

**LIVINGSTON PARISH LIBRARY
COMMISSION
LIVINGSTON, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2025**

**LIVINGSTON PARISH LIBRARY COMMISSION
TABLE OF CONTENTS
DECEMBER 31, 2025**

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION & ANALYSIS	4-10
BASIC FINANCIAL STATEMENTS	11
Statement of Net Position	12
Statement of Activities	13
Combined Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures & Changes in Fund Balance – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
NOTES TO FINANCIAL STATEMENTS	17-39
REQUIRED SUPPLEMENTARY INFORMATION	40
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual, General Fund	41
Schedule of Livingston Parish Library Commission's Proportionate Share of the Net Pension Liability	42
Schedule of Livingston Parish Library Commission's Contributions	43
OTHER SUPPLEMENTARY INFORMATION	44
Statement of Net Position – Compared to Prior Year Totals	45
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) to Actual, General Fund – with Comparative Actual Amounts for Prior Year	46
Schedule of Compensation Paid to Board Members	47
Schedule of Compensation, Benefits, and Other Payments to Agency Head	48
OTHER REPORTS REQUIRED BY GOVERNMENT	
AUDITING STANDARDS	49
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	50-51
Schedule of Findings and Responses	52-53
Summary Schedule of Prior Year Audit Findings	54
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	55-68

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To the Board of Control
Livingston Parish Library Commission
Livingston Parish Council
Livingston, Louisiana 70754

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Library Commission, a component unit of the Livingston Parish Council, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Livingston Parish Library Commission, 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 Livingston Parish Library Commission'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.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Livingston Parish Library Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Livingston Parish Library Commission'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 management's discussion and analysis, budgetary comparison information, Schedule of Livingston Parish Library Commission's Proportionate Share of the Net Pension Liability, and the Schedule of Livingston Parish Library Commission's Contributions on pages 4 through 10 and 40 through 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The Statement of Net Position -Compared to Prior Year

Totals, Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (GAAP Basis) to Actual, General Fund with Comparative Actual Amounts for Prior Year, Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Statement of Net Position -Compared to Prior Year Totals, Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (GAAP Basis) to Actual, General Fund with Comparative Actual Amounts for Prior Year, Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this 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 May 27, 2026 on our consideration of Livingston Parish Library Commission'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 Livingston Parish Library Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Baxley & Associates, LLC

Plaquemine, Louisiana
May 27, 2026

Livingston Parish Library Commission
Management's Discussion and Analysis
as of and for the year ended December 31, 2025

General Information

The Livingston Parish Library is a public library system established in 1946 to assemble, organize, maintain, and make easily available a collection of books and other materials to provide for the recreational, informational, and educational needs of the citizens of the parish of Livingston.

The Livingston Parish Library Commission is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and applicable standards are more fully described in Note 1 - Summary of Significant Accounting Policies.

The Management's Discussion and Analysis (MD&A) offers readers of the library's financial statements a narrative overview and analysis of the financial activities of the library for the fiscal year ended December 31, 2025. This MD&A is designed to provide an objective and easy-to-read analysis of the library's financial activities based on currently known facts, decisions, or conditions.

The Library's MD&A is also designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Livingston Parish Library Commission's financial activity, (c) identify changes in the library's financial position, (d) identify any significant variations from the library's financial plan, and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the library's financial statements, which follow this section.

Financial Highlights

On December 31, 2025, the Library's government-wide assets of \$20,754,197 and deferred outflows of \$331,710 exceeded its liabilities of \$748,557 and deferred inflows of \$164,690 by \$20,172,660 (net position). Of this amount, \$12,554,308 (unrestricted net position) may be used to meet the library's ongoing obligations at its discretion, and the balance of \$7,618,352 represents its net investment in capital assets.

Net position increased by \$721,288 during 2025, reversing the prior year's decrease of \$650,312. The improvement was driven primarily by growth in ad valorem tax revenue while total expenses remained essentially level with the prior year.

Ad valorem taxes reflect the 7.53 mill levy resulting from the May 2024 reassessment of the renewed millage originally approved by voters in 2005 and renewed in 2014. For 2025, taxes of 7.53 mills were levied on property with assessed valuations totaling \$950,967,336, producing total taxes levied of \$7,160,784. Ad valorem tax revenue recognized for 2025 was \$7,556,338, an increase of \$1,350,991 from the 2024 ad valorem tax revenue of \$6,205,347.

Total government-wide revenue for 2025 was \$8,114,410 as compared to the 2024 total of \$6,711,499, an increase of \$1,402,911. Revenues include parish ad valorem taxes, state revenue

sharing, interest, grant funds, charges for photocopies and faxes, fines, donations, and miscellaneous fees.

On the fund financial statements, total expenditures for 2025 were \$6,891,278, compared to \$7,152,355 in 2024, a decrease of \$261,077, due primarily to lower capital outlays. Total governmental fund balance increased \$1,188,760 to \$12,205,023 at December 31, 2025.

During 2025, the Library experienced a leadership transition. Michelle Parrish served as Library Director through July 15, 2025, and Kyla Webb was appointed Interim Director effective August 11, 2025.

Overview of the Annual Financial Report

The financial statement focus is on both the library as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the library's accountability. The statements then provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the library's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the library's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the library's assets and liabilities using the accrual basis of accounting in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, increases and decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the library is improving or deteriorating.

The Statement of Activities presents information showing how the library's net position changed during the most recent fiscal year, focusing on the gross and net costs of various activities that are supported by the library's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

In both of the government-wide financial statements, the Library's activities are a single type: Governmental activities - All of the Library's basic services are reported here and are financed primarily by ad valorem tax revenue.

The government-wide financial statements include only the Livingston Parish Library Commission (a component unit of the Livingston Parish Council) and can be found on pages 12 and 13.

Fund Financial Statements

A fund is a grouping of related accounts 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 and legal requirements. The Library uses one category of funds to account for financial transactions: governmental funds.

The Library reports two major governmental funds. The General Fund is the Library's primary operating fund and accounts for all financial resources of the Library except those required to be accounted for in another fund. The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental fund.

Governmental funds account for all of the Library's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the Library's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. The fund financial statements begin on page 14 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. The reconciliations can be found on pages 14 and 16.

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 within the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 17 of this report.

Government-Wide Financial Analysis

Condensed Statement of Net Position, 2024 and 2025

Governmental Activities

	2024	2025
Assets:		
Current and Other Assets	11,622,798	12,768,870
Capital Assets (net)	8,235,792	7,660,890
Other Non-Current Assets	15	15
Net Pension Asset	-	324,422
Total Assets	19,858,605	20,754,197
Deferred Outflows - Pension	553,679	331,710
Liabilities:		
Current liabilities	530,561	676,459
Non-current liabilities	362,712	72,098

Total Liabilities	893,273	748,557
Deferred Inflows - Pension	47,639	164,690
Net Position:		
Net Investment in Capital Assets	8,179,264	7,618,352
Unrestricted	11,272,108	12,554,308
Total Net Position	19,451,372	20,172,660

The library's assets and deferred outflows on December 31, 2025, exceeded liabilities and deferred inflows by \$20,172,660 (net position), with the library reporting positive balances in both categories of net position. Of the total net position, \$12,554,308 is unrestricted net position. The balance of net position includes \$7,618,352 in net investment in capital assets, consisting of the library's net investment in library facilities, collections, equipment, and vehicles, reduced by the outstanding balance of the right-to-use lease liability related to those assets. Applicable statutes prohibit the Library from incurring long-term bonded indebtedness; the Library's only long-term obligations are its copier lease liability and compensated absences.

