paying the administrative, operative and maintenance expenditures for the Library.

Total taxes levied during 2025 were \$3,120,157.

(5) Due from Other Governmental Units

The following is a summary of amounts due from other governmental units at December 31, 2025:

	<u>Governmental Activities</u>
Due from -	
St. Mary Parish Tax Collector	<u>\$ 35,562</u>

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

(6) Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balances, Beginning of Year	Additions	Deletions	Balances, End of Year
Assets not being depreciated:				
Land	\$ 320,891	\$ -	\$ -	\$ 320,891
Construction in progress	-	44,809	-	44,809
Total capital assets not being depreciated	<u>320,891</u>	<u>44,809</u>	<u>-</u>	<u>365,700</u>
Capital assets being depreciated				
Books	789,604	97,398	(400,163)	486,839
Buildings and improvements	10,016,922	160,707	-	10,177,629
Furniture and equipment	500,569	26,604	(2,610)	524,563
Total capital assets being depreciated	<u>11,307,095</u>	<u>284,709</u>	<u>(402,773)</u>	<u>11,189,031</u>
Less accumulated depreciation				
Books	(77,282)	(68,157)	-	(145,439)
Buildings and improvements	(2,944,649)	(349,021)	-	(3,293,670)
Furniture and equipment	(351,456)	(34,651)	2,610	(383,497)
Total accumulated depreciation	<u>(3,373,387)</u>	<u>(451,829)</u>	<u>2,610</u>	<u>(3,822,606)</u>
Capital assets being depreciated, net	<u>7,933,708</u>	<u>(167,120)</u>	<u>(400,163)</u>	<u>7,366,425</u>
Capital assets, net	<u>\$ 8,254,599</u>	<u>\$ (122,311)</u>	<u>\$ (400,163)</u>	<u>\$ 7,732,125</u>

Depreciation expense in the amount of \$451,829 was charged to culture and recreation.

During the year ended December 31, 2025, the Library awarded and executed a construction contract for approximately \$114,200 for the Amelia Branch Roof Replacement. There were no costs incurred on this project at December 31, 2025. As of December 31, 2025, the Library is committed to the full \$114,200 for the construction contract.

(7) Retirement Commitments

The employer pension schedules for the Parochial Employees' Retirement System of Louisiana are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

Substantially all of the Library's employees are covered under the Parochial Employees' Retirement System of Louisiana. Details concerning the plan are:

Plan Description: The Parochial Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

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

The System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

The Parochial Employees' Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the report can be found on the system's website, www.persla.org, or on the Louisiana Legislative Auditor's website, www.lla.la.gov.

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

Eligibility Requirements: All permanent 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 System.

Retirement Benefits: 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.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

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

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

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

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

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

Disability Benefits: 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

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

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

Employer Contributions: According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2024, the actuarially determined contribution rate was 7.34% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2024 was 11.50% for Plan A.

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

Pension Liabilities/Assets, Pension Expense/Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025, the Library reported assets in its governmental activities of \$131,166 for its proportionate share of the net pension assets of PERS. The net pension assets were measured as of December 31, 2024 and the total pension asset used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the Library's proportional share of PERS was 0.130432%, which was an increase of 0.268796% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Library recognized pension expense of \$112,344.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

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

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 80,045	\$ 11,402
Changes in Assumption	-	14,433
Net difference between projected and actual earnings on pension plan investments	-	86,373
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,071	944
Employer contributions subsequent to the measurement date	<u>120,235</u>	<u>-</u>
	<u>\$ 212,351</u>	<u>\$ 113,152</u>

Deferred outflows of resources of \$120,235 resulting from the Library's contributions subsequent to the measurement date will be recognized as an adjustment to the net pension asset in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

<u>Fiscal Year Ending December 31,</u>	
2026	\$ 54,753
2027	119,515
2028	(130,219)
2029	<u>(65,085)</u>
Total	<u>\$ (21,036)</u>

