

Financial Report

Terrebonne Parish Library
Houma, Louisiana

December 31, 2022



Financial Report

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Houma, Louisiana

December 31, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the governmental activities and the major funds of Terrebonne Parish Library, State of Louisiana (the "Library"), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Terrebonne Parish Library as of December 31, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 11, the Schedule of Changes in the Library's Total OPEB Liability and Related Ratios on page 44, the Schedule of the Library's Proportionate Share of the Net Pension Liability (Asset) on page 45 and the Schedule of the Library's Contributions on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The accompanying supplementary information, on page 47, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2023, on our consideration of the Terrebonne Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

Houma, Louisiana,
June 13, 2023.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Terrebonne Parish Library

December 31, 2022

Management’s Discussion and Analysis of Terrebonne Parish Library’s (the “Library”) financial performance presents a narrative overview and analysis of the Library’s financial activities for the year ended December 31, 2022. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

The Library’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of fiscal year 2022 by \$18,318,920 (net position), which represents a 7.28% increase from last fiscal year.

The Library’s revenue increased \$129,531, (or 1.88%), primarily due to the increase in sales and use tax.

The Library’s expenses increased \$528,965, (or 10.07%), primarily due to the increase in other services and charges within culture and recreation expenses.

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

Capital assets decreased \$1,052,406 primarily due to disposals exceeding additions.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Government-Wide Financial Statements**

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

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

Fund Financial Statements

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

Governmental Funds

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

The Library maintains three individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, Capital Project Fund and the Debt Service Fund. The Library adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 12 through 16 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Library's financial position. As of December 31, 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,318,920. A large portion of the Library's net position, \$16,014,734 (or 87.42%), reflects its net investment in capital assets (e.g., land, buildings, office furniture, fixtures and equipment, and library collection). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>December 31,</u>		<u>Dollar</u>
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current and other assets	\$ 13,909,355	\$ 12,102,250	\$ 1,807,105
Capital assets	16,014,734	17,067,140	(1,052,406)
Deferred outflows of resources	1,974,601	735,905	1,238,696
Total assets and deferred outflows of resources	<u>31,898,690</u>	<u>29,905,295</u>	<u>1,993,395</u>
Current liabilities	1,018,212	987,713	30,499
Long-term liabilities outstanding	9,666,690	10,497,160	(830,470)
Deferred inflows of resources	2,894,868	1,343,852	1,551,016
Total liabilities and deferred inflows of resources	<u>13,579,770</u>	<u>12,828,725</u>	<u>751,045</u>
Net position:			
Net investment in capital assets	16,014,734	17,067,140	(1,052,406)
Restricted	7,440,815	7,517,103	(76,288)
Deficit	(5,136,629)	(7,507,673)	2,371,044
Total net position	<u>\$ 18,318,920</u>	<u>\$ 17,076,570</u>	<u>\$ 1,242,350</u>

Total liabilities increased due to the Library's increase in other postemployment benefit obligations, the net pension liability, and due to Terrebonne Parish Consolidated Government.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the Library's net position by \$1,242,350. Key elements of this increase are as follows:

Condensed Statements of Activities

	For the Year Ended December 31,		Dollar	Percent
	2022	2021	Change	Change
Revenues				
Taxes - sales and use	\$ 6,944,794	\$ 6,794,216	\$ 150,578	2.22%
Charges for services	46,094	31,302	14,792	47.26%
Fines and forfeitures	9,705	7,729	1,976	25.57%
Grants	16,278	51,952	(35,674)	-68.67%
Miscellaneous:				
Investment income	22	23	(1)	-4.35%
Other	7,677	9,817	(2,140)	-21.80%
Total revenues	<u>7,024,570</u>	<u>6,895,039</u>	<u>129,531</u>	1.88%
Expenses				
Culture and recreation	5,726,182	5,069,615	656,567	12.95%
Debt service	56,038	183,641	(127,603)	-69.49%
Total expenses	<u>5,782,220</u>	<u>5,253,256</u>	<u>528,964</u>	10.07%
Other Financing Sources				
Insurance proceeds	-	93,683	(93,683)	100.00%
Increase in net position	1,242,350	1,735,466	(493,116)	-28.41%
Net Position				
Beginning of year	<u>17,076,570</u>	<u>15,341,104</u>	<u>1,735,466</u>	11.31%
End of year	<u>\$ 18,318,920</u>	<u>\$ 17,076,570</u>	<u>\$ 1,242,350</u>	7.28%

Sales and use tax revenues increased \$150,578 as a result of the increase in the local economy in 2022. Culture and recreation increased \$656,567 due to losses on disposals and impairments resulting from Hurricane Ida. Debt service expenses decreased \$127,603 due to costs incurred as a result of the Library issuing bonds in the prior year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$12,620,939, an increase of \$1,135,007 in comparison with the prior year. Fund balance in the General Fund is \$5,200,345. The remainder of fund balance is included in the Capital Project Fund and Debt Service Fund at \$7,010,242 and \$410,352 respectively.

The General Fund is the chief operating fund of the Library. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balances and total governmental fund balance to total fund expenditures. In 2022, the fund balance of the Library's General Fund increased \$1,340,126. The main factor of this increase was the increase in sales tax revenues in the current year. The Capital Project Fund has a total fund balance of \$7,010,242, a decrease of \$83,710 in comparison with the prior year. The Debt Service Fund has a total fund balance of \$410,352, a decrease of \$121,409 in comparison with the prior year.

