

DESOTO PARISH LIBRARY

Mansfield, Louisiana

**FINANCIAL REPORT
December 31, 2025**

DESOTO PARISH LIBRARY

Mansfield, Louisiana

Financial Report
December 31, 2025

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Independent Auditor's Report

To the Board of Control of the
DeSoto Parish Library
Mansfield, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and 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 Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information listing in the table of contents as Required Supplementary Information Part I and Part II 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The information listed in the table of contents as Supplementary Information is presented for the 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the Library's internal control over financial reporting and compliance.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana

June 26, 2026

REQUIRED SUPPLEMENTARY INFORMATION
(PART I)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

DESOTO PARISH LIBRARY
Mansfield, Louisiana
Management's Discussion and Analysis
December 31, 2025

As management of the DeSoto Parish Library (the Library), a component unit of the DeSoto Parish Police Jury, we offer the readers of our annual financial report our discussion and analysis of the Library's financial performance during the fiscal year that ended on December 31, 2025. The Library's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Library's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The Library's net position increased by \$2,010,074 (6.39%) for the year ending December 31, 2025, compared to an increase of \$1,724,196 (5.77%) in 2024. This continues a trend of increases for the Library.

Sales tax revenues increased \$245,804 (6.86%) to \$3,830,369 during the year ended December 31, 2025, compared to a decrease of \$479,385 (11.80%) to \$3,584,565 during 2024. These revenues can fluctuate based on oil and gas activities and other factors.

The Library's total general and program revenues were \$4,658,897 in 2025 compared to \$4,264,944 in 2024, an increase of \$393,953 (9.24%).

During the year ended December 31, 2025, total expenses of the Library (excluding depreciation of \$447,010) remained fairly stable at \$2,201,813, compared to \$2,087,636 in 2024.

OVERVIEW OF FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the basic financial statements which include government-wide financial statements and fund financial statements. These two types of financial statements present the Library's financial position and results of operations from differing perspectives, which are described as follows:

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. There are two government-wide statements: the statement of net position and the statement of activities.

The statement of net position presents information on all of the Library's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them presented as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Library that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Library does not report any business-type activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library only reports one fund type, governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains one governmental fund, the general fund, which is its only major fund. As provided for by Louisiana R.S. 47:1906, the general fund is the principal fund of the Library and used to account for the operations of the Library.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. There is a budget comparison schedule for the general fund, a schedule of the Library's proportionate share of the net pension liability, and schedule of pension contributions.

Supplementary Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Net position may serve over time as a useful indicator of the Library's financial position. The total net position changed from a year ago, increasing from \$31,459,822 to \$33,469,896.

The following table provides a summary of the Library's net position as December 31,:

		Restated	
	2025	2024	% Change
Assets			
Cash and cash equivalents	\$ 11,760,001	\$ 9,239,631	27.28%
Investments	12,716,112	13,130,209	-3.15%
Accounts receivable	784,640	700,208	12.06%
Prepaid expenses	43,739	48,470	-9.76%
Net pension asset	138,353	-	100.00%
Capital Assets, net	8,218,019	8,413,957	-2.33%
Total assets	<u>33,660,864</u>	<u>31,532,475</u>	<u>6.75%</u>
Deferred Outflows of Resources			
Pension related	<u>128,429</u>	<u>234,993</u>	<u>-45.35%</u>
Liabilities			
Current liabilities			
Accounts payable	46,137	31,399	46.94%
Salaries and benefits payable	79,928	115,778	-30.96%
Long-term liabilities			
Accrued compensated absences	131,228	130,587	0.49%
Net pension liability	-	8,408	-100.00%
Total liabilities	<u>257,293</u>	<u>286,172</u>	<u>-10.09%</u>
Deferred Inflows of Resources			
Pension related	<u>62,104</u>	<u>21,474</u>	<u>189.21%</u>
Net Position			
Unrestricted	25,251,877	23,045,865	9.57%
Net Investment in capital assets	8,218,019	8,413,957	-2.33%
Total net position	<u>\$ 33,469,896</u>	<u>\$ 31,459,822</u>	<u>6.39%</u>

A portion of the Library's net position, \$8,218,019 (24.55%) reflects its investment in capital assets such as buildings, equipment, and software, with an historical cost of \$14,915,757 less accumulated depreciation of \$6,697,738. The Library uses these capital assets to provide services to the public; consequently, these assets are not available for future spending.

\$25,251,877 (75.45%) of the Library's net position is unrestricted as of December 31, 2025, compared to \$23,045,865 (restated) (73.25%) as of December 31, 2024, and may be used to meet the ongoing obligations to the citizens of DeSoto Parish.