The largest components of the "Current and Other Assets" category are cash and cash equivalents of \$2,643,586, investments totaling \$3,002,961 consisting of funds in certificates of deposit, and receivables consisting primarily of an ad valorem tax receivable of \$6,802,745 and a state revenue sharing receivable of \$202,335.

Current liabilities, totaling \$676,459, consist primarily of accounts payable, payroll-related liabilities, deductions from property tax distributions for pension fund obligations, and the current portions of compensated absences and the lease liability. The Library reported a net pension asset of \$324,422 at December 31, 2025, compared to a net pension liability of \$17,616 in the prior year, reflecting the funded status of the Parochial Employees' Retirement System of Louisiana, which reported a plan fiduciary net position equal to 103.63% of the total pension liability. This balance is determined by actuarial valuation and investment performance of the retirement system and may fluctuate from year to year.

Condensed Statement of Changes in Activities, for the years ended December 31, 2024 and 2025

Governmental Activities

	2024	2025
Revenues:		
Program revenues:		
Charges for services	55,511	54,974
Operating grants and contributions	0	0
General Revenues:		
Ad Valorem Taxes	6,205,347	7,556,338
State Revenue Sharing	189,303	205,664
Interest Income	206,125	218,370
Other General Revenues	55,213	79,064
Total Revenues	6,711,499	8,114,410

Program Expenses:		
Library Services	7,392,738	7,393,122
Total Expenses	7,392,738	7,393,122
Change in Net Position	(650,312)	721,288
Beginning Net Position	20,101,684	19,451,372
Ending Net Position	19,451,372	20,172,660

The major component of Program Revenues, totaling \$54,974, consists of charges for fines and fees at branch library locations. The major General Revenue sources are ad valorem taxes totaling \$7,556,338, state revenue sharing totaling \$205,664, and interest earnings totaling \$218,370. Other general revenues of \$79,064 include donations, warranties and settlements, grants, and miscellaneous income.

Total revenues increased \$1,402,911 from the prior year, driven primarily by ad valorem tax revenue, which increased \$1,350,991. The prior year reflected the transition from the expiring 10.00 mill tax to the reassessed 7.53 mill levy; 2025 represents the first full year of collections at the reassessed millage applied to the parish's current assessed valuations.

Library expenses for 2025 totaled \$7,393,122, compared to \$7,392,738 in 2024, an increase of \$384. Expense levels remained essentially unchanged, as management focused on controlling operating costs.

Fund Financial Analysis

The Library's governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements can be found on pages 14 to 16 of this report.

Within the fund statements, the General Fund recorded an excess of revenues over expenditures of \$1,180,119, resulting in a General Fund balance of \$9,000,289 at December 31, 2025. The Capital Projects Fund recorded an excess of revenues over expenditures of \$8,641, resulting in a fund balance of \$3,204,734. Total governmental fund balance was \$12,205,023 at December 31, 2025, an increase of \$1,188,760 from the prior year.

Of the total fund balance, \$117,083 is nonspendable (consisting of prepaid insurance premiums and prepaid expenses), \$3,678,000 is committed by formal action of the Board of Control (\$3,000,000 committed for future construction, expansion, and improvement of Livingston Parish Library facilities and \$678,000 committed as contingency for emergency facility repairs caused by natural disasters), \$3,204,734 is restricted within the Capital Projects Fund, and \$5,205,206 is unassigned. The reader of these financial statements should refer to Note 14 - Fund Balances for a description of how the Livingston Parish Library Commission Board of Control has planned and designated funds for future projects and contingencies.

Capital Assets

The net investment in capital assets as of December 31, 2025, was \$7,660,890. The gross value of capital assets increased due to current year additions, but the net value decreased because depreciation and amortization expense exceeded additions. The following table provides a summary of the library's capital assets at the end of the current year compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

Capital Assets (Net of Depreciation), 2024 and 2025

Governmental Activities

Capital Assets	2024	2025
Land	1,386,020	1,386,020
Library Collection	5,040,225	5,366,368
Buildings	10,333,705	10,333,705
Vehicles	282,241	282,241
Equipment and Furniture	2,256,822	2,347,274
Right-of-Use Leased Assets (Copiers)	73,086	73,086
Construction in Progress	-	-
Subtotal Capital Assets	19,372,099	19,788,694
Less: Accumulated Depreciation	(11,136,306)	(12,127,804)
Capital Assets, Net	8,235,793	7,660,890

Library collection additions of \$326,143 were recorded for the fiscal year ended December 31, 2025. Other furniture and equipment, including data processing software, computers, and equipment primarily for the Livingston Library and the Library Administration Building, and other miscellaneous equipment and furniture purchases, were recorded at \$90,452. Total capital outlays of \$416,595 were offset by depreciation and amortization expense of \$991,498, resulting in a net decrease in capital assets of \$574,903. The Library leases eight copiers under a right-to-use lease; amortization expense on the leased assets was \$14,616, and the net value of the lease assets was \$40,220 at December 31, 2025.

Long-Term Obligations

At December 31, 2025, the Library's long-term obligations consisted of a lease liability of \$42,538 related to its copier lease and compensated absences of \$201,109, for total long-term obligations of \$243,647, a decrease of \$101,449 from the prior year. During 2025, the Library made lease principal payments of \$13,990 and lease interest payments of \$2,438. The Library cannot legally incur long-term bonded indebtedness. For more information, see Notes 8 and 10 to the financial statements.

Budgetary Highlights

The Library demonstrated legal compliance by adopting its budget in accordance with the provisions of the Local Government Budget Act. The budget for the fiscal year ended December 31, 2025, was legally adopted on November 19, 2024, and was amended on November 18, 2025.

General Fund actual revenues of \$8,005,732 exceeded the final budgeted revenues of \$7,507,637 by \$498,095, a favorable variance attributable primarily to ad valorem tax collections exceeding the budgeted amount. General Fund actual expenditures of \$6,825,613 were \$512,689 less than the final budgeted expenditures of \$7,338,302, a favorable variance. Actual expenditures and other uses did not exceed budgeted expenditures and other uses by more than five percent, and no unfavorable revenue variance in excess of five percent occurred.

New Accounting Pronouncements

GASB Statement No. 102, Certain Risk Disclosures - This standard requires governments to disclose information about risks related to concentrations or constraints that make them vulnerable to substantial impacts. It is effective for fiscal years beginning after June 15, 2024. This statement had no material effect on the financial statements at December 31, 2025.

GASB Statement No. 103, Financial Reporting Model Improvements - Released in April 2024, this statement introduces significant changes to the presentation of financial statements, aiming to enhance the clarity and usefulness of financial reporting. It is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 105, Subsequent Events - This statement establishes guidance for the reporting and disclosure of events that occur after the financial statement date but before issuance. It is effective for fiscal years beginning after June 15, 2026.

Management is currently assessing the impact that the implementation of the pending pronouncements will have on the basic financial statements, if any.

Conclusion

The Livingston Parish Library Commission's management approach is conservative. This is reflected in conformance to enacted budgets and in the efforts of the Library to control the level of expenditures. The Livingston Parish Library Commission is maintaining its level of service to the community by continuing to offer excellent programming and services to the public. The five library branches offer extended and convenient hours to serve patrons. The library has over one hundred fifty public computers available for library users, as well as an extensive book collection, audio/video and periodical collections, and online databases. Staff members continue to develop successful programs to better serve the public while continuing to offer regular programs, such as computer classes, programs for adults, children's programs, and community events.

The annual operations and maintenance budget enables the library to provide building and grounds maintenance, insurance, staffing, resources, and materials to continue serving the needs of Livingston Parish's citizens.