General Fund Budgetary Highlights

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

Revenues

- Increase in sales tax revenue to account for additional expected proceeds.
- Increase in charges for services to account for additional use of the photocopier.
- Increase in grant revenue to account for actual grant receipts.

Expenditures

- Increase in personal services to account for salary increases.
- Increase in building and content insurance to account for the increase in rates following Hurricane Ida. This increase is included in other services and charges.
- Increase in capital outlay to account for additional purchases of computers and other equipment.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND (Continued)

During the year, actual revenues were more than the final budgetary estimates by \$253,527; actual expenditures were less than the final budgetary estimates by \$233,776.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Library's net investment in capital assets for its governmental activities as of December 31, 2022, amounts to \$16,014,734 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings, office furniture, fixtures and equipment, and library collection.

	<u>2022</u>	<u>2021</u>
Land	\$ 308,890	\$ 308,890
Construction in progress	93,362	9,652
Buildings	25,294,103	26,610,855
Office furniture, fixtures, and equipment	1,342,578	1,131,130
Library collection	<u>8,611,215</u>	<u>8,694,110</u>
Totals	<u>\$ 35,650,148</u>	<u>\$ 36,754,637</u>

The Library recognized impairments to the buildings capital asset category. Additional information on the Library's capital assets can be found in Exhibit F, Note 3 of this report.

Long-Term Debt

As of December 31, 2022, the Library had \$10,379,954 in long-term obligations. This includes the District's obligations of \$5,495,000 for sales tax bonds down \$505,000 for payment made during the year. Other postemployment benefit obligations decreased \$37,834, to \$3,694,985 as of December 31, 2022 due to changes in assumptions and other inputs. Obligations for unpaid annual leave decreased \$73,662. Unpaid annual leave obligations totaled \$208,530 as of December 31, 2022. Unamortized bond premium totaled \$981,439 as of December 31, 2022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

The Library's 2023 operations have been budgeted with the following increases and decreases in the revenues and expenditures:

- Capital outlay, increase of 6.5% as a result of anticipated renovations for North and Main Branch gaming rooms.
- Personal services, increase of 4.3% as a result of raises and longevity added.

REQUESTS FOR INFORMATION

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

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

December 31, 2022

	General Fund	Capital Project Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
Assets						
Cash and cash equivalents	\$ 4,135,157	\$ 7,103,604	\$ 410,352	\$ 11,649,113	\$ -	\$ 11,649,113
Receivables:						
Sales and use taxes	696,003	-	-	696,003	-	696,003
Due from Terrebonne Parish Sales and Use Tax Department	561,632	-	-	561,632	-	561,632
Due from Terrebonne Parish Consolidated Government	19,139	-	-	19,139	-	19,139
Net pension asset	-	-	-	-	963,247	963,247
Prepaid interest expense	-	-	-	-	20,221	20,221
Capital assets:						
Non-depreciable	-	-	-	-	402,252	402,252
Depreciable, net of accumulated depreciation	-	-	-	-	15,612,482	15,612,482
Total assets	<u>5,411,931</u>	<u>7,103,604</u>	<u>410,352</u>	<u>12,925,887</u>	<u>16,998,202</u>	<u>29,924,089</u>
Deferred Outflows of Resources						
Other postemployment benefits	-	-	-	-	1,772,793	1,772,793
Pensions	-	-	-	-	201,808	201,808
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,974,601</u>	<u>1,974,601</u>
Total assets and deferred outflows of resources	<u>\$ 5,411,931</u>	<u>\$ 7,103,604</u>	<u>\$ 410,352</u>	<u>\$ 12,925,887</u>	<u>18,972,803</u>	<u>31,898,690</u>
Liabilities						
Accounts payable and accrued expenditures	\$ 211,586	\$ -	\$ -	\$ 211,586	-	211,586
Due to Terrebonne Parish Consolidated Government	-	93,362	-	93,362	-	93,362
Long-term liabilities:						
Due within one year	-	-	-	-	713,264	713,264
Due after one year	-	-	-	-	9,666,690	9,666,690
Total liabilities	<u>211,586</u>	<u>93,362</u>	<u>-</u>	<u>304,948</u>	<u>10,379,954</u>	<u>10,684,902</u>
Deferred Inflows of Resources						
Other postemployment benefits	-	-	-	-	2,188,456	2,188,456
Pensions	-	-	-	-	706,412	706,412
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,894,868</u>	<u>2,894,868</u>
Total liabilities and deferred inflows of resources	<u>211,586</u>	<u>93,362</u>	<u>-</u>	<u>304,948</u>	<u>13,274,822</u>	<u>13,579,770</u>
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Capital projects	-	7,010,242	-	7,010,242	(7,010,242)	-
Debt service	-	-	410,352	410,352	(410,352)	-
Unassigned	5,200,345	-	-	5,200,345	(5,200,345)	-
Total fund balances	<u>5,200,345</u>	<u>7,010,242</u>	<u>410,352</u>	<u>12,620,939</u>	<u>(12,620,939)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,411,931</u>	<u>\$ 7,103,604</u>	<u>\$ 410,352</u>	<u>\$ 12,925,887</u>	<u>653,883</u>	<u>13,579,770</u>
Net position:						
Net investment in capital assets					16,014,734	16,014,734
Restricted:						
Capital projects					7,010,242	7,010,242
Debt service					430,573	430,573
Deficit					(5,136,629)	(5,136,629)
Total net position					<u>\$ 18,318,920</u>	<u>\$ 18,318,920</u>

See notes to financial statements.