An analysis of the government-wide Statement of Activities for the years ended December 31,:

		Restated	
	2025	2024	% Change
Revenues			
Program Revenue			
Charges for services	\$ 28,727	\$ 27,884	3.02%
Grants and contributions	2,000	3,113	-35.75%
General Revenue			
Sales tax	3,830,369	3,584,565	6.86%
Investment earnings	782,941	627,410	24.79%
Miscellaneous	14,860	21,972	-32.37%
Total revenue	<u>4,658,897</u>	<u>4,264,944</u>	<u>9.24%</u>
Expenses			
General government - culture and recreation	2,201,813	2,087,636	5.47%
Depreciation	447,010	453,112	-1.35%
Total expenses	<u>2,648,823</u>	<u>2,540,748</u>	<u>4.25%</u>
Change in net position	2,010,074	1,724,196	16.58%
Net position			
Net position - beginning of the year	31,459,822	29,867,848	5.33%
Restatement		(132,222)	
Net position - end of the year	<u>\$ 33,469,896</u>	<u>\$ 31,459,822</u>	<u>6.39%</u>

As the above presentation demonstrates, the Library has increased its reserves by \$2,010,074 or 6.39%.

The Library received \$3,830,369 (82.22%) and \$3,584,565 (84.05%) of its total revenues through sales taxes during 2025 and 2024, respectively. Investment earnings increased 24.79% from \$627,410 for the year ending December 31, 2024 to \$782,941 for the year ending December 31, 2025 due to increased interest rates realized during the year.

FINANCIAL ANALYSIS OF THE LIBRARY'S GOVERNMENTAL FUND

For the year ended December 31, 2025, differences between the government-wide presentation and the fund financial statements were due to depreciation charges associated with capital assets and differences in unavailable property tax revenue.

GENERAL BUDGET BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Library complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The Library's budget was amended during 2025. Actual revenues budgetary basis were \$691,404 (17.49%) more than budgeted amounts. Actual expenditures budgetary basis were \$224,185 (8.42%) less than the budgeted amounts. The Library is in compliance with the Local Government Budget Act for year ending December 31, 2025.

CAPITAL ASSET ADMINISTRATION

For the year, ended December 31, 2025, the Library purchased additions to the Library's collection and digitized archives.

DEBT ADMINISTRATION

At December 31, 2025, the Library had no debt on capital assets.

ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations. The December 31, 2026 budget was prepared based on December 31, 2025 results.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the Library's finances and seeks to demonstrate the Library's accountability for the money it received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Delbert Terry, Director, 109 Crosby Street, Mansfield, Louisiana, 71052.

BASIC FINANCIAL STATEMENTS

DESOTO PARISH LIBRARY

Mansfield, Louisiana

GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION

December 31, 2025

	Governmental Fund Financial Statements		Government-wide Statements
	Balance Sheet		Statement of
	General Fund	Adjustments	Net Position
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 11,760,001	\$ -	\$ 11,760,001
Investments	12,716,112	-	12,716,112
Accounts receivable	784,640	-	784,640
Prepaid expenses	43,739	-	43,739
Noncurrent assets:			
Capital assets, net (see note 4)	-	8,218,019	8,218,019
Net pension asset	-	138,353	138,353
Total assets	<u>\$ 25,304,492</u>	<u>8,356,372</u>	<u>33,660,864</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related		128,429	128,429
Total deferred outflows of resources		<u>128,429</u>	<u>128,429</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 46,137	-	46,137
Payroll liabilities	79,928	-	79,928
Noncurrent Liabilities:			
Compensated absences	-	131,228	131,228
Total liabilities	<u>126,065</u>	<u>131,228</u>	<u>257,293</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	-	62,104	62,104
Total deferred inflows of resources	<u>-</u>	<u>62,104</u>	<u>62,104</u>
FUND BALANCE / NET POSITION			
Fund Balances:			
Nonspendable - Prepaid expenses	43,739	(43,739)	-
Unassigned	25,134,688	(25,134,688)	-
Total fund balances	<u>25,178,427</u>	<u>(25,178,427)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 25,304,492</u>	<u>(24,985,095)</u>	
Net Position:			
Net investment in capital assets		8,218,019	8,218,019
Unrestricted		25,251,877	25,251,877
Total net position		<u>\$ -</u>	<u>\$ 33,469,896</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

DESOTO PARISH LIBRARY
Mansfield, Louisiana

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL
ACTIVITIES ON THE STATEMENT OF NET POSITION**
December 31, 2025

