

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2023**

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board
Caldwell Parish Library
Columbia, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund, of the Library, a component unit of Caldwell Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Caldwell Parish 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 General Fund of the Caldwell Parish Library, as of December 31, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*. 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 Caldwell Parish Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Incurrence of Debt

We draw attention to the debt discussed in Note 8. The Library may not have the authority to incur debt. The Police Jury owns the building. The construction in progress and the debt are on the Statement of Net Position at December 31, 2023, because the Library was legally obligated at December 31, 2023.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Caldwell Parish 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 Caldwell Parish Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (page 31) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis; the Employee Health Care Plan – Schedule of Funding Progress; the Schedule of Employer's Proportionate Share of Net Pension Liability; and the Schedule of Employer Contributions to the Retirement System that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Caldwell Parish Library
Independent Auditor's Report
December 31, 2023

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caldwell Parish Library's basic financial statements. The accompanying Schedule of Compensation, Reimbursements, and other Payments to Agency Head, 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Reimbursements, and other Payments to Agency Head, 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 30, 2024, on our consideration of the Caldwell Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Caldwell Parish Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caldwell Parish Library's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana

June 30, 2024

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**BALANCE SHEET AND STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023**

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF NET POSITION
ASSETS			
Cash and cash equivalents	\$ 1,538,594	\$ -	\$ 1,538,594
Receivables	494,811	-	494,811
Capital assets, net of accumulated depreciation	-	1,942,447	1,942,447
TOTAL ASSETS	<u>\$ 2,033,405</u>	<u>1,942,447</u>	<u>3,975,852</u>
DEFERRED OUTFLOWS			
Pension related	-	73,675	73,675
LIABILITIES			
Current liabilities:			
Accounts, salaries, and other payables	\$ 138,118	1,581,000	1,719,118
Noncurrent liabilities:			
Net pension liability	-	65,356	65,356
TOTAL LIABILITIES	<u>138,118</u>	<u>1,646,356</u>	<u>1,784,474</u>
DEFERRED INFLOWS			
Pension related	-	7,594	7,594
FUND EQUITY - FUND BALANCE			
Unassigned	1,895,287	(1,895,287)	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 2,033,405</u>	<u>(2,033,405)</u>	<u>-</u>
NET POSITION			
Net investment in capital assets		1,942,447	1,942,447
Unrestricted net position		315,012	315,012
TOTAL NET POSITION		<u>\$ 2,257,459</u>	<u>\$ 2,257,459</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Fund balance	\$1,895,287
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources	1,942,447
Deferred items related to net pension liability:	
Deferred outflows	73,675
Deferred inflows	(7,594)
Long-term liabilities, such as certificates of indebtedness, are not due and payable in the current period and are therefore not reported in the governmental fund balance sheet.	
Line of credit	(1,581,000)
Net pension (liability)	<u>(65,356)</u>
Net position of governmental activities	<u>\$ 2,257,459</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF ACTIVITIES
Expenditures/expenses:			
Current:			
Recreation			
Personal services	\$ 184,691	\$ 27,630	\$ 212,321
Operating services	142,293	-	142,293
Materials and supplies	24,493	-	24,493
Travel and other	1,382	-	1,382
Capital outlay	1,759,629	(1,759,629)	-
Depreciation	-	24,262	24,262
Total expenditures/expenses:	<u>2,112,488</u>	<u>(1,707,737)</u>	<u>404,751</u>
General revenues:			
Taxes:			
Ad valorem taxes	454,873	-	454,873
Intergovernmental funds:			
State government shared revenue	11,769	-	11,769
Fines and forfeitures	3,537	-	3,537
Investment earnings	12,086	-	12,086
Other revenues	-	14,846	14,846
Total general revenues	<u>482,265</u>	<u>14,846</u>	<u>497,111</u>
Other sources (uses)			
Proceeds from debt	<u>1,581,000</u>	<u>(1,581,000)</u>	<u>-</u>
Change in fund balance/net position	(49,223)	141,583	92,360
Fund balance/net position at beginning of year	<u>1,944,510</u>	<u>220,589</u>	<u>2,165,099</u>
Fund balance/net position at end of year	<u>\$ 1,895,287</u>	<u>\$ 362,172</u>	<u>\$ 2,257,459</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balance	\$ (49,223)
<p>Payments of long-term debt are reported as expenditures in government funds. However, those amounts are a reduction of long-term liabilities in the State of Net Position and are not reflected in the Statement of Activities.</p>	
Pension Expense	(27,630)
<p>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.</p>	
Capital outlay	1,759,629
Depreciation expense	(24,262)
Gain (loss) on disposal of assets	
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. They are reported as unavailable revenues, a deferred inflow.</p>	
Nonemployer contributions to pension plans	14,846
Proceeds from insurance of debt	<u>(1,581,000)</u>
Change in net position of governmental activities	<u>\$ 92,360</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