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

Terrebonne Parish Library

December 31, 2022

Fund Balances - Governmental Fund **\$ 12,620,939**

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not
financial resources and, therefore, are not
reported in the governmental fund.

Governmental capital assets	\$ 35,650,148	
Less accumulated depreciation	<u>(19,635,414)</u>	16,014,734

Long-term assets are not financial resources and,
therefore, are not reported in the governmental fund.

Net pension asset		963,247
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Prepaid expenses reported in governmental activities
are not financial resources and therefore are not
reported in the governmental fund.

Prepaid interest		20,221
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Deferred outflows of resources used in governmental
activities are not financial resources and are not
reported in governmental funds.

Other postemployment benefit obligations	1,772,793	
Pensions	<u>201,808</u>	1,974,601

Long-term liabilities, including bonds payable, are not
due and payable in the current period and therefore,
are not reported in the governmental funds.

Bonds payable and unamortized bond premium	(6,476,439)	
Other postemployment benefit obligations	(3,694,985)	
Compensated absences payable	<u>(208,530)</u>	(10,379,954)

Deferred inflows of resources are not due and
payable in the current period and are not
reported in governmental funds.

Other postemployment benefit obligations	(2,188,456)	
Pensions	<u>(706,412)</u>	(2,894,868)

Net Position of Governmental Activities **\$ 18,318,920**

See notes to financial statements.

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

Terrebonne Parish Library

For the year ended December 31, 2022

	General Fund	Capital Project Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of of Activities
Revenues						
Taxes - sales and use	\$ 6,944,794	\$ -	\$ -	\$ 6,944,794	\$ -	\$ 6,944,794
Charges for services	46,094	-	-	46,094	-	46,094
Fines and forfeitures	9,705	-	-	9,705	-	9,705
Grants	16,278	-	-	16,278	-	16,278
Miscellaneous:						
Investment income	22	-	-	22	-	22
Other	7,677	-	-	7,677	-	7,677
Total revenues	7,024,570	-	-	7,024,570	-	7,024,570
Expenditures/Expenses						
Current:						
Culture and recreation:						
Personal services	3,082,154	-	-	3,082,154	(328,722)	2,753,432
Supplies and materials	94,181	-	-	94,181	-	94,181
Other services and charges	868,215	-	-	868,215	-	868,215
Repairs and maintenance	260,961	-	-	260,961	-	260,961
Depreciation	-	-	-	-	1,070,827	1,070,827
Loss on disposal of assets	-	-	-	-	14,428	14,428
Loss on impairment of assets	-	-	-	-	664,138	664,138
Total culture and recreation	4,305,511	-	-	4,305,511	1,420,671	5,726,182
Debt service:						
Bond principal retirement	-	-	505,000	505,000	(505,000)	-
Interest and fiscal charges	-	-	382,065	382,065	(326,027)	56,038
Total debt service	-	-	887,065	887,065	(326,027)	56,038
Capital outlay	613,277	83,710	-	696,987	(696,987)	-
Total expenditures/expenses	4,918,788	83,710	887,065	5,889,563	397,657	5,782,220
Excess (deficiency) of revenues over expenditures	2,105,782	(83,710)	(887,065)	1,135,007	(397,657)	1,242,350
Other Financing Sources (Uses)						
Operating transfers in	-	-	765,656	765,656	(765,656)	-
Operating transfers out	(765,656)	-	-	(765,656)	765,656	-
Total other financing sources (uses)	(765,656)	-	765,656	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	1,340,126	(83,710)	(121,409)	1,135,007	(1,135,007)	-
Change in Net Position	-	-	-	-	1,242,350	1,242,350
Fund Balances/Net Position						
Beginning of year	3,860,219	7,093,952	531,761	11,485,932	5,590,638	17,076,570
End of year	\$ 5,200,345	\$ 7,010,242	\$ 410,352	\$ 12,620,939	\$ 5,697,981	\$ 18,318,920

See notes to financial statements.

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

Terrebonne Parish Library

For the year ended December 31, 2022

Net Change in Fund Balances - Governmental Fund **\$ 1,135,007**

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay	\$ 696,987	
Depreciation expense	<u>(1,070,827)</u>	(373,840)

The net effect of various miscellaneous transactions
involving capital assets, such as sales, trade-ins,
donations and leases is to decrease net position.

Loss on disposition of capital assets	(14,428)	
Loss on impairment of capital assets	<u>(664,138)</u>	(678,566)

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

Bond principal payments		505,000
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Some expenditures reported in the Statement of Activities
do not require the use of current financial resources and,
therefore, are not reported as expenditures in
governmental funds.

Amortization of bond premium	197,196	
Increase in other postemployment benefit obligations	(29,352)	
Decrease in accrued interest payable	108,610	
Increase in prepaid interest	20,221	
Decrease in compensated absences	73,662	
Pension expense	<u>284,412</u>	<u>654,749</u>

Change in Net Position of Governmental Activities **\$ 1,242,350**

See notes to financial statements.