Fund Balance - Governmental Fund	\$	25,178,427
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		8,218,019
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Certain deferred outflows reported in the governmental activities are not financial resources and therefore not reported in the governmental funds:

Deferred outflows-pension related		128,429
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental fund:

Compensated absences		(131,228)
Deferred inflows-pension related		(62,104)
Net pension liability		138,353

Total Net Position of Government Activities	\$	<u><u>33,469,896</u></u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

DESOTO PARISH LIBRARY
Mansfield, Louisiana

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

For the year ended December 31, 2025

	Governmental Funds Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balance General Fund	Adjustments	Government-wide Statements Statement of Activities
Expenditures / Expenses			
Current:			
General Government-Culture and Recreation \$	2,187,363	\$ 14,450	\$ 2,201,813
Capital outlays	251,072	(251,072)	-
Depreciation	-	447,010	447,010
Total expenditures / expenses	<u>2,438,435</u>	<u>210,388</u>	<u>2,648,823</u>
Program revenues			
Charges for services	28,727	-	28,727
Operating grants and contributions	2,000	-	2,000
Total program revenues	<u>30,727</u>	<u>-</u>	<u>30,727</u>
Net program expense			(2,618,096)
General revenues			
Sales and use tax	3,830,369	-	3,830,369
Miscellaneous income	202	14,658	14,860
Investment earnings	782,941	-	782,941
Total general revenues	<u>4,613,512</u>	<u>14,658</u>	<u>4,628,170</u>
Net change in fund balance / Change in net position	2,205,804	(195,730)	2,010,074
Fund balance / Net position			
Beginning of the year, restated	22,972,623		31,459,822
End of the year	<u>\$ 25,178,427</u>		<u>\$ 33,469,896</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

DESOTO PARISH LIBRARY
Mansfield, Louisiana

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

For the year ended December 31, 2025

Net change in Fund Balance - Governmental Fund	\$ 2,205,804
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of the assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense. Therefore, capital expenditures are not recorded in the statement of activities.	
Capital outlays	251,072
Depreciation	(447,010)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Non-employer contributions to cost-sharing pension plan	14,658
In the Statement of Activities pension expenses are reported in the government-wide statements, but not in the governmental fund statements.	
Pension expense	(15,091)
Compensated absences	641
Net change in Net Position	\$ <u>2,010,074</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

DESOTO PARISH LIBRARY
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 2025

INTRODUCTION

The DeSoto Parish Library (the Library) was created by the DeSoto Parish Police Jury (the Police Jury), as authorized by Louisiana Revised Statute 25:211. The Library provides the citizens of DeSoto Parish access to library materials, books, magazines, computers, videos and audio media. The Library is governed by an eight-member board of control. Seven members are appointed by the Police Jury. The Police Jury President serves as the ex-officio eighth member or may designate a Juror in their stead. Members are not paid for these services. In addition to the main branch in Mansfield, the Library has branches in Stonewall, Logansport, and Pelican.

1. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America applicable to state and local governments (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for GAAP for state and local governments through its pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*.

A. Reporting Entity

A primary government is financially accountable for an organization if (a) it appoints a voting majority of the organization's governing board and is able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government; or (b) total outstanding debt, including leases, is expected to be repaid entirely or almost entirely with resources from the primary government. The Police Jury appoints or ratifies a voting majority of the board and has the ability to impose its will on them. Based on these criteria, the Library was determined to be a component unit of the Police Jury, the primary government. The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the Police Jury.

B. Basis of Presentation—Government-wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities to report information about the Library as a whole. The statement of net position reports all financial and capital resources. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

C. Basis of Presentation—Fund Financial Statements

Fund financial statements report detailed information about the Library. The Library has only governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The Library has only one governmental fund, the general fund, its only major fund. As provided by LA R.S. 47:1906, the general fund is the principal fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always reported as a major fund in the governmental fund statements.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by the culture and recreation function and 2) grants and contributions for the culture and recreation function. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include sales taxes, investment earnings, and other amounts not reported as program revenues. Gains and losses on the sale of capital assets are reported as general revenues.

DESOTO PARISH LIBRARY
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is federal and state grants collected on a reimbursement basis, which are recognized as revenue when reimbursable expenditures are made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources.

Interest on invested funds is recognized when earned. All other revenue items are considered to be measurable and available only when cash is received by the Library.

The Library funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each set of financial statements that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents: Includes amounts in demand accounts, interest-bearing demand deposits, money market accounts, certificates of deposits with maturities of 90 days or less at the time of purchase, and amounts invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool.

The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Investments: Includes investments in U.S. government securities and certificates of deposit with maturities exceeding 90 days at the time of purchase.