Introduction

The Caldwell Parish Library was established by the Caldwell Parish Police Jury, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and Films. The library is governed by a board of control which is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation. The accompanying financial statements of the Caldwell Parish Library have been prepared in conformity with U.S. generally accepted accounting principles (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 accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued June 1999.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements of the Caldwell Parish Library have been prepared in conformity with U.S. generally accepted accounting principles (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 accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as amended.

A. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, established criteria for determining which component units should be considered part of the Caldwell Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the library board of control and the library provides services to all residents of Caldwell Parish, the Caldwell Parish Library was determined to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The library's basic financial statements include both government-wide (reporting the library as a whole) and fund financial statements (reporting the library's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the library are classified as governmental.

The Statement of Net Position and the Statement of Activities display information about the reporting government. These statements include all the financial activities of the library.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets. The library first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities are derived directly from parties outside the library's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the library's general revenues.

Allocation of Indirect Expenses - The library reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the library are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The library's current operations require the use of only governmental funds. The governmental fund type used by the library is described as follows:

Governmental Fund Type

General Fund - The General Fund is the principal fund of the library and is used to account for the operations of the library. The various fees and charges due to the library are accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING (CONTINUED)

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees, fines, and forfeitures are recorded when the library is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured, and the interest is available.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, state revenue sharing, and fees, fines, and forfeitures have been treated as susceptible to accrual.

**CALDWELL PARISH LIBRARY
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**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING (CONTINUED)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Library's name.

Under state law, the Library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2023, the Library has book balances as follows:

Demand deposits	\$ 859,118
Time deposits	679,426
Petty cash	<u>50</u>
Total	<u>\$ 1,538,594</u>

These deposits are stated at cost, which approximates market. Cash and cash equivalents (bank balances) at December 31, 2023, are \$790,408. As of December 31, 2023, the Library's deposits are secured as follows:

Insured by FDIC	<u>\$ 754,381</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the District's name	<u>36,027</u>
Total balances exposed to custodial credit risk	<u>36,027</u>
Total bank balances	<u>\$ 790,408</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the library, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Building improvements	20-40 years
Vehicles	5-15 years
Furniture and fixtures	5-10 years
Equipment	5-20 years

G. ANNUAL AND SICK LEAVE

Employees receive from ten to twenty-two days of vacation leave each year, depending on length of service and professional status. Sick leave is earned at the rate of ten days each year and employees may accumulate sick leave. There is no maximum number of sick days that can be accumulated.

H. RISK MANAGEMENT

The library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2023.