Actuarial Methods and Assumptions: The net pension asset was measured as the portion of the present value of projected benefits 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.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

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

	Parochial Employees' Retirement System of Louisiana Plan A
Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40%, net of investment expense, including inflation
Projected Salary Increases	4.75%
Expected Remaining Service Lives	4 years
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 Rates	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.
Inflation Rate	2.30%

The discount rate used to measure the total pension asset was 6.40% for Plan A, which was unchanged from the rate used as of December 31, 2023. 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, PERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

The investment rate of return was 6.40% for Plan A, which was unchanged from the rate used as of December 31, 2023. 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 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2024.

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

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio 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%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale.

Sensitivity to Change in Discount Rate: The following presents the net pension liability/(asset) of the participating employers calculated using the discount rate of 6.40%, as well as what the employers' net pension asset would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset)	\$ 669,383	\$ (131,166)	\$ (803,133)

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

Payables to the Pension Plan: The Library recorded no accrued liabilities payable to the System for the year ended December 31, 2025.

(8) Net Position

Net position is presented as net investments in capital assets and unrestricted on the Library's government-wide statement of net position. A component of the Library's net position is significantly affected by transactions that resulted in the recognition of deferred outflow of resources and deferred inflow of resources, and the difference between the deferred outflow of resources and deferred inflow of resources and the balance of the related asset or liability is significant. As discussed in Note 7, the Library's recognition of a net pension liability in accordance with GASBS No. 68 significantly affected the Library's unrestricted portion of net position as of December 31, 2025.

(9) Board of Control

Members of the Board of Control during the year ended December 31, 2025 are as follows:

Cherie Laiche	Karla Vappie	Mary Bailey
Don T. Caffery, Jr.	Carla Davis	Jason Watson
Adriane Kramer		

No compensation or per diem is paid to members of the Board of Control.

(10) Compensation and Other Payments to Executive Director

Act 706 of the 2014 Legislative Session amended R.S. 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Expenses paid to Ashton Myers, Executive Director, for the year ended December 31, 2025 are as follows:

Salary	\$ 67,329
Benefits - Insurance	10,150
Benefits - Retirement	7,406
Expense reimbursement	2,445
Conference travel	<u>1,960</u>
Total	<u>\$ 89,290</u>

(11) Risk Management

The Library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Library is insured up to policy limits for each of the above risks. There were no significant changes in coverage's, retentions, or limits during the year ended December 31, 2025. Settled claims have not exceeded the commercial coverage's in any of the previous three fiscal years.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (continued)

(12) Tax Abatements

The Library is subject to certain property tax abatements granted by the Louisiana Board of Commerce and Industry ("LBCI"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the Library may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, local governments have the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program. For the year ended December 31, 2025, the St. Mary Parish Library incurred abatements of ad valorem taxes through ITEP.

ITEP is authorized by Article 7, Section 21(F) of the Louisiana Constitution. Companies qualifying as manufacturers can apply to the LBCI for a property tax exemption on all new property, as defined, used in the manufacturing process. Under ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5-year term and are renewable for an additional 5 year term upon approval by LBCI. These state-granted abatements have resulted in reductions of property taxes, which the tax entity administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fails to fulfill its commitments under the agreement. For the year ended December 31, 2025, \$271,423 of the Library's ad valorem tax revenues were abated by the state of Louisiana through ITEP.

(13) Subsequent Events

Subsequent to the year ended December 31, 2025, the Library awarded a construction contract in the amount of approximately \$358,000 for the Franklin Branch roof and building repairs.