Under state law, the Library may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Library may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

F. Prepaid Expenses

Payments made for services that will benefit future accounting periods are recorded as prepaid expenses.

DESOTO PARISH LIBRARY
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

G. Accounts Receivable

The only receivables for the governmental activities are sales taxes, accrued interest, and library fees. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

H. Capital Assets

Capital assets, which include property, plant, equipment and the library collection, are reported in the government-wide financial statements. 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. The Library maintains a threshold level of \$2,500 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Buildings and improvements	15-40 years
Furniture and equipment	5-10 years
Library collection	15 years

I. Deferred Inflows and Outflows of Resources Related to Pensions

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for Deferred Inflows of Resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library recognizes differences between expected and actual factors in total pension liability measurements, changes in assumptions about future factors in the total pension liability measurements, and the differences between projected and actual earnings on pension plan investments within these financial statement sections.

J. Compensated Absences

The Library's recognition and measurement criteria for compensated absences follows GASB Statement No. 101 which was adopted during the year. The Library, in accordance with GASB 101, recognizes a liability for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Regular full-time employees of the Library earn between 5 and 22 days of vacation leave depending on their length of service. No leave is earned, however, while on suspension or leave without pay status. Annual leave may be accumulated to a maximum of between 5 and 22 days depending on the employees' length of service. Time in excess will be forfeited. Temporary employees and substitutes are not eligible for vacation time.

Regular full-time employees earn a certain amount of sick leave each year, depending upon their status and hours worked. Unused sick leave is allowed to accumulate without limit. Upon separation of employment, no sick leave shall be paid to employees, however, employees are allowed to donate sick time to other employees.

As of December 31, 2025, the Library's compensated absences payable amounted to 2,022 hours of vacation and 4,781 hours of sick with a resulting liability of \$131,228.

K. Sales Taxes

The DeSoto Parish Library has a one-fourth percent (¼%) sales and use tax approved by the voters of DeSoto Parish on May 16, 1981, for an indefinite period of time. The tax, after all reasonable and necessary costs for collection and administration, is to be dedicated and used for the purpose of constructing, acquiring, extending, improving, operating and/or maintaining the parish library, together with all necessary land, equipment, and furnishings.

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Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

L. Equity Classifications

Net Position

The Library classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Library's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Library.

Fund Balances

The Library classifies fund balances in governmental funds as follows:

- Nonspendable- Resources that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- Restricted- Resources constrained to specific purposes by their providers (such as grantors or higher levels of government).
- Committed- Resources constrained by the Library itself. To be reported as committed, amounts cannot be used for any other purpose unless the Library takes the action to remove or change the constraint.
- Assigned- Resources the Library intends to use for a specific purpose.
- Unassigned- Resources that are available for any purpose.

The Library establishes (and modifies and rescinds) fund balance commitments and assignments through adoption and amendment of the budget. The Library would typically use restricted fund balances first, followed by committed resources, and then 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.

The General Fund, the Library's only governmental fund, has an unassigned fund balance of \$25,134,688.

M. Use of Estimates

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

N. Pension Plan

The 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 benefit or expense, information about the fiduciary net position of each of the plans, and additions to / deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

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NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

O. Restatement of Beginning Net Position

During the fiscal year ended December 31, 2025, the Library restated beginning net position as of December 31, 2024 for (1) the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and (2) the correction of prior period error in payroll tax liabilities.

Beginning Net Position	\$ 31,592,044
Compensated Absences	(72,277)
Payroll Taxes Payable	(59,945)
Restated Net Position	<u>\$ 31,459,822</u>

2. Cash, Cash Equivalents, and Investments

Cash

At December 31, 2025, the Library had cash and cash equivalents balances of \$11,760,001 (book balances) as follows:

Demand deposits	\$ 9,791,547
Money market deposits	0
LAMP	473,306
Petty cash	106
	<u>\$ 10,264,959</u>

The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

Investments

At December 31, 2025, the Library has the following investments and maturities:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1 year	1-5 Years	6-10 years	Over 10 years
U. S. Government Securities	\$ (7,362,328)	\$ 1,554,142	\$ 2,534,069	\$ 91,786	\$ 579,159
Certificate of Deposit	7,362,328	7,362,328	-	-	-
	<u>\$ -</u>	<u>\$ 8,916,470</u>	<u>\$ 2,534,069</u>	<u>\$ 91,786</u>	<u>\$ 579,159</u>

The U.S. government securities are stated at fair value based on market quotations.

The cash, cash equivalents, and investments of the Library are subject to the following risks:

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of the certificate of deposit. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Library's deposits are in interest bearing and non-interest bearing checking and savings accounts and certificates of deposit with maturities of one-year or less which limits exposure to fair value losses.