I. PENSION PLANS

The Caldwell Parish Library is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. EQUITY CLASSIFICATIONS

In the 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by
 - (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or
 - (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense. In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Library's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Library's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$1,944,510. If applicable, the Library would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. ESTIMATES

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

NOTE 2 – LEVIED TAXES

The ad valorem tax millage levied by the library was 7.13 mills for the year ended December 31, 2023. The authorized millage is 7.13 mills. The current tax expires in 2031. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2023 assessed valuation:

	Assessed Valuation	Percent of Total Assessed Valuation
Regency Intrastate Gas, LLC	\$19,028,875	21.52%
Texas Gas Transmission Corp.	6,837,900	7.73%
Union Pacific Railroad Company	4,826,330	5.46%
Entergy Louisiana, LLC	3,604,740	4.08%
Energy Transfer Crude Oil Company, LLC	3,528,210	3.99%
Homeland Federal Savings Bank	2,296,394	2.60%
Atmos Energy Corporation	2,117,440	2.39%
Caldwell Bank & Trust Company	1,624,658	1.84%
Weyerhaeuser Company	1,535,333	1.74%
Citizens Progressive Bank	923,323	1.04%
Total	<u>\$46,323,203</u>	<u>52.38%</u>

NOTE 3 - RECEIVABLES

The General Fund receivables of at December 31, 2023, are as follows:

Ad Valorem	\$ 486,964
State Revenue Sharing	<u>7,847</u>
Total	<u>\$ 494,811</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2023, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Construction in progress	-	1,733,094		1,733,094
Total capital assets not being depreciated	<u>115,000</u>	<u>1,733,094</u>	<u>-</u>	<u>1,848,094</u>
Capital assets being depreciated:				
Buildings	260,765	-	-	260,765
Furniture	27,583	-	-	27,583
Equipment	142,606	-	-	142,606
Library materials	618,067	26,535	(12,000)	632,602
Total capital assets being depreciated	<u>1,049,021</u>	<u>26,535</u>	<u>(12,000)</u>	<u>1,063,556</u>
Less accumulated depreciation	<u>(956,941)</u>	<u>(24,262)</u>	<u>12,000</u>	<u>(969,203)</u>
Total capital assets being depreciated, net	<u>92,080</u>	<u>2,273</u>	<u>-</u>	<u>94,353</u>
Net capital assets	<u>\$ 207,080</u>	<u>\$ 1,735,367</u>	<u>\$ -</u>	<u>\$ 1,942,447</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 5 – NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR
A COST-SHARING EMPLOYER**

The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Substantially all employees of the Caldwell Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. This system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Library are members of Plan A.

Summary of Significant Accounting Policies

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The System's employer pension schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2021. The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 5 – NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION
FOR A COST-SHARING EMPLOYER (CONTINUED)**

Plan Description

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. Title 11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system, and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and social Security criteria have up to 90 days from the date of hire to elect to participate. Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2022. Access to the report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's website. www.lla.state.la.us.

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual result may differ from estimated amounts.

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 5 – NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION
FOR A COST-SHARING EMPLOYER (CONTINUED)**

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

At December 31, 2023, the Library reported a liability of \$65,356 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability 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. At December, 31, 2023, the Library's proportion was .0169 percent.

For the year ended December 31, 2023, the Library recognized pension expense of \$27,630. At December 31, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	2,416	7,201
Changes in assumption	2,086	-
Net difference between projected and actual earnings on pension plan investments	68,995	-
Changes in employer's portion of beginning net pension liability	178	393
Differences between employer contributions and proportionate share of employer contributions	-	-
Subsequent measurement contributions	-	-
Total	73,675	7,594

\$73,675 reported as deferred outflows of resources related to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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:

Year ended December 31,	
2023	1,900
2024	11,236
2025	22,015
2026	30,930

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 5 – NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR
A COST-SHARING EMPLOYER (CONTINUED)**

Actuarial assumptions. The total pension asset in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	4.75%
Investment rate of return	6.40%, net of investment expense

Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up).