(14) New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the Library's financial statements has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the Library's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARY PARISH LIBRARY
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Non-GAAP Basis)	Final Budget Positive (Negative)
Revenues:				
Taxes-ad valorem	\$ 2,600,000	\$ 2,901,390	\$ 3,215,570	\$ 314,180
Intergovernmental:				
Federal grants	-	40,673	40,673	-
State grants	1,000	5,125	125	(5,000)
State revenue sharing	53,343	52,995	52,832	(163)
Miscellaneous:				
Interest and investment earnings	100,000	157,104	156,464	(640)
Other sources	34,500	52,029	51,838	(191)
Total revenues	<u>2,788,843</u>	<u>3,209,316</u>	<u>3,517,502</u>	<u>308,186</u>
Expenditures:				
Culture and recreation -				
Current :				
Ad valorem tax deductions	100,000	94,097	88,819	5,278
Insurance	182,955	171,518	171,518	-
Library materials - non capital	80,400	58,912	91,944	(33,032)
Materials and supplies	132,500	139,212	134,719	4,493
Miscellaneous	12,700	15,081	14,995	86
Operating services	112,500	155,821	129,122	26,699
Repairs and maintenance	141,000	291,219	313,027	(21,808)
Salaries and benefits	1,563,900	1,515,931	1,581,150	(65,219)
Telephone and utilities	170,000	179,866	187,583	(7,717)
Travel and other charges	25,000	24,843	25,531	(688)
Capital outlay:				
Books	120,000	107,938	97,398	10,540
Buildings and improvements	100,000	198,634	205,516	(6,882)
Furniture and equipment	70,000	57,881	26,604	31,277
Total expenditures	<u>2,810,955</u>	<u>3,010,953</u>	<u>3,067,926</u>	<u>(56,973)</u>
Net change in fund balance	(22,112)	198,363	449,576	251,213
Fund balance, beginning	<u>5,732,257</u>	<u>5,732,257</u>	<u>5,732,257</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,710,145</u>	<u>\$ 5,930,620</u>	<u>\$ 6,181,833</u>	<u>\$ 251,213</u>

See independent auditor's report and notes to required supplementary information.

ST. MARY PARISH LIBRARY

Schedule of Employer's Share of Net Pension Liability/Asset
Year Ended December 31, 2025

Plan Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability / Asset
2015	0.190394%	\$ 501,172	\$ 1,001,567	50.04%	92.23%
2016	0.174292%	\$ 358,957	\$ 1,033,649	34.73%	94.15%
2017	-0.170961%	\$ (126,895)	\$ 1,050,608	-12.08%	101.98%
2018	0.172357%	\$ 764,982	\$ 1,059,209	72.22%	88.86%
2019	0.175143%	\$ 8,245	\$ 1,110,543	0.74%	99.89%
2020	-0.151905%	\$ (266,352)	\$ 1,022,831	-26.04%	104.00%
2021	-0.138460%	\$ (652,207)	\$ 920,689	-70.84%	110.46%
2022	0.120992%	\$ 465,673	\$ 883,913	52.68%	91.74%
2023	0.138364%	\$ 131,822	\$ 1,005,637	13.11%	98.03%
2024	-0.130432%	\$ (131,166)	\$ 1,006,906	-13.03%	101.97%

See independent auditor's report and notes to required supplementary information.

ST. MARY PARISH LIBRARY

Schedule of Employer Pension Contributions
Year Ended December 31, 2025

<u>Fiscal Year Ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2016	\$ 134,374	\$ 134,374	\$ -	\$ 1,033,649	13.00%
2017	\$ 131,326	\$ 131,326	\$ -	\$ 1,050,608	12.50%
2018	\$ 121,808	\$ 121,808	\$ -	\$ 1,059,209	11.50%
2019	\$ 127,762	\$ 127,762	\$ -	\$ 1,110,543	11.50%
2020	\$ 125,297	\$ 125,297	\$ -	\$ 1,022,831	12.25%
2021	\$ 112,784	\$ 112,784	\$ -	\$ 920,689	12.25%
2022	\$ 101,687	\$ 101,687	\$ -	\$ 883,913	11.50%
2023	\$ 115,648	\$ 115,648	\$ -	\$ 1,005,637	11.50%
2024	\$ 115,794	\$ 115,794	\$ -	\$ 1,006,906	11.50%
2025	\$ 120,235	\$ 120,235	\$ -	\$ 1,093,045	11.00%

See independent auditor's report and notes to required supplementary information.