Contacting the Library's Financial Management

This financial report provides a general overview of the Livingston Parish Library Commission's finances. Questions regarding this report or requests for additional information should be addressed to Scott Kleinpeter, Interim Library Director, Livingston Parish Library, P.O. Box 397, Livingston, LA 70754.

BASIC FINANCIAL STATEMENTS

**LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,643,586
Receivables, net:	
Ad Valorem taxes	6,802,745
State revenue sharing	202,335
Interest receivable	160
Prepaid insurance	44,266
Prepaid expense	72,817
Investments	3,002,961
Capital assets:	
Non-depreciable	1,386,020
Depreciable, net of depreciation	6,274,870
Net pension asset	324,422
Utility deposits	15
Total Assets	<u>20,754,197</u>
DEFERRED OUTFLOWS - PENSION	
Pension Related	<u>331,710</u>
LIABILITIES	
Accounts payable	78,923
Accrued salaries payable	69,081
Deductions from ad valorem taxes	277,051
Other accrued liabilities	79,855
Non Current Liabilities	
Due in one year	171,549
Due in more than one year	72,098
Total Liabilities	<u>748,557</u>
DEFERRED INFLOWS - PENSION	
Pension Related	<u>164,690</u>
Net Position	
Net invested in capital assets	7,618,352
Unrestricted	12,554,308
TOTAL NET POSITION	<u><u>\$ 20,172,660</u></u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues from Activities</u>
Governmental Activities:				
Culture and Recreation				
Support Services				
Library	\$ 7,393,122	\$ 54,974	\$ -	\$ (7,338,148)
Total Governmental Activities	<u>\$ 7,393,122</u>	<u>\$ 54,974</u>	<u>\$ -</u>	<u>\$ (7,338,148)</u>

General Revenues:	
Ad valorem taxes	7,556,338
Intergovernmental revenue	205,664
Investment earnings	218,370
Other general revenues	<u>79,064</u>
Total General Revenues	<u>8,059,436</u>
Change in Net Position	721,288
Net Position at Beginning of the Year	<u>19,451,372</u>
Net Position at End of the Year	<u>\$ 20,172,660</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2025**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,319,204	\$ 324,382	\$ 2,643,586
Receivables, net:			
Ad valorem taxes	6,802,745	-	6,802,745
State revenue sharing	202,335	-	202,335
Interest receivable	160	-	160
Prepaid insurance	44,266	-	44,266
Prepaid expense	72,817	-	72,817
Investments	-	3,002,961	3,002,961
Due from other funds	122,609	-	122,609
Utility deposits	15	-	15
TOTAL ASSETS	<u>\$ 9,564,151</u>	<u>\$ 3,327,343</u>	<u>\$ 12,891,494</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 78,923	\$ -	\$ 78,923
Accrued vacation payable	58,952	-	58,952
Accrued salaries	69,081	-	69,081
Other accrued liabilities	79,855	-	79,855
Due to other funds	-	122,609	122,609
Deductions from ad valorem taxes	277,051	-	277,051
TOTAL LIABILITIES	<u>563,862</u>	<u>122,609</u>	<u>686,471</u>
Fund Balance			
Nonspendable	117,083	-	117,083
Committed	3,678,000	-	3,678,000
Restricted	-	3,204,734	3,204,734
Unassigned	5,205,206	-	5,205,206
TOTAL FUND BALANCES	<u>9,000,289</u>	<u>3,204,734</u>	<u>12,205,023</u>
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.			7,660,890
Deferred Outflow			331,710
Long-term liabilities, including bonds payable, loans payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Lease liability			(42,538)
Net Pension asset			324,422
Accrued sick leave			(142,157)
Deferred inflow			(164,690)
Net position of governmental activities			<u>\$ 20,172,660</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 7,556,338	\$ -	\$ 7,556,338
State revenue sharing	205,664	-	205,664
Fines and fees	54,974	-	54,974
State and Local grants	1,200	-	1,200
Federal funds	-	-	-
Interest	144,064	74,306	218,370
Donations	1,618	-	1,618
Warranties/settlement	7,298	-	7,298
Miscellaneous	34,576	-	34,576
TOTAL REVENUES	<u>8,005,732</u>	<u>74,306</u>	<u>8,080,038</u>
EXPENDITURES			
Personnel services:			
Salaries	3,292,916	-	3,292,916
Benefits	751,843	-	751,843
Payroll taxes	257,119	-	257,119
Operating services:			
Advertising	58,794	-	58,794
Licenses	3,333	-	3,333
Insurance	171,872	-	171,872
Professional services	195,268	-	195,268
Miscellaneous	5,003	-	5,003
Postage	1,829	-	1,829
Repairs and maintenance	522,020	-	522,020
Software purchases	17,034	-	17,034
Telephone	23,948	-	23,948
Utilities	240,179	-	240,179
Travel	21,088	-	21,088
Library material and supplies:			
Databases	111,251	-	111,251
Library books and periodicals (non-capital)	306,416	-	306,416
Office supplies	67,157	-	67,157
Reading program	134,134	-	134,134
Intergovernmental expenditures	277,051	-	277,051
Debt Service - principal	13,990	-	13,990
Debt Service - interest	2,438	-	2,438
Capital outlays	350,930	65,665	416,595
TOTAL EXPENDITURES	<u>6,825,613</u>	<u>65,665</u>	<u>6,891,278</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,180,119	8,641	1,188,760
FUND BALANCE, Beginning	<u>7,820,170</u>	<u>3,196,093</u>	<u>11,016,263</u>
FUND BALANCE, Ending	<u><u>\$ 9,000,289</u></u>	<u><u>\$ 3,204,734</u></u>	<u><u>\$ 12,205,023</u></u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

Net Change in fund balances - total governmental funds (page 15)	\$ 1,188,760
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Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.	34,372
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Non-employer contributions to cost-sharing pension plan	(11,354)
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of other reconciling items related to capital assets, which are also not recorded in governmental funds.

Expenditures for capital assets	\$ 416,595	
Less:		
Current year depreciation & amortization	(991,498)	(574,903)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	13,990
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Compensated absences payable after one year are not recorded as an expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities.	70,423
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Change in net position of governmental activities (page 13)	<u><u>\$ 721,288</u></u>
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The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Livingston Parish Library Commission (Library) was created by the Livingston Parish Council, as provided by Louisiana Revised Statutes. The Library provides citizens of the parish access to library materials, books, magazines, recordings, and films. The Library is governed by a board of seven members, which are appointed by the Livingston Parish Council. The members of the board serve without pay. Primary financing is provided by ad valorem taxes and interest earned on investments.

The financial statements of the Library have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Governmental Accounting Standards Board (GASB) Statement No. 61, codified Section 2100 – *Defining The Financial Reporting Entity*, established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Library Commission is considered a component unit of the Livingston Parish Council since it is fiscally dependent on the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the Library.

A. Governmental-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all nonfiduciary activities of the Library. For the most part the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Library does not have any business-type activities and reports only governmental activities. The Library has no component units.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended by GASB statements described in the following paragraphs. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), a statement of activities, and statement of cash flows. The definition and composition of these statements, as originally defined in GASB statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Library has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the Library to be presented as a change in net position.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provided guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement No. 4 identifies net position as a residual of all other elements presented in a statement of financial position. This Statement amended the net asset reporting requirement in Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I – Net Position and Fund Balance*. As required by the GASB, the Library implemented GASB Statement No. 63 during the year ended December 31, 2012.

During the year ended December 31, 2012, the Library also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead of general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. The Library reports two funds: both governmental funds – the general fund and the capital projects fund.