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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33%	0.30%
Equity	51%	0.48%
Alternatives	14%	0.11%
Real Assets	2%	0.07%
Totals	100%	0.96%
Inflation		2.30%
Expected arithmetic nominal return		3.26%

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 5 – NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR
A COST-SHARING EMPLOYER (CONTINUED)**

Sensitivity of the Library’s proportionate share of the net pension liability to changes in the discount rate.
The following presents the net pension asset of the participating employers calculated using the discount rate of 6.40%, as well as what the employers’ net pension liability as of December 31, 2022, would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1.0% Decrease	Current Discount Rate	1.0% Increase
Proportionate share of net pension liability	\$161,628	\$65,356	\$(15,355)

NOTE 6 - STEWARDSHIP

Actual revenues exceeded budgeted amounts and expenditures were below budgeted amounts. The primary difference was due to construction costs for the expansion of the library. A budget amendment was adopted.

NOTE 7 – LITIGATION AND CLAIMS

The Library was involved in any litigation as of December 31, 2023. However, legal counsel does not expect the outcome to against the Library. Management is not aware of any unasserted claims.

NOTE 8 – COMMITMENT

During 2023, after consultation with the Caldwell Parish Police Jury and bank officials, management signed a promissory note with a local bank for the purpose of financing a portion of cost of the expansion of the Library. It has come to management’s attention that the Library may not have been authorized to incur debt under the power given to it by statutes. As the police jury owns the original building, it seems the expansion and related debt should potentially be the Police Jury’s. The Library will be consulting legal counsel during 2024 to determine what, if any, action should be taken.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events though June 30, 2024, the date on which the financial statements were available to be issued.

During May 2024, the Library completed construction of the expansion of the Library and opened it to the public.

Also see Note 8.

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10 –NEW ACCOUNTING STANDARDS

GASB Statement No. 99, *Omnibus 2022*, was issued April 2022. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 100, *Accounting Changes And Error Corrections—An Amendment Of GASB Statement No. 62* - The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. 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.

GASB Statement No. 101, *Compensated Absences* - The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10 –NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 102, Certain Risk Disclosures, was issued December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following (1) the concentration or constraint, (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements, and (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Required Supplementary Information

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>WITH FINAL BUDGET</u>
Revenues:				
Taxes:				
Ad valorem taxes	450,000.00	\$ 415,000	\$ 454,873	\$ 39,873
Intergovernmental Funds:				
State government shared revenue	10,000.00	11,750	11,769	19
Fines and forfeitures	4,100.00	3,325	3,537	212
Investment earnings	4,000.00	12,000	12,086	86
Total revenues	<u>468,100</u>	<u>442,075</u>	<u>482,265</u>	<u>40,190</u>
Expenditures:				
Current:				
Recreation:				
Personal services	177,087	167,771	184,691	(16,920)
Operating services	163,050	129,450	142,293	(12,843)
Materials and supplies	13,000	11,250	24,493	(13,243)
Travel and other	1,000	1,475	1,382	93
Capital outlay	237,100	31,205	1,759,629	(1,728,424)
Total expenditures	<u>591,237</u>	<u>341,151</u>	<u>2,112,488</u>	<u>(1,771,337)</u>
Excess (deficiency) of revenues over expenditures	(123,137)	100,924	(1,630,223)	1,811,527
Other sources (uses):				
Proceeds from line of credit	-	-	1,581,000	1,581,000
Change in net assets	(123,137)	100,924	(49,223)	150,147
Fund balance, beginning of the year	<u>-</u>	<u>-</u>	<u>1,944,510</u>	<u>1,944,510</u>
Fund balance, end of the year	<u>\$ (123,137)</u>	<u>\$ 100,924</u>	<u>\$ 1,895,287</u>	<u>\$ (1,794,363)</u>

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**NOTES TO BUDGETARY COMPARISON SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

A proposed budget prepared on the modified accrual basis of accounting is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Caldwell Parish Library during the month of December for comments from taxpayers. The budget is then legally adopted by the board and amended during the year, as necessary. The budget is established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts. There was one budget amendment for the year.

The budget includes no expense for state pension contributions that the Sheriff is required to deduct from ad valorem tax collections. Therefore, budgeted revenue is net of that expense resulting in a variance in both sections.