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

Terrebonne Parish Library

For the year ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Taxes - sales and use	\$ 5,600,000	\$ 6,700,000	\$ 6,944,794	\$ 244,794
Charges for services	25,000	40,000	46,094	6,094
Fines and forfeitures	10,000	10,000	9,705	(295)
Grants	1,000	15,000	16,278	1,278
Miscellaneous:				
Investment income	100	100	22	(78)
Other	10,000	5,943	7,677	1,734
Total revenues	5,646,100	6,771,043	7,024,570	253,527
Expenditures				
Current:				
Culture and recreation:				
Personal services	3,139,073	3,171,644	3,082,154	89,490
Supplies and materials	124,000	124,000	94,181	29,819
Other services and charges	787,639	834,420	868,215	(33,795)
Repairs and maintenance	251,200	247,500	260,961	(13,461)
Total culture and recreation	4,301,912	4,377,564	4,305,511	72,053
Capital outlay	570,000	775,000	613,277	161,723
Total expenditures	4,871,912	5,152,564	4,918,788	233,776
Excess of revenues over expenditures	774,188	1,618,479	2,105,782	487,303
Other Financing Uses				
Operating transfers out	(764,196)	(764,196)	(765,656)	(1,460)
Excess of Revenues Over Expenditures and Other Financing Uses	9,992	854,283	1,340,126	485,843
Fund Balance				
Beginning of year	2,573,011	3,860,219	3,860,219	-
End of year	\$ 2,583,003	\$ 4,714,502	\$ 5,200,345	\$ 485,843

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Library**

December 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Library is a department within the Terrebonne Parish Consolidated Government (the “Parish”) for which the Parish Council appoints an advisory Board of Control. The Library is a component unit of the Parish and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2022.

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

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

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Library. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Library as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

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

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Use of Estimates

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

e. Operating Budgetary Data

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

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

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

f. Accounts Receivable

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

g. Investments

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

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

Government-Wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets, except for the library collection, purchased or acquired with an original cost of \$500 or more, are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Donated capital assets with estimated historical costs amounted to \$356,745 or 1.00% of total capital assets. All items included in the library collections are capitalized and valued at historical cost. Library collection items disposed of are accounted for at 100% of the average cost of the item.

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

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

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

Fund Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Deferred Outflows of Resources

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

j. Long-Term Debt

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

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

k. Accumulated Vacation and Sick Leave

Full-time employees are granted between 12 and 30 days of vacation each calendar year, depending on their length of employment and position. Vacation time does not vest. Any unused vacation time remaining as of December 31 is forfeited, however with the director's approval, vacation time can be carried to the next year, not to exceed 5 days. Sick leave is granted to full-time employees at a rate of 10 days per year. Each full-time employee accrues sick leave at a rate of 1.54 hours per each 40 hours worked. Sick leave that is not used may be accumulated. Upon retirement, an employee will remain on the payroll until the accumulated sick leave is exhausted, at which time the employee will begin receiving retirement benefits from the retirement system.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Other Postemployment Benefits

GASB Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”*, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees retirement. The Library has recorded liabilities for postemployment health care benefits as of December 31, 2022.

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

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

m. Pensions

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

n. Deferred Inflows of Resources

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

o. Interfund Transfers

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Interfund Transfers (Continued)

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

p. Equity

Government-Wide Statements

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

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

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

Fund Financial Statements

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

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Equity

Fund Financial Statements (Continued)

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

For the classification of governmental fund balances, the Library considers an expenditure to be made from the most restrictive first when more than one classification is available. The Library's fund balance was classified as restricted and unassigned as of December 31, 2022.

q. New GASB Statements

During the year ending December 31, 2022, the Library implemented the following GASB Statements:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement did not affect the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New GASB Statements (Continued)

Statement No. 92, “*Omnibus 2020*” establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. This Statement did not affect the financial statements.

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New GASB Statements (Continued)

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

Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*” improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New GASB Statements (Continued)

Statement No. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

r. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 13, 2023, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS AND INVESTMENTS

Some of the Library’s monies are held in a cash and investment pool maintained by the Parish and available for use by all funds. The Library’s portion of this pool is included on the Statement of Net Position and Governmental Fund Balance Sheet as “cash and cash equivalents and investments” as of December 31, 2022.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

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

Deposits

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

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 11,650,029</u>	<u>\$ 11,649,113</u>

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library has a written policy for custodial credit risk which is similar to state law. As of December 31, 2022, \$11,313,381 of the Library's bank balance of \$11,650,029 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the depositor's name by state statute. The Parish maintains pledging to cover funds held and invested for the Library.

As of December 31, 2022, cash in excess of FDIC insurance were adequately collateralized, under state law, by securities held by unaffiliated banks for the account of the Library or the Parish. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Additions	Deletions and Adjustments	Balance December 31, 2022
Capital assets not being depreciated:				
Land	\$ 308,890	\$ -	\$ -	\$ 308,890
Construction in progress	9,652	83,710	-	93,362
Total capital assets not being depreciated	318,542	83,710	-	402,252
Capital assets being depreciated:				
Buildings	26,610,855	49,756	(1,366,508)	25,294,103
Office furniture, fixtures, and equipment	1,131,130	211,448	-	1,342,578
Library collection	8,694,110	352,073	(434,968)	8,611,215
Total capital assets being depreciated	36,436,095	613,277	(1,801,476)	35,247,896
Less accumulated depreciation for:				
Buildings	(10,928,584)	(639,968)	687,942	(10,880,610)
Office furniture, fixtures, and equipment	(914,118)	(79,205)	-	(993,323)
Library collection	(7,844,795)	(351,654)	434,968	(7,761,481)
Total accumulated depreciation	(19,687,497)	(1,070,827)	1,122,910	(19,635,414)
Total capital assets being depreciated, net	16,748,598	(457,550)	(678,566)	15,612,482
Total capital assets, net	\$ 17,067,140	\$ (373,840)	\$ (678,566)	\$ 16,014,734