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

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

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

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 government considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, franchise taxes, licenses, and interest associates with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

The Library reports the following major fund:

Major Funds

The *General Fund* is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects fund* accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) program-specific operating grants and contributions; and 3) program-specific capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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.

When restricted, committed, assigned, or unassigned fund balances are available for use, the Library considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Deposits and Investments

The Livingston Parish Library Commission's cash and cash equivalents include cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Library may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the maturities are 90 days or less, they are classified as cash equivalents. Investments in the Library are reported at fair value.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Application and Measurement*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Library has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

D. Receivables and Revenue

Receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Library did not have any inventory at December 31, 2025. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Certain amounts shown as governmental restricted assets are to be used for specified purposes, such as servicing general obligation bond debt and construction of capital assets. Such assets have been restricted by bond indenture, law, or contractual obligations. The Library did not have any restricted assets at December 31, 2025.

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated costs 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 \$1,200 or more for capitalizing vehicles, furniture, and equipment.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Library Collection	4 to 7 years
Computer Equipment	5 years
Office Furniture and Equipment	5 to 10 years
Buildings	40 years
Vehicles	5 years

The Library has adopted the policy that the library collection will be reported on a composite basis by making adjustments to total value to reflect increases or decreases in total value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

H. Compensated Absences

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized 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 settle through noncash

LIVINGSTON PARISH LIBRARY COMMISSION NOTES TO FINANCIAL STATEMENTS

means. The Statement requires that a liability for certain types of compensated absences- including parental leave, military leave, and jury duty leave- not be recognized until the leave commences.

The current liability for compensated absences is reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability (long term portion) is reclassified into the entity-wide column of Statements of Net Position.

I. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net position into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** – The *net investment in capital assets* component of net position consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows or resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. Debt does not enter into the calculation of this category of net position since the Library cannot legally hold long-term indebtedness.
- **Restricted Component of Net Position** – The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. As of December 31, 2024, the Library has no restricted net position.
- **Unrestricted Component of Net Position** – The *unrestricted* component of net position is the net position amount of the assets, deferred outflows of resources, liabilities, deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund statements, governmental fund equity is classified as fund balance. The Library adopted GASB 54 for the year ended December 31, 2011. As such fund balances of governmental funds are classified as follows:

- **Nonspendable** – These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed** – These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Library.
- **Assigned** – These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned** – These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned for those purposes.

J. Ad Valorem Taxes

On April 23, 2005, voters of Livingston Parish originally approved a 10-year 10.00 mill ad valorem tax assessed on all property subject to taxation in Livingston Parish for the purpose of “acquiring, contracting, improving, maintaining, and operating the Livingston Parish Library.” The original tax began with the year 2005 and ended with the year 2014. The tax was renewed by the votes and Livingston Parish Ordinance No. 14-08 was approved extending the levied tax through October 1, 2024. Due to reassessment in May of 2025, the adjusted millage rate is 7.53 mills.

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied in September or October and billed to taxpayers in November. Billed taxes become delinquent on January 1st of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Livingston Parish Library Commission’s taxes are collected by the Livingston Parish Sheriff and are remitted to the Library monthly. The Library pays the Sheriff’s Office a fee for this service. The following is a summary of authorized and levied ad valorem taxes.

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Reassessment of Millage</u>
General fund - Ad Valorem	7.53	7.53	5/28/2024

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Estimates

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

L. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented within the governmental fund balance sheet of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented as the "Reconciliation of the Statement of Revenues and Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" of the basic financial statements.

M. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until then. The governmental funds report unavailable revenue from property taxes and state revenue sharing. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

O. Right-to-Use Lease Assets

The Library has recorded right-to-use lease assets as a result of implementing GASB Statement No. 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Lease Liabilities

The Library is the lessee for several noncancellable leases of copiers and postage machines. The Library recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements. Lease liabilities are reported with long-term debt on the Statement of Net Position.

At the commencement of a lease, the Library initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgements related to leases include how the Library determines 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments. The Library uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Library generally uses the risk-free rate from the U.S. Department of Treasury website as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Library is reasonably certain to exercise.

Q. New Accounting Pronouncements Implemented

GASB Statement No. 102 – Certain Risk Disclosures: This standard requires governments to disclose information about risks related to concentrations or constraints that make them vulnerable to substantial impacts. It provides users with essential information for decision-making and assessing accountability. Effective for fiscal years beginning after June 15, 2024. This statement had no material effect on the financial statements at December 31, 2025.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Library utilizes the following budgetary practices:

The Director prepares the annual budget, which is based on what is expected to be collected and/or levied during the fiscal year and is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Director to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved by the Board before payment.

The Library adopted a budget for the General Fund on the modified accrual basis each year in accordance with generally accepted accounting principles (GAAP). The budget for the fiscal year ended December 31, 2025, was legally adopted on November 19, 2024. The budget is monitored by the Board and amended as needed. The budget was amended for the fiscal year ended December 31, 2025, on November 18, 2025. Unexpended budget balances lapse at year-end.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents include bank accounts and short-term investments. See Note 1 for additional cash disclosure note information.

At December 31, 2025, the Library had the following deposits (collected bank balances) and book balances for cash and cash equivalents and investments:

	<u>Bank Balances</u>	<u>Book Balances</u>
Cash and cash equivalents	\$ 2,701,872	\$ 2,643,586
Investments - Certificates of Deposit	3,002,961	3,002,961
Total	<u>\$ 5,704,833</u>	<u>\$ 5,646,547</u>

Custodial Credit Risk Relating to Deposits – Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of bank failure, the Library deposits might not be recovered. The Library does not have a policy for custodial credit risk, however, under state law, these deposits, (or resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2025, the Library had the following security on deposits:

	<u>Bank Balances 10/31/2025</u>	<u>FDIC Insurance</u>	<u>Balances Uninsured</u>
Cash and cash equivalents	\$ 5,704,833	\$ 250,000	\$ 5,454,833
Uncollateralized securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at December 31, 2025			<u>10,011,122</u>
Excess (deficiency) of FDIC insurance and pledged securities over cash at December 31, 2025			<u>\$ 4,556,289</u>

Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Library or its agent in the Library's name
2. Uninsured and unregistered with securities held by the counterparty's trust department or agent in the Library's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Library's name

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

The Library held assets that qualified as investments consisting of certificates of deposits with a market value of \$3,002,961 within one local bank at December 31, 2025. All investments held by the Library fall into Level 2 fair value hierarchy. In accordance with GASB 31, *Accounting Financial Reporting for Certain Investments and For External Investment Pools*, all investments, when held, are carried at fair market value, with the estimated fair market value bases on quoted market prices.

Interest Rate Risk: The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library invests in certificates of deposits that are backed by FDIC and pledged securities, and United States government securities. The Library has adopted the state investment policy at LA 49:327 and does not have any other policy that would further limit the investment choices. As of December 31, 2025, 100% of the Library's investment balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

Concentration of Credit Risk – The Library has no limits on the amount they may invest in any one issuer.

At December 31, 2025, the Library held certificates of deposit, with an original maturity greater than 90 days, totaling \$3,002,961. These investments are stated on the balance sheet at market value and are as follows:

<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Level 1 Category 1</u>	<u>Fair Value</u>	<u>Carrying Amount</u>
CoD	2.50%	1/31/2026	\$ 841,007	\$ 841,007	\$ 841,007
CoD	1.00%	1/19/2028	631,313	631,313	631,313
CoD	2.50%	7/19/2026	883,783	883,783	883,783
CoD	1.00%	2/22/2028	646,858	646,858	646,858
Total			<u>\$ 3,002,961</u>		

There are no level 1 or 3 investments.