Other Supplementary Information

**CALDWELL PARSIH LIBRARY
COLUMBIA, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS,
AND OTHER PAYMENTS TO OR ON BEHALF OF AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023**

Tammi K. Hartsfield, Librarian	
Salary	\$ 69,745
Benefits:	
Health Insurance	14,927
Retirement - PERS	8,021
Medicare	1,011
Dues	664
Other reimbursements	718
Total	<u>\$ 95,086</u>

Other Reports

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*

Honorable Members of the Board
Caldwell Parish Library
Columbia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor, the financial statements of the governmental activities and General Fund of Caldwell Parish Library, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Caldwell Parish Library's basic financial statements, and have issued our report thereon dated June 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Union Parish Assessor'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 Union Parish Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Union Parish Assessor's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caldwell Parish Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2023-001.

Caldwell Parish Library
Columbia, Louisiana
Report - GAGAS
December 31, 2023

Caldwell Parish Library's Response to Finding

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

Purpose of This Report

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

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
June 30, 2024

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Caldwell Parish Library.
2. No material weaknesses are reported in the 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*.
3. One instance of noncompliance material to the financial statements of the Caldwell Parish Library was disclosed during the audit.

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT

2023-001 INCURRENCE OF DEBT

First Reported

2023

Criteria

Louisiana Revised Statute 25:215 transferred administrative and accounting functions from the Caldwell Parish Police Jury to the Library Board. It appears that the Police Jury retained the ownership of the building and the power to incur debt on behalf of the Library.

Additionally, LRS 39:1410.60 requires approval of the State Bond Commission as follows:

“A. No parish, municipality, public board, political or public corporation, subdivision, or taxing district, and no road or subroad district, school district, sewerage district, drainage or subdrainage district, levee district, waterworks or subwaterworks district, irrigation district, road lighting district, harbor and terminal district, or any other political subdivision, taxing district, political or public corporation, created under or by the constitution and laws of the state shall have authority to borrow money, incur debt, or to issue bonds, or other evidences of debt, or to levy taxes, or to pledge uncollected taxes or revenues for the payment thereof, where they are authorized by the constitution or laws of the state so to do, without the consent and approval of the State Bond Commission.

B.(1) The provisions of this Section shall not apply to purchases made in the ordinary course of administration on terms of credit not to exceed ninety days.

(2) In order to facilitate the review process for approval of financing of the purchases of movables, the State Bond Commission shall adopt rules and regulations to provide for an expedited review procedure for certain categories of such financing and shall determine which financing is to be reviewed under the expedited procedure.”

**CALDWELL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

Condition

During 2023, after consultation with the Caldwell Parish Police Jury and bank officials, management signed a \$1,500,500 promissory note with a local bank for the purpose of financing part of the cost of expansion of the Library. The Library may not possess the authority to incur debt or own property under the power given to it by statutes. As the police jury owns the original building, it seems the expansion and related debt should be the Police Jury's. The Library will consult legal counsel during 2024 to determine what, if any, action should be taken.

Cause

Management and the Board believed they were acting appropriately within the law.

Effect

The Library may not have complied with statutes concerning incurrence of debt and owning property.

Recommendation

We recommend that the Library Board and Management consult legal counsel as planned and take action.

Management's Response

See Management's Corrective Action Plan.

**CALDWEL PARISH LIBRARY
COLUMBIA, LOUISIANA**

**STATUS OF PRIOR YEAR FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

2022-1 Segregation of Duties

Current status: Unresolved. See 2023-001

Caldwell Parish Library

June 30, 2024

Bosch & Statham, LLC
Ruston, Louisiana

The Louisiana Legislative Auditor (LLA) is considered to be a specified party to the Statewide Agreed-Upon Procedures (AUPs) and acknowledges that the procedures performed are appropriate for their purposes by their acceptance of the standard audit engagement approval forms. In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the LLA's statewide agreed-upon procedures (AUPs), for the fiscal period **January 1, 2023 through December 31, 2023**, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; fraud notice; information technology disaster recovery/business continuity; prevention of sexual harassment; and other areas.