Custodial Credit Risk: Custodial credit risk 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, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent 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.

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NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 2025

2. Cash, Cash Equivalents, and Investments (continued)

At December 31, 2025, the Library had \$17,799,973 in deposits (collected bank balances). These deposits were secured from risk by \$500,000 of federal deposit insurance and \$17,299,973 of pledged securities with a total market value of \$18,964,888. At December 31, 2025, all balances were covered by pledged securities or federal deposit insurance.

Realized Gains and Losses: During 2025, the Library realized net income of \$4,157 from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The unrealized gain on investments held at year-end was \$150,846.

3. Accounts Receivable

At December 31, 2025, receivables consisted of the following:

Sales Tax	\$ 727,508
Charges for services	658
Sales of library collection	28
Miscellaneous	202
Accrued Interest	56,244
Total Accounts Receivable	<u>\$ 784,640</u>

4. Capital Assets

Capital asset balances and activity for the year ended December 31, 2025, are as follows:

	Balance at 12/31/2024	Additions	Disposals/ reclass	Balance at 12/31/2025
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 172,072	\$ -	\$ -	\$ 172,072
Total assets not being depreciated	<u>172,072</u>	<u>-</u>	<u>-</u>	<u>172,072</u>
Capital assets being depreciated:				
Buildings and improvements	12,112,420	16,275	-	12,128,695
Machinery and equipment	111,710	128,424	-	240,134
Furniture and fixtures	574,810	-	-	574,810
Library collection	1,761,466	106,373	(67,793)	1,800,046
Total capital assets being depreciated	<u>14,560,406</u>	<u>251,072</u>	<u>(67,793)</u>	<u>14,743,685</u>
Less accumulated depreciation for:				
Buildings and improvements	4,294,431	316,845	-	4,611,276
Machinery and equipment	100,000	4,220	-	104,220
Furniture and fixtures	532,689	-	-	532,689
Library collection	1,391,401	125,945	(67,793)	1,449,553
Total accumulated depreciation	<u>6,318,521</u>	<u>447,010</u>	<u>(67,793)</u>	<u>6,697,738</u>
Capital assets being depreciated, net	<u>8,241,885</u>			<u>8,045,947</u>
Governmental activities capital assets, net	<u>\$ 8,413,957</u>			<u>\$ 8,218,019</u>

Depreciation expense of \$447,010 was charged to the culture and recreation function.

5. Pension Plan - Parochial Employees' Retirement System (PERS)

Plan Description:

The Parochial Employees' Retirement System of Louisiana (System) is the administrator of a cost-sharing, multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The 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 B. Plan B is designated for those employers that remain in Social Security.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Pension Plan - Parochial Employees' Retirement System (PERS) (Continued)

The System Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2024. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Eligibility Requirements: All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

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

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

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

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

Deferred Retirement Option Plan: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments in to the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For those eligible to enter DROP prior to January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any return and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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5. Pension Plan - Parochial Employees' Retirement System (PERS) (Continued)

Disability Benefits: For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

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

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

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2024, the actuarially determined contribution rate was 5.5% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2024 was 7.5%.

According to state statute, PERS also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. The non-employer contribution was \$14,658.

The Library's contractually required composite contribution rate for the year ended December 31, 2025, was 7.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Library were \$70,437, \$77,438, and \$78,115 for the years ended December 31, 2025, 2024, and 2023, respectively.

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

At December 31, 2025, the Library reported a liability of \$138,353 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, 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 liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the Library's proportion was 0.810533%, which was an increase of 0.027687% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Library recognized a pension expense of \$15,091, representing its proportionate share of the Plan's net expense (benefit), including amortization of deferred amounts.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Pension Plan - Parochial Employees' Retirement System (PERS) (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,112	\$ 2,208
Changes of assumptions	9,465	-
Net differences between projected and actual investment earnings	-	59,739
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,130	-
Differences between contributions remitted to the system and the employer's proportionate share recognized in pension expense	1,285	157
Employer contributions subsequent to the measurement date	70,437	-
Total	<u>\$ 128,429</u>	<u>\$ 62,104</u>

The deferred outflows of resources related to pensions resulting from the DeSoto Parish Library's contributions subsequent to the measurement date in the amount of \$70,437 will be recognized as a reduction of the net pension liabilities in the year of December 31, 2025.