NOTE 4 – RECEIVABLES AND REVENUES

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes were levied by the Livingston Parish Assessor in September or October and billed to taxpayers in November. Billed taxes become delinquent on January 1st of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – RECEIVABLES AND REVENUES (continued)

The Governmental Fund accounts receivable consists of the following at December 31, 2025:

<u>Description</u>	<u>Governmental Activities</u>
Ad Valorem Taxes	\$ 6,802,745
State Revenue Sharing	202,335
Total Governmental Receivables	<u>\$ 7,005,080</u>

NOTE 5 – AD VALOREM TAXES

For the year ended December 31, 2025, taxes of 7.53 mills were levied on property with assessed valuations totaling \$950,967,336. Total taxes levied were \$7,160,784.

Total taxes assessed and taxes receivable at December 31, 2025, are as follows:

Property tax assessed	\$ 7,160,784
Less: Current amounts deemed uncollectible	(358,039)
Net 2025 property taxes deemed collectible	<u>6,802,745</u>
Prior year taxes collected in excess of prior year receivable in 2025	-
Net property tax revenues	<u>\$ 6,802,745</u>
Net property taxes deemed collectible	\$ -
Less: Amounts collected prior to December 31, 2025	-
Taxes receivable - current year	<u>6,802,745</u>
Prior year tax receivable at December 31, 2024	6,638,754
Less: Prior year tax collected in 2025	-
Prior year taxes collected in 2025	<u>6,638,754</u>
Total property taxes receivable at December 31, 2025	<u>\$ 6,802,745</u>

LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2025 for governmental activities is as follows:

	Balance December 31, 2024	Increases	Decreases	Balance December 31, 2025
Governmental Activities Capital Assets:				
Capital assets not being depreciated:				
Land	\$ 1,386,020	\$ -	\$ -	\$ 1,386,020
Construction in progress	-	-	-	-
Total capital assets not being depreciated	1,386,020	-	-	1,386,020
Capital assets being depreciated				
Furniture and equipment	2,256,822	90,452	-	2,347,274
Vehicles	282,241	-	-	282,241
Buildings	10,333,705	-	-	10,333,705
Library collection	5,040,225	326,143	-	5,366,368
Right of use leased assets:				
Copiers	73,086	-	-	73,086
Postage machine	-	-	-	-
Total capital assets being depreciated	17,986,079	416,595	-	18,402,674
Less Accumulated Depreciation for:				
Furniture and equipment	1,561,186	140,929	-	1,702,115
Vehicles	259,016	23,225	-	282,241
Buildings	5,038,747	561,831	-	5,600,578
Library collection	4,259,087	250,897	-	4,509,984
Right of use leased assets:				
Copiers	18,270	14,616	-	32,886
Postage machine	-	-	-	-
Total Accumulated Depreciation	11,136,306	991,498	-	12,127,804
Total capital assets being depreciated, net	6,849,773	(574,903)	-	6,274,870
Total Governmental Activities Capital Assets, Net	\$ 8,235,793	\$ (574,903)	\$ -	\$ 7,660,890

Library collections of \$326,143 were recorded for the year. Other Furniture and Equipment, including data processing software, computers, and equipment primarily for the Livingston Library and the Library Administration Building, and other miscellaneous equipment and furniture purchases, was recorded for \$90,452.

Right-To-Use Leased Assets

The Library also leases 8 copiers. Amortization expense on the assets was \$14,616. The net value of the lease assets (cost less accumulated depreciation) was \$40,200 at December 31, 2025.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN

Plan Description:

Substantially all employees of the Livingston Parish Library Commission are members of the Parochial Employees' Retirement System of Louisiana (PERS), a multiple-employer, cost-sharing, defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All Library employees eligible for participation are members of Plan B.

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

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

Generally, the monthly amount of the retirement allowance for 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 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 Retirement System. DROP is an option for that member who is eligible for normal retirement.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN (continued)

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 DROP in which they are enrolled for three years and defer the receipt of the 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 DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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

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, if not eligible for normal retirement, 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 not enrolled January 1, 2007 and later.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 or older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN (continued)

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2024, actuarially determined rate was 5.50% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2024 was 7.50% for Plan B. According to state statute, the System also received $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Under Plan B, members are required by state statute to contribute 3.00% (depending on date of hire) of their annual covered salary and the Library is required to contribute an actuarially determined rate. The rate for the year ended December 31, 2025 was 7.00%. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The Library's contributions to the System under Plan B for the years ended December 31, 2025, 2024, and 2023 were \$186,474 \$190,443, and \$163,655, respectively.

Pension Liabilities/(Asset), Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:

At December 31, 2025, the Library reported a liability/(asset) of (\$324,422) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2024 and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation of that date. The Library's proportion of the net pension liability/(asset) was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the Library's proportion was 1.900611%, which was an increase of 0.144411% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Library recognized pension expense of \$196,175 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,653.

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

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 103,438	\$ (5,177)
Changes of assumptions	22,195	-
Net difference between projected and actual earnings on pension plan investments	-	(140,082)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	19,603	(19,431)
Employer contributions subsequent to the measurement date	<u>186,474</u>	<u>-</u>
Total	<u>\$ 331,710</u>	<u>\$ (164,690)</u>

The Library reported a total of \$186,474 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2024, which will be recognized as a reduction in net pension liability/(asset) for the year ended December 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2026	\$ 87,659
2027	167,292
2028	(183,315)
2029	<u>(91,090)</u>
	<u>\$ (19,454)</u>

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN (continued)

Actuarial Assumptions:

A summary of actuarial methods and assumptions used in determining the total net pension liability/(asset) as of December 31, 2024 is as follows:

Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining	
Service Lives	4 years
Investment Rate of Return	6.40%, net of investment expense, including inflation
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.
Inflation Rate	2.30%

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

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN (continued)

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

Mortality Rate:

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 then 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.

Discount Rate:

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 contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:

The following table represents the Library's proportionate share of the net pension liability/(asset) using the discount rate as well as the Library's proportionate share of the net pension liability/(asset) if it were calculated using the discount rate that is one percentage-point lower or one percentage-point higher than the current rate used:

	1.0% Decrease 5.40%	Current Discount Rate 6.40%	1.0% Increase 7.40%
Net Pension Liability/(Asset)	\$ 808,657	\$ (324,422)	\$ (1,273,211)

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – ACCRUED VACATION LEAVE/ COMPENSATED ABSENCES

At December 31, 2025, employees of the Library have accumulated and vested employee leave benefits, which was computed in accordance with GASB Codification Section C60. The total amount of \$58,952 accrued vacation leave is recorded as an obligation on the Combined Balance Sheet.

Compensated absences, 1/1/25	\$ 75,989
Net change	* (17,037)
Compensated absences, 12/31/25	<u>\$ 58,952</u>

*The Library netted the additions and deletions to sum up the net change in compensated absences.

The following is a summary of the current (due in one year or less) and long-term portions of the Compensated Absences at December 31, 2025 as it is recorded in the Statement of Net Position:

Current portion	\$ 156,865
Non current portion	44,244
Total	<u>\$ 201,109</u>

The above is prepared in accordance with GASB Statement 101 *Compensated Absences*. Policies of the Library do not allow payment directly to the employee for sick leave upon termination. However, unused sick leave may be carried forward and added to service time and credited to the employee upon retirement.