Yes No

2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.

Yes No

3. For the fiscal period **January 1, 2023 through December 31, 2023**, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.

Yes No

4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No

5. We have provided you with access to all records that we believe are relevant to the C/C areas and the statewide AUPs.

Yes No

Last Updated: January 2024

6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No

7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of **January 1, 2023 through December 31, 2023** and between **December 31, 2023**, and **June 30, 2024**, including any actual, suspected, or alleged fraud.

Yes No

8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between **December 31, 2023**, and **June 30, 2024**.

Yes No

9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

Yes No

10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

Yes No

11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

Yes No

12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

Yes No

13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

Yes No

Last Updated: January 2024

15. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and purchase (P) cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.

Yes No

16. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes No

17. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes No

18. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes No

19. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes No

20. We represent that the 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 during the fiscal period.

Yes No

21. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes No

22. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes No

23. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes No

24. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.

Yes No

25. We are not aware of any material misstatements in the C/C areas identified in the statewide AUPs.

Yes No

26. We have disclosed to you [*list other matters as you have deemed appropriate*]. Yes

No

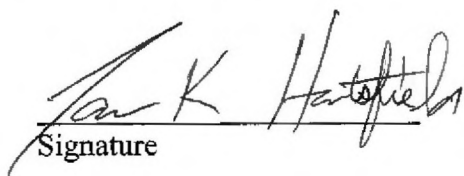
27. We have responded fully to all inquiries made by you during the engagement. Yes

No

28. We have disclosed to you all known events that have occurred subsequent to **December 31, 2023**, that would have a material effect on the C/C areas identified in the statewide AUPs, or would require adjustment to or modification of the results of the statewide AUPs.

Yes No

The previous responses have been made to the best of our belief and knowledge.


Signature

July 1, 2024
Date

Director
Title

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Caldwell Parish Library
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023, through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

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

We obtained and inspected the written policies.

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

The policy included all required elements.

Exceptions: None

- 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.

The policy did not include elements (3) and (4).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

The policy did not include the required elements.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

The policy includes all required elements.

Exceptions: None

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

The policy did not include element (3).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

- 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.

The policy includes all required elements.

Exceptions: None

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

The policy includes all required elements.

Exceptions: None

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

The Library does not maintain a policy.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

The policy includes all required elements.

Exceptions: None

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

The policy includes all required elements.

Exceptions: None

- 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.

The policy includes all required elements.

Exceptions: None

- 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.

The policy includes all required elements.

Exceptions: None

2) Board or Finance Committee

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

This procedure is not applicable.

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

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

We obtained the listing of bank accounts from management. We selected all accounts listed for testing and the month of February 2023. We obtained and inspected the bank statements and reconciliations.

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

We noted no exceptions.

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

We noted no evidence of review.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We noted no stale items.

Exceptions: None

4) Collections (excluding electronic funds transfers)

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

We obtained a listing of deposit sites and noted one site.

Exceptions: None

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

We obtained a listing of collection locations and noted one location. We obtained policies and procedures and discussed job duties with the Librarian.

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

Employees responsible for cash collections do not share cash drawers/registers. Each employee's drawer is locked in the office when not in use.

Exceptions: None

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

There is no exception. Clerks collect cash. The financial secretary prints a report from Atrium software the next morning and reconciles the cash to the report. Clerks do not have access to the report. If there is a discrepancy, the Librarian reviews it with the Financial Secretary.

Exceptions: None

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

There is no exception. Employees collecting cash do not have access to QuickBooks. The Librarian posts the deposit to QuickBooks.

Exceptions: None

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

There is no exception. The library clerks collect cash. The Financial Secretary reconciles the receipts to the daily collections report and prepares the deposit.

Exceptions: None

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

The Library does not have bonds or an insurance policy. All other insurance is procured by the Police Jury.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We selected two deposit dates for each account listed under procedure #3A.