Impairments

On August 29, 2021, Hurricane Ida severely impacted the Library and the financial impact has yet to be determined. Numerous capital assets were damaged and are still being repaired or replaced. In accordance with GASB Statement No. 42, “*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*”, the Library has reviewed the various capital assets (a) to determine potential impairments from Hurricane Ida through inspection of physical damage and (b) to test for impairment to determine if the magnitude of the decline in service utility of the capital asset is significant and whether the decline in service utility is not part of the normal life cycle of the capital asset. For those properties that are impaired and will continue to be used by the Library a portion of historical cost of the asset and associated accumulated depreciation, will be written off using the Restoration Cost Approach which states that the amount of impairment is derived from the estimated costs to restore the utility of the capital asset.

Note 3 - CHANGES IN CAPITAL ASSETS (Continued)

Impairments (Continued)

Impaired capital assets that will no longer be used by the Library will be reported at the lower of carrying value or fair value. The Library has performed its inspection of physical damages to its locations. Estimates of the restoration costs of damages has not been completed and the insurance adjustor's reports have not been finalized. Accordingly, impairment estimates are not complete nor has the Library received all insurance proceeds for Hurricane Ida damage claims. The Main Library Branch has been impaired based on the Library's inspection.

For the year ended December 31, 2022, the Library recognized impairment losses on the items determined to be damaged from its inspection. The following table identifies damaged capital assets and the resulting impairment losses, which are reported on the Statement of Activities.

Loss on Impairment of Assets	Insurance Proceeds	Costs of Assets	Accumulated Depreciation	Net Book Value	Impairment Gain (Loss)
Buildings and improvements	\$ -	\$ 1,250,799	\$ (586,661)	\$ 664,138	\$ (664,138)

Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures as of December 31, 2022 consisted of the following:

	General Fund	Accrued Interest	Government- Wide Totals
Vendors	\$ 167,354	\$ -	\$ 167,354
Salaries and benefits	44,232	-	44,232
Totals	<u>\$ 211,586</u>	<u>\$ -</u>	<u>\$ 211,586</u>

Note 5 - LONG-TERM OBLIGATIONS

Issuance of Bonds

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

The following is a summary of changes in the long-term obligations of the Library for the year ended December 31, 2022:

	Payable January 1, 2022	Obligations		Payable December 31, 2022	Due Within One Year
		Retired	Generated		
Sales tax bonds	\$ 6,000,000	\$ (505,000)	\$ -	\$ 5,495,000	\$ 525,000
Unamortized bond premium	1,178,635	(197,196)	-	981,439	188,264
Compensated absences	282,192	(73,662)	-	208,530	-
Other postemployment benefits	3,732,819	(37,834)	-	3,694,985	-
Totals	<u>\$ 11,193,646</u>	<u>\$ (813,692)</u>	<u>\$ -</u>	<u>\$ 10,379,954</u>	<u>\$ 713,264</u>

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

The annual requirements to amortize all long-term debt outstanding as of December 31, 2022 are as follows:

Year Ending December 31,	Principal	Interest	Totals
2023	\$ 525,000	\$ 242,650	\$ 767,650
2024	540,000	226,900	766,900
2025	545,000	221,500	766,500
2026	570,000	194,250	764,250
2027	600,000	165,750	765,750
2028 - 2031	<u>2,715,000</u>	<u>347,750</u>	<u>3,062,750</u>
Totals	<u>\$ 5,495,000</u>	<u>\$ 1,398,800</u>	<u>\$ 6,893,800</u>

Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

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

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

Employees Covered by Benefit Terms

Inactive employees currently receiving benefit payments	12
Active employees	<u>66</u>
Total	<u><u>78</u></u>

The Department’s total OPEB liability of \$3,694,985 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funding Policy

The Library fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2022 the Library paid \$65,036 for the retirees' current year premiums.

Total OPEB Liability

Actuarial Assumptions and Other Inputs

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

Measurement Date	December 31, 2022
Actuarial Valuation Date	January 1, 2022
Inflation	2.50%
Salary Increases, Including Inflation	3.00%
Discount Rate	4.05%
Healthcare Cost Trend Rates	Medical - 6.00% in year one decreasing in decrements of 0.25% per year until 5.00% through year five.
	Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five.