NOTE 9 – ACCOUNTS, SALARIES, AND OTHER PAYABLES

The Governmental Funds payables consist of the following at December 31, 2025:

<u>Governmental Funds Payable</u>	<u>2025</u>
Accounts payable	\$ 78,923
Accrued vacation payable	58,952
Accrued salaries	69,081
Other accrued liabilities	79,855
Deduction from ad valorem taxes	277,051
Total Government Funds Payable	<u><u>\$ 563,862</u></u>

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 – LONG-TERM LIABILITIES

The following is a summary of the Library's long-term debt transactions for the year ended December 31, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Short-term Portion	Long-term Portion
Lease Payable	56,528	-	(13,990)	42,538	14,684	27,854
Compensated Absences	288,568	-	(87,459)	201,109	156,865	44,244
	<u>\$ 345,096</u>	<u>\$ -</u>	<u>\$ (101,449)</u>	<u>\$ 243,647</u>	<u>\$ 171,549</u>	<u>\$ 72,098</u>

Right-To-Use Lease Liability

Eight Canon copiers with monthly payments of \$1,369 at .405% monthly interest. The contract term is 60 months from October 2023 through September 2028.

A summary of the principal and interest amounts for the remaining term is as follows:

	Principal	Interest
2026	14,684	1,744
2027	15,414	1,014
2028	12,440	259
	<u>\$ 42,538</u>	<u>\$ 3,017</u>

NOTE 11 – RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library attempts to minimize risk from significant losses through the purchase of commercial insurance.

NOTE 12 – CONTINGENT LIABILITIES

During the year 2019, the Library filed a suit against Brunt Construction, Inc., Professional Service Industries, Inc., Cockfield Jackson architects and its insurers for alleged defective and incomplete work associated with the Denham Springs/Walker branch library expansion project. The lawsuit was filed in the 21st Judicial District Court, Parish of Livingston. The Library filed a Motion to Stay the lawsuit because there is a requirement for arbitration in the contracts with Brunt and with Cockfield which would also be applicable to their insurers and bonding companies. Brunt filed a Motion for Mandamus requesting the Court order the Library to release the remaining funds held. The Court denied this Motion and writs were not taken. The Court also denied the Library's Motion to Stay. The Library filed writs with the First Circuit Court of Appeal and is awaiting a ruling. It is expected that the Library should recover most of its damages.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 – FINANCING OF LIBRARY BUILDINGS BY PRIMARY GOVERNMENT

On October 4, 2003, the voters of Livingston parish approved the issuance of \$8,900,000 (Series 2004) General Obligation Bonds. The proceeds of these bonds were used to pay the cost of construction and acquitting the improvement of public libraries for the Parish, and acquiring the necessary land, equipment, and furnishings. These bonds will be payable for the annual levy and collection of unlimited ad valorem taxes on all the taxable property within the Parish. These bonds were issued on March 1, 2004 with scheduled maturities through 2024. The bonds were issued in the name of the Livingston Parish Council and hence are recorded on the books of the Council. The Council administered the construction funds as they were spent on the construction of the new libraries. In addition, the Council collects and administers the ad valorem taxes collected and used to repay the outstanding bonds. At December 31, 2009, the Livingston Parish Council had spent the \$8,900,000 on the constructions of new libraries from the bond proceeds. In addition, the Library transferred an accumulated amount of \$2,682,517 (\$2,500,000 in 2006, \$180,442 in 2007, and \$2,075 in 2008) of its funds to the Livingston Parish Council to assist the Parish Council in the completion of the construction costs.

NOTE 14 – FUND BALANCES

At December 31, 2025, the General Fund of the Library had nonspendable fund balance of \$117,083 consisting of prepaid insurance premiums and prepaid expenses. Pursuant to formal action of the Livingston Parish Library Board of Control on April 1, 2015, the board also committed \$3,678,000 of the fund balance for future projects. Of the \$3,678,000 commitment, a total of \$3,000,000 was committed for future construction, expansion, and improvement of Livingston Parish Library facilities, and \$678,000 was committed as contingency for emergency facility repairs caused by natural disasters.

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

The statements which might impact the Library are as follows:

GASB Statement No. 103 – Financial Reporting Model Improvements was released in April 2024, concluding an extensive review of financial reporting models. This statement introduces significant changes to the presentation of financial statements, aiming to enhance the clarity and usefulness of financial reporting. While effective for fiscal years beginning after June 15, 2025, its impact may be more pronounced in fiscal years ending after June 30, 2026.

GASB Statement No. 104- Disclosure of Certain Capital Assets was released in September 2024. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, Lease assets recognized in accordance with Statement No. 87, *Leases* and intangible right to use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

**LIVINGSTON PARISH LIBRARY COMMISSION
NOTES TO FINANCIAL STATEMENTS**

GASB Statement No. 105 – Subsequent Events The Governmental Accounting Standards Board has issued Statement No. 105 Subsequent Events, which is effective for fiscal years beginning after June 15, 2026. This statement establishes guidance for the reporting and disclosures of events that occur after the financial statement date but before issuance.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements, if any.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 27, 2026, the date the financial statements were available for issuance. No events were noted that require recording or disclosure in the financial statements for the year ending December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

**LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Ad valorem taxes	\$ 6,988,163	\$ 7,192,332	\$ 7,556,338	\$ 364,006
State revenue sharing	130,000	123,000	205,664	82,664
Fines and fees	47,500	35,679	54,974	19,295
Grants	-	-	1,200	1,200
Donations	1,000	300	1,618	1,318
Interest	187,518	142,926	144,064	1,138
Federal funds	-	-	-	-
Warranties/settlements	7,500	5,400	7,298	1,898
Miscellaneous	14,000	8,000	34,576	26,576
TOTAL REVENUES	<u>7,375,681</u>	<u>7,507,637</u>	<u>8,005,732</u>	<u>498,095</u>
EXPENDITURES				
Personnel services:				
Salaries	3,265,170	3,233,053	3,292,916	(59,863)
Benefits	780,839	831,154	751,843	79,311
Payroll taxes	268,754	273,956	257,119	16,837
Operating services:				
Advertising	5,000	90,000	58,794	31,206
Contracts, licenses and permits	3,000	5,550	3,333	2,217
Insurance	161,628	195,130	171,872	23,258
Professional services	202,177	245,248	195,268	49,980
Miscellaneous	4,700	7,700	5,003	2,697
Postage	1,831	1,831	1,829	2
Repairs and maintenance	637,673	640,720	522,020	118,700
Software purchases	3,500	4,500	17,034	(12,534)
Telephone	27,300	24,500	23,948	552
Utilities	223,196	248,973	240,179	8,794
Travel	26,124	55,000	21,088	33,912
Library materials and supplies:				
Databases	150,000	180,000	111,251	68,749
Library books and periodicals (non-capital)	189,231	317,000	306,416	10,584
Office supplies	95,112	88,265	67,157	21,108
Reading programs	94,700	142,530	134,134	8,396
Intergovernmental expenditures	259,535	290,092	277,051	13,041
Debt Service - Principal	-	-	13,990	(13,990)
Debt Service - Interest	-	-	2,438	(2,438)
Capital outlays	386,800	463,100	350,930	112,170
TOTAL EXPENDITURES	<u>6,786,270</u>	<u>7,338,302</u>	<u>6,825,613</u>	<u>512,689</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>589,411</u>	<u>169,335</u>	<u>1,180,119</u>	<u>1,010,784</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer (out) - capital projects fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>589,411</u>	<u>169,335</u>	<u>1,180,119</u>	<u>1,010,784</u>
FUND BALANCE, Beginning	<u>7,820,170</u>	<u>7,820,170</u>	<u>7,820,170</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 8,409,581</u>	<u>\$ 7,989,505</u>	<u>\$ 9,000,289</u>	<u>\$ 1,010,784</u>

LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	1.900611%	\$ (324,422)	\$ 2,539,648	-12.7743%	103.63%
2024	1.756200%	\$ 17,616	\$ 2,182,193	0.8073%	99.79%
2023	1.937897%	\$ 461,392	\$ 2,264,153	20.3781%	94.26%
2022	1.932293%	\$ (1,080,177)	\$ 2,570,480	-42.0224%	114.20%
2021	1.958382%	\$ (502,767)	\$ 2,240,587	-22.4391%	106.75%
2020	1.774653%	\$ (128,390)	\$ 1,971,015	-6.5139%	102.05%
2019	1.650014%	\$ 445,776	\$ 1,717,902	25.9489%	91.93%
2018	1.599771%	\$ (201,284)	\$ 1,621,157	-12.4161%	104.02%
2017	1.815415%	\$ 235,836	\$ 1,808,497	14.5474%	95.50%
2016	1.822210%	\$ 324,436	\$ 1,750,029	17.9395%	93.48%

LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF LIVINGSTON PARISH LIBRARY COMMISSION'S CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2025	\$ 186,474	\$ 186,474	\$ -	\$ 2,663,680	7.0006%
2024	\$ 190,443	\$ 190,443	\$ -	\$ 2,539,648	7.4988%
2023	\$ 163,665	\$ 163,665	\$ -	\$ 2,182,193	7.5000%
2022	\$ 169,519	\$ 169,519	\$ -	\$ 2,264,153	7.4871%
2021	\$ 162,593	\$ 162,593	\$ -	\$ 2,570,480	6.3254%
2020	\$ 174,423	\$ 174,423	\$ -	\$ 2,240,587	7.7847%
2019	\$ 155,146	\$ 155,146	\$ -	\$ 1,971,015	7.8714%
2018	\$ 129,463	\$ 129,463	\$ -	\$ 1,717,902	7.5361%
2017	\$ 129,641	\$ 129,641	\$ -	\$ 1,621,157	7.9968%
2016	\$ 144,680	\$ 144,680	\$ -	\$ 1,808,497	8.0000%

OTHER SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2024

	<u>2025</u> <u>Governmental</u> <u>Activities</u>	<u>2024</u> <u>Governmental</u> <u>Activities</u>
ASSETS		
Cash and cash equivalents	\$ 2,643,586	\$ 1,780,323
Receivables, net:		
Ad Valorem taxes	6,802,745	6,638,754
State revenue sharing	202,335	189,303
Other receivables	160	160
Prepaid insurance	44,266	40,598
Prepaid expense	72,817	33,928
Investments	3,002,961	2,939,732
Capital assets:		
Non-depreciable	1,386,020	1,386,020
Depreciable, net of depreciation	6,274,870	6,849,772
Utility deposits	15	15
Net pension asset	324,422	-
Total Assets	<u>20,754,197</u>	<u>19,858,605</u>
DEFERRED OUTFLOWS - PENSION		
Pension Related	<u>331,710</u>	<u>553,679</u>
LIABILITIES		
Accounts payable	78,923	168,582
Accrued salaries payable	69,081	29,013
Deductions from ad valorem taxes	277,051	277,113
Other accrued liabilities	79,855	55,853
Non Current Liabilities		
Due in one year	171,549	238,463
Due in more than one year	72,098	106,633
Pension	-	17,616
Total Liabilities	<u>748,557</u>	<u>893,273</u>
DEFERRED INFLOWS - PENSION		
Pension Related	<u>164,690</u>	<u>47,639</u>
Net Position		
Net invested in capital assets	7,618,352	8,179,264
Unrestricted	<u>12,554,308</u>	<u>11,272,108</u>
TOTAL NET POSITION	<u><u>\$ 20,172,660</u></u>	<u><u>\$ 19,451,372</u></u>

LIVINGSTON PARISH LIBRARY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR PRIOR YEAR

	2025				2024
	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)	Actual Amounts GAAP Basis
REVENUES					
Ad valorem taxes	\$ 6,988,163	\$ 7,192,332	\$ 7,556,338	\$ 364,006	\$ 6,205,347
State revenue sharing	130,000	123,000	205,664	82,664	189,303
Fines and fees	47,500	35,679	54,974	19,295	55,511
Grants	-	-	1,200	1,200	-
Donations	1,000	300	1,618	1,318	1,585
Interest	187,518	142,926	144,064	1,138	163,970
Federal funds	-	-	-	-	-
Warranties/settlement	7,500	5,400	7,298	1,898	10,645
Miscellaneous	14,000	8,000	34,576	26,576	32,983
TOTAL REVENUES	\$ 7,375,681	7,507,637	8,005,732	498,095	6,659,344
EXPENDITURES					
Personnel services:					
Salaries	3,265,170	3,233,053	3,292,916	(59,863)	3,125,392
Benefits	780,839	831,154	751,843	79,311	652,063
Payroll taxes	268,754	273,956	257,119	16,837	226,454
Operating services:					
Advertising	5,000	90,000	58,794	31,206	67,044
Contracts, licenses and permits	3,000	5,550	3,333	2,217	3,294
Insurance	161,628	195,130	171,872	23,258	177,262
Professional services	202,177	245,248	195,268	49,980	198,186
Miscellaneous	4,700	7,700	5,003	2,697	8,127
Postage	1,831	1,831	1,829	2	1,914
Repairs and maintenance	637,673	640,720	522,020	118,700	653,531
Software purchases	3,500	4,500	17,034	(12,534)	1,028
Telephone	27,300	24,500	23,948	552	24,088
Utilities	223,196	248,973	240,179	8,794	224,284
Travel	26,124	55,000	21,088	33,912	48,534
Library materials and supplies:					
Databases	150,000	180,000	111,251	68,749	160,028
Library books and periodicals (non-capital)	189,231	317,000	306,416	10,584	294,360
Office supplies	95,112	88,265	67,157	21,108	66,738
Reading programs	94,700	142,530	134,134	8,396	92,700
Intergovernmental expenditures	259,535	290,092	277,051	13,041	277,113
Debt Service - Principal	-	-	13,990	(13,990)	13,326
Debt Service - Interest	-	-	2,438	(2,438)	3,102
Capital outlays	386,800	463,100	350,930	112,170	399,494
TOTAL EXPENDITURES	6,786,270	7,338,302	6,825,613	512,689	6,718,062
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	589,411	169,335	1,180,119	1,010,784	(58,718)
OTHER FINANCING SOURCES (USES)					
Operating transfer (out) - capital projects fund	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	589,411	169,335	1,180,119	1,010,784	(58,718)
FUND BALANCE, Beginning	7,820,170	7,820,170	7,820,170	-	7,878,888
FUND BALANCE, Ending	\$ 8,409,581	\$ 7,989,505	\$ 9,000,289	\$ 1,010,784	\$ 7,820,170

LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2025

Board Member	Compensation Received
Jennifer Dorhauer, President	\$ -
Becky Morgan	-
Rodlyn Hammond	-
Jonathan Davis	-
Sheila Goins	-
Patricia Wilson	-
Dewanna Christian	-
Trey Cowell	-
Kristan Whann	-
Randy Delatte, Ex-Officio	-
Total Compensation	\$ -

**LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Agency Head Name: Michelle Parrish, Director
(From January 1 through July 15, 2025)**

Purpose	Amount
Salary	\$ 76,261
Employer paid payroll taxes	5,589
Benefits - retirement	4,584
Insurance	6,481
Travel	356
Conference registration and expenses	3,255
Dues	455
Total	\$ 96,981

**Agency Head Name: Kyla Webb, Interim Director
(From August 11, 2025 through December 31, 2025)**

Purpose	Amount
Salary	\$ 33,214
Employer paid payroll taxes	2,603
Benefits - retirement	3,469
Insurance	4,925
Travel	50
Conference registration and expenses	-
Dues	95
Total	\$ 44,356

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

BAXLEY AND ASSOCIATES, LLC

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Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA
(August 10, 1933 – August 31, 2024)

To the Board of Commissioners
Livingston Parish Library Commission
Livingston Parish Council
Livingston, Louisiana 70754

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities and each major fund of the Livingston Parish Library Commission, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Livingston Parish Library Commission's basic financial statements and have issued our report thereon dated May 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Parish Library Commission'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Livingston Parish Library Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Parish Library Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified.