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

December 31,	
2025 \$	38,231
2026	72,263
2027	(75,756)
2028	<u>(38,850)</u>
Total \$	<u>(4,112)</u>

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees past periods of service less the amount of the pension plan's fiduciary net position. The components of the net pension liability/asset of the Library as of December 31, 2024, are as follows:

	PLAN B
Total Pension Liability	\$ 3,815,735
Plan Fiduciary Net Position	<u>3,954,088</u>
Total Net Pension Liability	<u>\$ (138,353)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. Pension Plan - Parochial Employees' Retirement System (PERS) (Continued)

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

Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Life	4 Years
Investment Rate of Return	6.40%, net of investment expense, including inflation
Inflation rate	2.30%
Projected Salary Increases	4.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended December 31, 2024.

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5. Pension Plan - Parochial Employees' Retirement System (PERS) (Continued)

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

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

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

Sensitivity to Changes in Discount Rate

The following presents the Library's proportionate share of the Net Pension Liability using the discount rate of 6.4%, as well as what the Library's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.4%) or one percentage-point higher (7.4%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.40%</u>	<u>6.40%</u>	<u>7.40%</u>
Net pension liability (asset)	\$ 344,859	\$ (138,353)	\$ (542,972)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2024, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience. Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings. Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes of Assumptions. The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

DESOTO PARISH LIBRARY
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 2025

5. Pension Plan - Parochial Employees' Retirement System (PERS) (Continued)

Change in Proportion. Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions—Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

6. Sales Taxes

The DeSoto Parish Library has a one-fourth percent (¼%) sales and use tax approved by the voters of DeSoto Parish on May 16, 1981, for an indefinite period of time. The tax, after all reasonable and necessary costs for collection and administration, is to be dedicated and used for the purpose of constructing, acquiring, extending, improving, operating and/or maintaining the parish library, together with all necessary land, equipment, and furnishings. The Library recognized \$3,830,369 in sales tax revenues for 2025.

7. Risk Management

The Library is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets and errors and omissions. To reduce these risks, the Library purchases commercial insurance. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2025.

8. Litigation

There is no litigation pending against the Library, at December 31, 2025, nor is it aware of any unasserted claims.

9. Compensation to Board Members

The members of the Board of Commissioners of the Library receive no compensation for their services.

10. Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the fiscal year ended December 31, 2025:

	Compensated Absences	Pension Liabilities
Beginning balance	\$ 130,587	\$ 8,408
Additions	137,167	-
Deductions	(136,526)	(8,408)
Available leave	\$ 131,228	\$ -

No reported amounts are due and payable within one year.

11. Subsequent events

Management has performed an evaluation of the Library's activities through June 26, 2026, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
(PART II)

DESOTO PARISH LIBRARY
Mansfield, Louisiana

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

For the year ended December 31, 2025

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Sales taxes	\$ 2,235,000	\$ 3,725,000	\$ 3,830,369	\$ 105,369
Charges for services	65,390	65,390	28,727	(36,663)
Operating grants and contributions	500	500	2,000	1,500
Miscellaneous income	-	-	202	202
Investment earnings	161,945	161,945	782,941	620,996
Total revenues	<u>2,462,835</u>	<u>3,952,835</u>	<u>4,644,239</u>	<u>691,404</u>
Expenditures				
Current				
General Government-Culture and Recreation	2,277,670	2,258,370	2,187,363	71,007
Capital outlays	404,250	404,250	251,072	153,178
Total expenditures	<u>2,681,920</u>	<u>2,662,620</u>	<u>2,438,435</u>	<u>224,185</u>
Net change in fund balance	(219,085)	1,290,215	2,205,804	915,589
Fund Balance				
Beginning of the year	22,972,623	22,972,623	22,972,623	-
End of the year	<u>\$ 22,753,538</u>	<u>\$ 24,262,838</u>	<u>\$ 25,178,427</u>	<u>\$ 915,589</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

DESOTO PARISH LIBRARY
Mansfield, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

For the year ended December 31, 2025

<u>Year*</u>	<u>Employer's proportion of the net pension liability (asset)</u>	<u>Employer's proportionate share of the net pension liability (asset)</u>	<u>Employer's covered employee payroll</u>	<u>Employer's proportionate share of the net pension liability (asset) as a % of its covered payroll</u>	<u>Plan fiduciary net position as a % of the total pension liability</u>
Parochial Employees' Retirement System (PERS) Plan B					
2015	1.041053%	\$ 2,891	\$ 954,630	0.30%	99.89%
2016	0.759077%	\$ 135,150	\$ 946,797	14.27%	93.48%
2017	0.895360%	\$ 116,314	\$ 891,951	13.04%	95.50%
2018	0.794998%	\$ (100,027)	\$ 806,188	-12.41%	104.02%
2019	0.820782%	\$ 221,747	\$ 858,662	25.82%	91.93%
2020	0.844261%	\$ (61,079)	\$ 937,980	-6.51%	102.05%
2021	0.862234%	\$ (221,358)	\$ 985,450	-22.46%	106.76%
2022	0.855242%	\$ (477,918)	\$ 976,836	-48.93%	114.20%
2023	0.858389%	\$ 204,373	\$ 999,803	20.44%	94.26%
2024	0.838220%	\$ 8,408	\$ 1,041,540	0.81%	99.77%
2025	0.810533%	\$ (138,353)	\$ 1,032,507	-13.40%	103.63%