ST. MARY PARISH LIBRARY

Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

The budget is adopted on the modified accrual basis consistent with generally accepted accounting principles (GAAP), with the exception of ad valorem tax revenue which is adopted on the accrual basis. Budgeted amounts are as originally adopted or as finally amended by the Library.

(2) Budgetary Practices

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library's Director prepares a proposed budget and presents it to the Board of Control prior to ninety days before the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Board of Control.
5. No later than the last regular meeting of the fiscal year, the Board of Control adopts the annual operating budget for the ensuing fiscal year.
6. The Library's Director, under the direction of the Board of Control, has the authority to alter budget amounts.
7. Budget appropriations lapse at year end.
8. Budgetary control is exercised at the fund level.

(3) Expenditure in Excess of Appropriations

Actual expenditures exceeded budgeted appropriations in the General Fund by \$56,973.

(4) Non-GAAP Budgetary Reporting Reconciliation

Budgetary amounts adopted by the Library for ad valorem tax revenues are on the accrual basis of accounting rather than the modified accrual basis on which the General Fund reports. Actual amounts for the General Fund are reconciled on a non-GAAP basis for comparison to budget as follows:

ST. MARY PARISH LIBRARY

Notes to Required Supplementary Information (Continued)

	<u>As Reported</u>	<u>Adjustment to Budgetary Basis</u>	<u>Non-GAAP Basis</u>
Revenues:			
Taxes-ad valorem	<u>\$2,751,810</u>	<u>\$ 463,760</u>	<u>\$ 3,215,570</u>

(5) Pension Plan

1. Changes of Benefit Terms

There were no changes of benefit terms.

2. Changes of Assumptions

<u>Fiscal Year ended December 31,</u>	<u>Discount Rate</u>	<u>Investment Rate of Return</u>	<u>Inflation Rate</u>	<u>Expected Remaining Service Lives</u>	<u>Projected Salary Increase</u>
2016	7.00%	7.00%	2.50%	4	5.25%
2017	7.00%	7.00%	2.50%	4	5.25%
2018	6.75%	6.75%	2.50%	4	5.25%
2019	6.50%	6.50%	2.40%	4	4.75%
2020	6.50%	6.50%	2.40%	4	4.75%
2021	6.40%	6.40%	2.30%	4	4.75%
2022	6.40%	6.40%	2.30%	4	4.75%
2023	6.40%	6.40%	2.30%	4	4.75%
2024	6.40%	6.40%	2.30%	4	4.75%
2025	6.40%	6.40%	2.30%	4	4.75%

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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

The Board of Control
St. Mary Parish Library
Franklin, 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 of the St. Mary Parish Library ("Library"), a component unit of the Parish of St. Mary, 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 May 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit results and findings as item 2025-001.

Library's Response to Finding

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 audit results and findings. 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 response.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 12, 2026

ST. MARY PARISH LIBRARY

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2025

A. Internal Control

No conditions were reported.

B. Compliance

No instances of noncompliance were reported.

C. Management Letter

Not issued in the prior period.

ST. MARY PARISH LIBRARY

Schedule of Audit Results and Findings
Year Ended December 31, 2025

Part I. Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued on financial statements:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental activities	Unmodified
Major fund:	
General	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

3. Noncompliance material to the financial statements?

_____ yes _____ no

Other

4. Management letter issued?

_____ yes _____ no

Part II. Findings required to be reported in accordance with Government Auditing Standards

A. Internal Control

No findings reported under this section.

B. Compliance

2025-001 – Publication of Proposed Budget and Public Hearing

Year initially Occurring: December 31, 2025

CONDITION: The Library did not publish the availability of the proposed budget for the year ended December 31, 2025 and did not publish a notice of the time and date of the public hearing to be held on the proposed budget.