The discount rate was based on the December 31, 2022 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of December 31, 2021	<u>\$ 3,732,819</u>
Changes for the year:	
Service cost	117,876
Interest	93,434
Difference between expected and actual experience	373,994
Changes in assumptions and other inputs	(1,794,620)
Change in proportion	1,388,789
Benefit payments	<u>(217,307)</u>
Net changes	<u>(37,834)</u>
Balance as of December 31, 2022	<u><u>\$ 3,694,985</u></u>

Sensitivity to Total OPEB Liability to Change in the Discount Rate

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

	1.00% Decrease (3.05%)	Current Discount Rate (4.05%)	1.00% Increase (5.05%)
Total OPEB Liability	<u>\$ 4,335,271</u>	<u>\$ 3,694,985</u>	<u>\$ 3,186,212</u>

Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

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

	<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 3,138,958</u>	<u>\$ 3,694,985</u>	<u>\$ 4,416,056</u>

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

For the year ended December 31, 2022 the Library recognized OPEB expense of \$102,870. As of December 31, 2022, the Library reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 336,514	\$ (309,076)
Change in assumptions	256,157	(1,699,088)
Change in proportion	<u>1,180,122</u>	<u>(180,292)</u>
Totals	<u>\$ 1,772,793</u>	<u>\$ (2,188,456)</u>

Note 6 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (169,384)
2024	(83,864)
2025	(80,849)
2026	<u>(81,566)</u>
Total	<u>\$ (415,663)</u>

Note 7 - DEFINED BENEFIT PENSION PLAN

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

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

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

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

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2021, the actuarial employer contribution rate was 7.07% of member's compensation. However, the actual contribution rate for the fiscal years ending December 31, 2022 and 2021 was 7.50%. According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the Library were \$145,623 for the year ended December 31, 2022.

Net Pension Asset. As of December 31, 2022, the Library reported an asset of \$963,247 for its proportionate share of the System's net pension asset. The net pension asset was measured as of December 31, 2021 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2021, the Library's proportion was 1.7237%, which was an increase of 0.0343% from its proportion measured as of December 31, 2020.

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense. For the year ended December 31, 2022, the Library recognized pension benefit of \$294,912.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,732	\$ (102,375)
Net difference between projected and actual earnings on pension plan investments	-	(603,550)
Change in assumptions	37,679	-
Changes in proportionate share Contributions subsequent to the measurement date	774	(487)
	<u>145,623</u>	<u>-</u>
	<u>\$ 201,808</u>	<u>\$ (706,412)</u>

The Library reported \$145,623 as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For The Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (129,057)
2024	(266,737)
2025	(187,397)
2026	<u>(67,036)</u>
Total	<u>\$ (650,227)</u>

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

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

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.40%, net investment expense, including inflation
Projected Salary Increases	4.25% (2.30% inflation, 1.95% merit)
Inflation Rate	2.30%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disables Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing method (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% as of the measurement date, December 31, 2021.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2021 are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.00%	0.85%
Equity	51.00%	3.23%
Alternatives	14.00%	0.71%
Real assets	<u>2.00%</u>	<u>0.11%</u>
 Totals	 <u>100.00%</u>	 4.90%
 Inflation		 <u>2.10%</u>
 Expected Arithmetic Nominal Rate		 <u>7.00%</u>

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

Sensitivity of the Library's Proportionate Share of the Collective Net Pension (Liability) Assets to Changes in the Discount Rate. The following presents the Library's proportionate share of the collective net pension liability asset using the discount rate of 6.40%, as well as what the Library's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

	1.00% Decrease <u>(5.40%)</u>	Current Discount Rate <u>(6.40%)</u>	1.00% Increase <u>(7.40%)</u>
Library's proportionate share of the net pension liability (asset)	<u>\$ (83,184)</u>	<u>\$ (963,247)</u>	<u>\$ (1,699,216)</u>

Pension Plan Fiduciary Net Position. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2021. Access to the audit report can be found on the System's website, www.persla.org or on the Louisiana Legislative Auditor's website, www.la.la.gov.

Note 8 - RISK MANAGEMENT

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

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

Coverage for general liability and property claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, then secondly by the Library.

Note 8 - RISK MANAGEMENT (Continued)

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2021 was \$14,007,398. Insurance contracts cover the excess liability on individual claims. Covered employees are subject to a lifetime maximum claims limit. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$3,765,585 as of December 31, 2021, then secondly by the Library.

Worker's compensation claims in excess of \$600,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2022, the Library had no claims in excess of the above coverage limits.

Total premiums paid to the Parish for insurance coverage during the year ended December 31, 2022 totaled \$885,579.

Note 9 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 2022.

Note 10 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 13, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

Terrebonne Parish Library

For the five years ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 117,876	\$ 84,797	\$ 107,415	\$ 73,085	\$ 163,227
Interest	93,434	73,413	123,809	99,623	237,839
Changes of benefit terms	-	-	-	-	(3,565,525)
Difference between expected and actual experience	373,994	(11,985)	(542,166)	146,339	(35,274)
Changes in assumptions or other inputs	(1,794,620)	41,547	(390,008)	872,556	(246,116)
Change in proportion	1,388,789	(13,428)	(211,206)	90,546	-
Benefit payments	<u>(217,307)</u>	<u>(95,683)</u>	<u>(116,543)</u>	<u>(126,207)</u>	<u>(98,940)</u>
Net Change in Total OPEB Liability	(37,834)	78,661	(1,028,699)	1,155,942	(3,544,789)
Beginning of year	<u>3,732,819</u>	<u>3,654,158</u>	<u>4,682,857</u>	<u>3,526,915</u>	<u>7,071,704</u>
End of year	<u>\$ 3,694,985</u>	<u>\$ 3,732,819</u>	<u>\$ 3,654,158</u>	<u>\$ 4,682,857</u>	<u>\$ 3,526,915</u>
Covered Employee Payroll	<u>\$ 2,635,267</u>	<u>\$ 2,205,404</u>	<u>\$ 2,313,589</u>	<u>\$ 2,157,854</u>	<u>\$ 2,045,760</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	<u>140.21%</u>	<u>169.26%</u>	<u>157.94%</u>	<u>217.01%</u>	<u>172.40%</u>
Notes to Schedule:					
Changes of benefit terms:					
Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.					
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period.	<u>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>