**Amounts presented were determined as of the measurement date of the net pension plan.*

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

DESOTO PARISH LIBRARY
Mansfield, Louisiana

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

For the year ended December 31, 2025

<u>Year*</u>	<u>Statutorily required contributions</u>	<u>Contributions in relation to statutorily required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Employer's covered payroll</u>	<u>Contributions as a % of covered payroll</u>
Parochial Employees' Retirement System (PERS) Plan B					
2015	\$ 85,412	\$ 85,412	\$ -	\$ 946,797	9.02%
2016	\$ 71,356	\$ 71,356	\$ -	\$ 891,951	8.00%
2017	\$ 64,495	\$ 64,495	\$ -	\$ 806,188	8.00%
2018	\$ 64,400	\$ 64,400	\$ -	\$ 858,662	7.50%
2019	\$ 70,349	\$ 70,349	\$ -	\$ 937,980	7.50%
2020	\$ 73,909	\$ 73,909	\$ -	\$ 985,450	7.50%
2021	\$ 73,263	\$ 73,263	\$ -	\$ 976,836	7.50%
2022	\$ 74,985	\$ 74,985	\$ -	\$ 999,803	7.50%
2023	\$ 78,115	\$ 78,115	\$ -	\$ 1,041,540	7.50%
2024	\$ 77,438	\$ 77,438	\$ -	\$ 1,032,507	7.50%
2025	\$ 70,437	\$ 70,437	\$ -	\$ 1,006,250	7.00%

**Amounts presented were determined as of the end of the fiscal year.*

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

DESOTO PARISH LIBRARY
Mansfield, Louisiana

Notes to Required Supplementary Information
As of and for the Year ended December 31, 2025

Budgetary Information

The Library uses the following budget practices:

The proposed budget for the General Fund is prepared on the modified accrual basis of accounting and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the Library and amended during the year, as necessary. The budget is established and controlled by the Library at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes or amendments to the budget must be approved by the Library Board.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Library. The budget was amended during the year.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year. Amendments to the adopted budget are required if total revenues fail to meet budgeted revenues by 5% or more, and/or total actual expenditures exceed total budgeted expenditures by 5% or more. Total revenues were more than budgeted revenues. Actual expenditures were less than budgeted amounts. The DeSoto Library is in compliance with the Local Government Budget Act.

Pension Information

The schedule of the Library's proportionate share of the net pension liability and the schedule of the Library's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available. There were no changes of benefit terms for the year ended December 31, 2025.

Changes of Assumptions:

Year ended June 30,	Discount rate	Investment rate of return	Inflation rate	Expected remaining lives	Projected salary increase
2015	7.25%	7.25%	2.3%	4 years	5.75%
2016	7.00%	7.00%	2.5%	4 years	5.25%
2017	7.00%	7.00%	2.5%	4 years	5.25%
2018	6.75%	6.75%	2.5%	4 years	5.25%
2019	6.50%	6.50%	2.4%	4 years	4.25%
2020	6.50%	6.50%	2.4%	4 years	4.25%
2021	6.40%	6.40%	2.3%	4 years	4.25%
2022	6.40%	6.40%	2.3%	4 years	4.25%
2023	6.40%	6.40%	2.3%	4 years	4.25%
2024	6.40%	6.40%	2.3%	4 years	4.25%
2025	6.40%	6.40%	2.3%	4 years	4.25%

SUPPLEMENTARY INFORMATION

DESOTO PARISH LIBRARY

Mansfield, Louisiana

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

For the year ended December 31, 2025

Delbert Terry, Director

Purpose:

	Amount
Salary	\$ 103,813
Benefits-Insurance	19,305
Benefits-Retirement	7,267
Benefits- Medicare/Social Security	7,580
Deferred compensation	2,600
Other benefits	-
Car Allowance	-
Dues	-
Travel reimbursements	841
Travel - lodging	-
Registration fees	-
Conferences and seminars	150
Continuing professional education fees	-
Cell phone	-

Supplementary information
See the accompanying independent auditor's report.

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States.