CRITERIA: When proposed expenditures of a political subdivision are expected to exceed \$500,000 from the general fund and any special revenue fund, RS 39:1306(A) requires public participation. As part of the public participation process, RS 39:1307(B) requires that “upon completion of the proposed budget and, if applicable, its submission to the governing authority, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with a date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing.”

ST. MARY PARISH LIBRARY

Schedule of Audit Results and Findings (continued)
Year Ended December 31, 2025

CAUSE: The condition results from a failure to comply with certain provisions of the Local Government Budget Act.

EFFECT: The Library may not be in compliance with certain provisions of the Local Government Budget Act.

RECOMMENDATION: We recommend that the Library implement policy and procedures to comply with the provisions of the Local Government Budget Act.

Part III. Findings and questioned costs for federal awards reported in accordance with the Uniform Guidance

The requirements of the Uniform Guidance do not apply to the Library.

CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

Appendix A



ST. MARY PARISH LIBRARY SYSTEM

*Alex P. Allain Memorial - Amelia - Bayou Vista - Berwick
Centerville - Patterson - West End*

Ashton Myers,
Director
206 Iberia Street
Franklin, Louisiana 70538
Phone: 337-828-1624
Fax: 337-828-2329

May 12, 2026

Kolder, Slaven & Company CPAs
1201 David Drive
Morgan City, LA 70380

In connection with your audit of the financial statements of the St. Mary Parish Library as of and for the year ended December 31, 2025, we provide the following response to reported compliance issue:

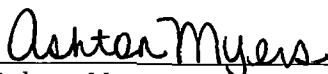
2025-001 - Publication of Proposed Budget and Public Hearing

CONDITION: The Library did not publish the availability of the proposed budget for the year ended December 31, 2025 and did not publish a notice of the time and date of the public hearing to be held on the proposed budget.

MANAGEMENT'S RESPONSE:

The library concurs with the compliance issue and has taken the necessary precautions to ensure that the availability of the proposed budget and time and date of the public hearing will be published.

We trust the foregoing adequately addresses the reported issues.


Ashton Myers, Executive Director

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BRANCH**
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Franklin, LA 70538

**AMELIA
BRANCH**
625 Lake
Palourde Dr
Amelia, LA 70340

**BAYOU VISTA
BRANCH**
1325 Belleview Dr
Bayou Vista, LA
70380

**BERWICK
BRANCH**
3512 Fifth St
Berwick, LA
70342

**CENTERVILLE
BRANCH**
9340 Hwy 182
Centerville, LA
70522

**PATTERSON
BRANCH**
521 Catherine St
Patterson, LA
70392

**WEST END
BRANCH**
100 Charenton Rd
Baldwin, LA
70514

ST. MARY PARISH LIBRARY

Statewide Agreed-Upon Procedures

Fiscal period January 1, 2025 through December 31, 2025

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Board of Control of the St. Mary Parish Library and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance 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. The management of the St. Mary Parish Library (hereinafter "Library") is responsible for those control and compliance areas identified in the SAUPs.

An agreed-upon procedures engagement involves the performing of specific procedures that the Library has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. However, 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 exceptions, if any, 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

- 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). 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

- 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 #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

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. 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

Obtained management's representation that there were no bonds/notes or other debt instruments issued during the fiscal period nor were there any notes/bonds outstanding at the end of the fiscal period. Therefore, the procedures below are not applicable.

- 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

We performed the procedures below and discussed the results with management.

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

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.

Exceptions

Exceptions found as a result of applying the procedures listed above are as follows:

Payroll and Personnel

1. Attendance records for one (1) of the five (5) employees selected did not evidence supervisor approval.

Management's Response

The Library concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by the Library to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable provisions of *Government Auditing Standards*, issued by the United States Comptroller General. 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 control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the Library's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 12, 2026