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

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

Terrebonne Parish Library

For the eight years ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability	<u>1.7237%</u>	<u>1.6894%</u>	<u>1.5497%</u>	<u>1.6752%</u>	<u>1.7430%</u>	<u>1.8666%</u>	<u>1.9347%</u>	<u>1.9521%</u>
Library's proportionate share of the net pension (asset) liability	<u>(\$963,247)</u>	<u>(\$433,701)</u>	<u>(\$112,118)</u>	<u>\$452,577</u>	<u>(\$219,313)</u>	<u>\$242,485</u>	<u>\$344,460</u>	<u>\$152,206</u>
Library's covered payroll	<u>\$1,918,237</u>	<u>\$1,858,879</u>	<u>\$ 1,828,357</u>	<u>\$1,786,071</u>	<u>\$1,844,445</u>	<u>\$1,910,836</u>	<u>\$1,892,050</u>	<u>\$1,764,026</u>
Library's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>-50.215%</u>	<u>-23.331%</u>	<u>-6.132%</u>	<u>25.339%</u>	<u>-11.890%</u>	<u>12.690%</u>	<u>18.206%</u>	<u>8.628%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>114.20%</u>	<u>106.76%</u>	<u>102.05%</u>	<u>91.93%</u>	<u>104.02%</u>	<u>95.50%</u>	<u>93.48%</u>	<u>99.89%</u>

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

SCHEDULE OF THE LIBRARY'S CONTRIBUTIONS**Terrebonne Parish Library**

For the eight years ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 145,623	\$ 143,868	\$ 139,416	\$ 137,127	\$ 133,955	\$ 147,556	\$ 152,867	\$ 170,285
Contributions in relation to the contractually required contribution	<u>(145,623)</u>	<u>(143,868)</u>	<u>(139,416)</u>	<u>(137,127)</u>	<u>(133,955)</u>	<u>(147,556)</u>	<u>(152,867)</u>	<u>(170,285)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	<u>\$ 1,941,646</u>	<u>\$ 1,918,237</u>	<u>\$ 1,858,879</u>	<u>\$ 1,828,357</u>	<u>\$ 1,786,071</u>	<u>\$ 1,844,445</u>	<u>\$ 1,910,836</u>	<u>\$ 1,892,050</u>
Contributions as a percentage of covered-employee payroll	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>9.00%</u>

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

SUPPLEMENTARY INFORMATION

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

Terrebonne Parish Library

For the year ended December 31, 2022

Agency Head Name: Mary Cospier LeBoeuf, Director

Purpose

Salary	\$ 119,494
Benefits - insurance	25,619
Benefits - retirement	9,522
Benefits - other	1,334
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	670
Conference travel	111
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Membership dues	298
Special meals	154
	<hr/>
	\$ 157,202
	<hr/> <hr/>

Note:

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

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Terrebonne Parish Library (the “Library”), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Library’s financial statements and have issued our report thereon dated June 13, 2023.

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Bougeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

Houma, Louisiana,
June 13, 2023.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Library

For the year ended December 31, 2022

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

Terrebonne Parish Library did not expend federal awards in excess of \$750,000 during the year ended December 31, 2022 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2022.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Library

For the year ended December 31, 2022

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

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

Section II - Internal Control and Compliance Material to Federal Awards

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

Section III - Management Letter

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

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Library

For the year ended December 31, 2022

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

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended December 31, 2022.

No significant deficiencies were reported during the audit for the year ended December 31, 2022.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2022.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Library did not expend federal awards in excess of \$750,000 during the year ended December 31, 2022 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2022.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures described in Schedule 5 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2022 through December 31, 2022. Terrebonne Parish Library (the "Library") management is responsible for those C/C areas identified in the SAUPs.

The Library has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 5.

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

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

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

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 13, 2023.

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

Terrebonne Parish Library

For the year ended December 31, 2022

The required procedures and our findings are as follows:

1) Procedures Performed on the Library's Written Policies and Procedures:

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

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

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

Exceptions: There were no exceptions noted.

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.

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

- 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(s) rate of pay or approval and maintenance of pay rate schedules.

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

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the policy for contracting.

Exceptions: There was an exception noted due to the policy lacking a provision on legal review.

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

Performance: Obtained and read the written policy for travel and expense reimbursement.

Exceptions: There was an exception noted due to the policy lacking a provision on dollar thresholds by category of expense.

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

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

Exceptions: There were no exceptions noted.

- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Library's ethics policy.

Performance: Obtained and read the written policy for ethics.

Exceptions: There were exceptions noted due to the policy lacking provisions on actions to be taken if an ethics violation takes place and a system to monitor possible ethics violations.

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

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

Exceptions: There were no exceptions noted.

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

- 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.

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

Exceptions: There were exceptions noted due to the Library not having this policy.

- 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.

Performance: Obtained and read the written policy for sexual harassment.

Exceptions: There was an exception noted due to the policy lacking a provision on annual reporting.