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

The Library does not use printed receipts. Collections are entered into software that produces reports.

Exceptions: None.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
We traced receipts printed from the software to the deposit slips without exception.
Exceptions: None.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
We traced the deposit slip totals to the actual deposits per the bank statement without exception.
Exceptions: None.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
We noted one exception.
Exceptions: All selected deposits were less than \$100. The cash is stored securely in a locked drawer. One deposit was made 13 days after receipt.
Management's Response: See Management's Corrective Action Plan.
- v. Trace the actual deposit per the bank statement to the general ledger.
We noted two exceptions.
Exceptions: Both deposits were for a bank account not recorded in the general ledger.
Management's Response: See Management's Corrective Action Plan.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
We obtained a listing from management noting one location.
Exceptions: None
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
We obtained a listing of employees along with the written policies and procedures.
We noted the following.
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
We noted there are at least two employees involved in the function.
Exceptions: None.

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

We noted there are at least two employees involved in processing and approving payments to vendors.

Exceptions: None

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

The employee responsible for processing payments is allowed to add/modify vendor files.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We noted the employee responsible for processing payments does mail checks.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We noted no exceptions.

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

We obtained a listing of disbursements and selected five disbursements.

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

We noted no exceptions.

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

We noted no exceptions.

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

We noted one electronic disbursement for the month selected in procedure #3A. We noted no exceptions.

Exceptions: None

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

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

Per management, the Library does not have any credit cards, bank debit cards, fuel cards, and/or purchase cards for the fiscal period.

Exceptions: None

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

See procedure #6A.

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

Not applicable.

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

Not applicable.

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

See procedure #6A.

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

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

We obtained a listing and selected all reimbursements. We obtained the related documentation.

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

We noted no exceptions.

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

We noted no such reimbursements.

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

We noted no exceptions.

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

We noted no exceptions.

8) *Contracts*

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

Management provided copies of 2 contracts in lieu of a list. Management provided its representation that the resulting list is complete.

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

Neither of the contracts was subject to the bid law.

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

We noted discussion of one of the agreements. We did not identify approval by the board for either contract.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We noted no amendments.

- 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.

We selected one payment from the fiscal period for each contract and obtained the supporting invoices. We noted no exceptions.

Exceptions: None.

9) Payroll and Personnel

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

We obtained a listing and management's representation the listing is completed. We selected five employees and obtained the related documentation. We were unable to test authorized salaries/pay rates.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We selected one pay period and obtained the related documentation.

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

We noted no exceptions.

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

Except that no one else signed for the Librarian, we noted no exceptions.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We noted no exceptions.

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

See procedure #9A.

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

Management did not prepare a listing but asserted that no termination payments were issued.

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

We obtained management's representation.

Exceptions: None

10) *Ethics*

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

Using the employees selected from procedure #9A, we obtained the related documentation.

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

We noted that all employees selected completed training in January 2024.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

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

We noted no exceptions.

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

We observed the agency had an ethics designee.

Exceptions: None

11) *Debt Service*

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

Management advised there was a new line of credit for construction. Management concluded State Bond Commission approval was not required since the term is 1 year.

Exceptions: See above.

Management's Response: See Corrective Action Plan.

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

See above. We noted no such requirements..

Exceptions: None

12) Fraud Notice

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

Management listed none.

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

We observed the required notice posted in the office and on the website.

Exceptions: None

13) Information Technology Disaster Recovery/Business Continuity

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

We performed the procedure and discussed the results with management.

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

There were no terminated employees during the period..

Exceptions: None.

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

We noted one exception.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

14) Sexual Harassment

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

Using the employees selected from procedure #9A, we obtained the related documentation. We noted no employee completed the required training in 2023. All employees completed training in January 2024.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

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

We observed the policy on the Entity's website.

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Management asserted the report was not prepared.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

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DECEMBER 31, 2023

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

We are required to be independent of the Entity 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.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
June 30, 2024