**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**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Livingston Parish Library Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

Livingston Parish Library Commission's Response to Finding

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

Purpose of this Report

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

Baxley & Associates, LLC

Plaquemine, Louisiana
May 27, 2026

**LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Livingston Parish Library Commission.
2. There were no material weaknesses relating to the audit of the financial statements reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. There was no significant deficiency relating to the audit of the financial statements reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
4. One instance of noncompliance to the financial statements of the Livingston Parish Library Commission was disclosed during the audit.

2025-001 Noncompliance with Louisiana Open Meeting Law

Condition: During our review of the minutes of the library's board meetings held during the year ended December 31, 2025, we noted that the governing board did not comply with the requirements of the Louisiana Open Meetings Law (RS 42:11-42:28). More specifically, the meeting of July 15, 2025, where the Board went into Executive Session and then later voted after advising the public that there would be no further voting after Executive Session. An item was also added to the agenda that was not on the original agenda for that meeting.

Criteria: Louisiana Revised Statutes Title 42, Sections 11-28, require that public bodies provide written public notice of meetings at least 24 hours in advance which include the agenda, date, time and place of the meeting. Minutes should also be kept documenting the substance of all matters discussed and any votes taken.

Cause: The noncompliance appears to be due to a lack of formal procedures and training in the Open Meeting Law.

Effect: Failure to comply with the Open Meetings Law reduces transparency, may limit public participation, and could result in legal challenges to the validity of actions taken by the governing body.

Recommendation: The Board should seek training in the rules and procedures of the Open Meetings Law.

Management's Response: Management acknowledges the finding regarding the July 15, 2025, Board of Control meeting. The matter arose from a procedural disagreement concerning the requirements of the Louisiana Open Meetings Law and was reviewed by the La. Attorney General's Office, which the Board cooperated with fully. The Board entered into a Consent Judgment resolving the matter. As reflected in that judgment and in a resolution subsequently adopted by the Board, The Consent Judgment was not an admission of wrongdoing but a mutual agreement to bring finality to the procedural dispute and reaffirm the Board's commitment to compliance.

**LIVINGSTON PARISH LIBRARY COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Management's Response(continued)

In direct response to auditor's recommendation, all members of the Board of Control have agreed to training on the Louisiana Open Meeting Law. The 21st Judicial District Attorney has likewise noted that the violation was inadvertent and unintentional and that the Board agreed to receive this training.

Going forward, the Board and management will ensure that all meeting notices and agendas are properly posted, that any action taken following executive session is conducted in open session consistent with the law, and that meeting minutes accurately document all matters discussed and votes taken. Management considers the auditor's recommendation implemented.

**LIVINGSTON PARISH LIBRARY COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

There were no prior year audit findings.

**LIVINGSTON PARISH LIBRARY COMMISSION
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2025**

BAXLEY AND ASSOCIATES, LLC

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(August 10, 1933 – August 31, 2024)

To the Board of Control
And the Louisiana Legislative Auditor's office
Livingston Parish Library Commission
Plaquemine, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

The procedures and associated findings are as follows:

1) ***Written Policies and Procedures***

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions: No exceptions were noted.

2) **Board or Finance Committee**

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

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

Exceptions: Yes, there were no references of the budget to actual financial statements included in the minutes.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions: Yes, there was no evidence of a board member or management's approval and date on the bank reconciliation. Also, there were outstanding checks greater than one year.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Exceptions: Yes, the deposits were not made within one day or one week of the collection.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Exceptions: No exceptions were noted.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Exceptions: Yes, late fees were recorded on two of the December credit card statements. Also, there was no evidence of management review and approval on the statements. Statements should be reviewed by someone other than the card holder. Some of the supporting invoices did not have a business purpose.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: No exceptions were noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions: No exceptions were noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Exceptions: No exceptions were noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as Required by R.S. 42:1170.

Exceptions: No exceptions were noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Exceptions: No exceptions were noted.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: No exceptions were noted.

13) Information Technology Disaster Recovery/Business Continuity

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

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

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows: hired before June 9, 2020 - completed the training; and hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Exceptions: Yes, the annual sexual harassment report for the current year ended 12-31-2025 was dated after February 1. The report was dated March 2026.

We were engaged by Livingston Parish Library Commission 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 Livingston Parish Library Commission 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.

Baxley & Associates, LLC

Plaquemine, Louisiana

May 27, 2026

LIVINGSTON PARISH LIBRARY

Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2025

Management's Response to Items:

2. Board/Finance Committee (budget-to-actual not referenced in minutes)

Going forward, budget-to-actual financial statements will be explicitly addressed on the meeting agenda and documented in the minutes, consistent with the Library's Financial Reporting Policy (Code-2-220), which requires that budget comparisons be presented to the Board and reflected in the written minutes. Since stepping into the role of Interim Director, I have presented a budget-to-actual statement at every regular meeting; the only exception was a special meeting held shortly after my appointment.

3. Bank Reconciliations (no documented independent review; stale outstanding checks)

This oversight occurred during a period of leadership transition. The Library's Bank Reconciliation policy (Code-2-217) requires that monthly reconciliations be reviewed, dated, and signed by both the preparer and an independent reviewer (the Director and the Board of Control President, or their designees). This will resume, and reconciliations will again be signed and dated by the required reviewers. Management is also reviewing outstanding checks and will clear or void stale items in accordance with the Library's disbursement policy.

4. Collections (deposits not made within required timeframe)

Management acknowledges this finding. The Library's current Money Collections policy (Code-2-209) provides for weekly collection from the branches and central deposit at Headquarters, which does not consistently meet the deposit-timing requirements of the agreed-upon-procedures. To address this, management will revise its collection and deposit procedures in consultation with the Library's accountant and branch management. The revised approach will incorporate more frequent deposits at higher-volume branches that may receive over \$100 in a day and will rely on the permitted timeframe for the branch located more than ten miles away from the Library's financial institution. Branch collections held pending deposit will continue to be secured in a locked location. Policy Code-2-209 will be amended to reflect these procedures.

6. Credit Cards (no evidence of independent review/approval; late fees; missing business purpose)

This finding is attributed in part to the leadership transition during the year. Under the Library's normal practice, the Director reviews credit card statements and reconciles them against purchase orders and supporting documentation. This review has resumed, and statements are being reviewed and approved by management independent of the cardholder, with documented business purpose required for each transaction and timely payment to avoid finance charges and late fees. Management will ensure these review and documentation controls are consistently applied and, where helpful, will incorporate them expressly into the Credit Card policy (Code-2-218).

LIVINGSTON PARISH LIBRARY

Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2025

14. Prevention of Sexual Harassment (annual report filed after February 1)

The annual sexual harassment report for the year ended December 31, 2025, was completed but was dated after the February 1 deadline, which management attributes to the leadership transition during this period. Management has calendared this report as a recurring annual obligation due on or before February 1 to ensure timely filing in future years. The Library maintains a Sexual Harassment Training policy (Code 2-226) requiring annual training for all employees and Board members.