Dees Gardner, Certified Public Accountants, LLC

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

DeSoto Parish Library
Mansfield, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide* the financial statements of the governmental activities and the major fund of the DeSoto Parish Library (the Library), a component unit of the DeSoto Parish Policy Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 26, 2026.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of any 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 21:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44.6.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
June 26, 2026

DESOTO PARISH LIBRARY
Mansfield, Louisiana
Schedule of Findings and Prior Year Findings
For the Year ended December 31, 2025

Part I. Summary of Auditor's Results

INDEPENDENT AUDITOR'S REPORT:

We have audited the basic financial statements of the DeSoto Parish Library (the Library), a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2025, and have issued our report thereon dated June 26, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our audit of the financial statements as of December 31, 2025, resulted in an unmodified opinion.

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER THE FINANCIAL REPORTING:

Internal Control

Significant Deficiency

☐ Yes

☒ No

Material Weaknesses

☐ Yes

☒ No

Compliance

Compliance Material to Financial Statements

☐ Yes

☒ No

A management letter was not issued.

FEDERAL AWARDS

Not applicable

Part II. Findings relating to the Financial Statements which are required to be Reported under *Government Auditing Standards*.

FINDINGS RELATED TO INTERNAL CONTROL

None.

FINDINGS RELATED TO COMPLIANCE

None.

SCHEDULE OF PRIOR YEAR FINDINGS

None.

OTHER REPORT



Dees Gardner, Certified Public Accountants, LLC

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Independent Accountant's Report On Applying Agreed-Upon Procedures

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

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

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- v. **Payroll/Personnel**, including (1) payroll processing, and (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.

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
No exceptions were noted as a result of this procedure.
- viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
No exceptions were noted as a result of this procedure.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
No exceptions were noted as a result of this procedure.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
No exceptions were noted as a result of this procedure.
- 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.
No exceptions were noted as a result of this procedure.
- 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.
No exceptions were noted as a result of this procedure.

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:
Obtained and inspected the board minutes for the fiscal period, as well as the board's enabling legislation and bylaws in effect during the fiscal period.
 - 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.
No exceptions were noted as a result of this procedure.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.
No exceptions were noted as a result of this procedure.
 - 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.

Section not applicable to entity.

- 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.

Section not applicable to entity.

3) Bank Reconciliations

- A. Obtain a listing of client 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 selected each account, and observe that:

A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and 1 additional account (LAMP) was selected for review.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

4) Collections (excluding EFTs)

- 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).

A listing of deposit sites for the fiscal period and management's representation that the listing is complete were obtained. The only deposit site of the entity was selected.

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

A listing of collection locations and management's representation that the listing is complete was obtained. The only collection location of the entity was selected.

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

The entity employees share cash drawers at each of the location sites. However, procedures have been set in place to ensure controls.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

Only one bank account under procedure #3 had applicable deposits to test under this section. Two random deposits were selected for testing.

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

Section not applicable to entity.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- 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).

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

- 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).

A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. The only location of the entity was selected.

- B. For each location selected under #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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions were noted as a result of this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors.
No exceptions were noted as a result of this procedure.
 - 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.
No exceptions were noted as a result of this procedure.
 - 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.
No exceptions were noted as a result of this procedure.
 - 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.
No exceptions were noted as a result of this procedure.
- C. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions were noted as a result of this procedure.
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
No exceptions were noted as a result of this procedure.
- 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.
No exceptions were noted as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.
- 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:
A random monthly statement for the most frequently used card of the entity was selected for review.
- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive

fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted as a result of this procedure.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

No exceptions were noted as a result of this procedure.

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, 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:

A listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete were obtained.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- 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 procedure 1A (vii).

No exceptions were noted as a result of this procedure

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

No exceptions were noted as a result of this procedure.

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. *Alternately, 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:

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 and management's representation that the listing is complete were obtained.

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

No applicable contracts were observed.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

9) Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete were obtained. The five employees of the entity selected for review.

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

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

10) Ethics

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

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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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.

Section not applicable to entity.

- 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).

Section not applicable to entity.

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.

No misappropriations reported by entity.

- 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.

No exceptions were noted as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267
- F. . The requirements are as follows:
 - Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

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

No exceptions were noted as a result of this procedure.

- B. Observe 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).

No exceptions were noted as a result of this procedure.

- 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 it 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;
100%.
 - ii. Number of sexual harassment complaints received by the agency;
0.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;

- 0.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- 0.
- v. Amount of time it took to resolve each complaint.
- 0.

We were engaged by the Library to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable 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 Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Dees Gardner, Certified Public Accountants, LLC

Mansfield, LA
June 26, 2026