2) Procedures Performed on the Library's Board:

- A. Obtain and inspect the board 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 met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected meeting minutes to determine if the minutes included references to monthly budget-to-actual comparisons on the General Fund.

Exceptions: There were no exceptions noted.

- 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 unrestricted fund balance in the general fund.

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

Exceptions: There were no exceptions noted.

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

- 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.

Performance: Obtained and read the written minutes of the Board meetings. The Library did not have any findings in the prior year's audit report.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the Library's Bank Reconciliations:

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

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

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account and one additional account. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the Library's documentation for the December bank reconciliation for the 2 bank accounts selected.

Exceptions: There were no exceptions noted.

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

Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding for longer than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

- 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., collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.
- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.
- 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 are not responsible for collecting cash, unless another employee verifies the reconciliation.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.

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

- 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 enforced during the fiscal period.

Performance: Obtained a copy of the bond policy and a listing of all employees covered by the policy. The policy was in force during the fiscal period.

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

5) Procedures Performed on the Library's Non-Payroll Disbursements (Excluding Card Purchases/Payments, 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).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation that the listing is complete in a separate letter. The Library only has one location that processes payments.

Exceptions: There were no exceptions noted.

- 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 Library has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing an approving payment to vendors. Observed at least two employees/contractors are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files and another employee is responsible for reviewing changes to vendor files.

Exceptions: There were no exceptions noted.

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

- 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.

Performance: Obtained a listing of employee/official involved with signing and mailing checks. Observed the employee/official that mails the check is not responsible for processing payments.

Exceptions: There were no exceptions noted.

- 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 means.

Performance: Inquired about any disbursements being processed electronically. The Library does not utilize electronic disbursement of funds.

Exceptions: There were no exceptions noted.

- C. For each location selected under procedure #5A, obtain the Library's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the Library's non-payroll disbursement transaction population and obtained management's representation in a separate letter that the population is complete.

Exceptions: There were no exceptions noted.

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

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and examined documentation indicating the deliverable was received.

Exceptions: There were no exceptions noted.

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

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

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

Performance: Inquired about any disbursements being processed electronically. The District does not utilize electronic disbursements of funds.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

- 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, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

Performance: Observed all active cards for the fiscal period, included the card numbers and the names of the persons who maintain possession of the cards and obtained supporting documentation.

Exceptions: There were no exceptions noted.

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

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

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

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

Performance: Observed finance charges and/or late fees assessed on the selected statements.

Exceptions: There were exceptions noted due to late fees being assessed on some of the statements selected for testing.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

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

Performance: Observed if the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

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

ii. Written documentation of the business/public purpose.

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected the transactions from the monthly statements and they did not have any individuals participating in meals.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the Library's 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, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained general ledger for travel and travel-related expense reimbursements and obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Observed the reimbursement rate to those rates established. All reimbursements selected for testing were for actual costs.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the reimbursement is supported by an original itemized receipt that identifies what was purchased.

Exceptions: There were no exceptions noted.

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 policy (procedures #1A(vii)).

Performance: Observed that each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy.

Exceptions: There were no exceptions noted.

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

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

Performance: Observed that each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the Library's 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:

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- 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 (i.e., if approval is required for any amendment, the documented approval).

Performance: Observed the contracts selected and noted no contract amendments.

Exceptions: There were no exceptions noted.

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

- 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.

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

Exceptions: There were no exceptions noted.

9) Procedures Performed on the Library's Payroll and Personnel:

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

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines and obtained management's representation that the associated forms were filed by required deadlines.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the Library's Ethics:

- A. Using the 5 selected employees/officials from procedure #9A under "Procedures Performed on the Library's Payroll and Personnel", obtain ethics compliance documentation from management and:

- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the Library's Ethics: (Continued)

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

Performance: Observed whether each employee and official were notified of any changes to the ethics policy.

Exceptions: There were no exceptions noted.

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

Performance: We inquired as to whether the Library appointed an ethics designee.

Exceptions. There were no exceptions noted.

11) Procedures Performed on the Library's Debt Service:

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

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

- 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.

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

Exceptions: There were no exceptions noted.

12) Procedures Performed on the Library's Fraud Notice:

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There was an exception noted due to the fraud notice not being posted on the website.

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

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

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

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

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

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

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

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

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

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

14) Procedures Performed on the Library's Prevention of Sexual Harassment:

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There was an exception noted due to the sexual harassment policy and complaint procedure not being posted on its website.

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

Performance: Obtained the annual sexual harassment report and observed it contained the requirements of R.S. 42:344.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

15) Procedures Performed on the Library's Prevention of Sexual Harassment: (Continued)

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

- 1)A(vi) Management will consider adding the required provision to the contracting policy.
- 1)A(vii) Management will consider adding the required provision to the travel and expense reimbursement policy.
- 1)A(ix) Management will consider adding the required provisions to the ethics policy.
- 1)A(xi) Management will develop and adopt an information technology disaster recovery/ business continuity policy.
- 1)A(xii) Management will consider adding the required provision to the sexual harassment policy.
- 6)B(i) Management will consider improving controls to ensure that an employee is not approving their own credit card statements.
- 6)B(ii) Management will try to pay credit card bills timely to avoid late fees.
- 12)B Management will consider posting the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds on the Library's website.
- 14)B Management will consider posting the sexual harassment policy on the Library's website.