

**WEST BATON ROUGE PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE K – PENSION PLAN (CONTINUED)

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

The following table represents the West Baton Rouge Parish Library's proportionate share of the net pension liability (NPL) using the discount rate as well as the West Baton Rouge Parish Library's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate:

	1.0% Decrease 5.40%	Current Discount Rate 6.40%	1.0% Increase 7.40%
Net Pension Liability (Asset)	\$ 383,331	\$ (182,825)	\$ (656,968)

Payables to the Pension Plans:

At December 31, 2021, payables to the Parochial Employees' Retirement System were \$0 for employee and employer legally-required contributions.

NOTE L – OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description:

The West Baton Rouge Parish Library (the Library) provides certain continuing health care and life insurance benefits for its retired employees. The West Baton Rouge Parish Library's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Library. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the Library. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions – Reporting For Benefits Not Provided Through Trusts That meet Specified Criteria – Defined Benefit*.

Benefits Provided:

Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 33% of the original amount at age 65, then to 6% of the original amount at age 70 or at retirement.

**WEST BATON ROUGE PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE L – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees Covered by Benefit Terms:

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	14
Total	<u>21</u>

Total OPEB Liability

The Library's total OPEB liability of \$862,446 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.12% annually (Beginning of Year to Determine ADC)
	2.06% annually (as of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2021.

Changes in the Total OPEB Liability

Balance at December 31, 2020	\$ 815,819
Changes for the year:	
Service cost	40,867
Interest cost	17,729
Differences between expected and actual experience	17,243
Changes in assumptions	8,585
Benefit payments and net transfers	<u>(37,796)</u>
Net Changes	<u>46,628</u>
Balance at December 31, 2021	<u>\$ 862,447</u>

**WEST BATON ROUGE PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE L – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1.0% Decrease 1.06%	Current Discount Rate 2.06%	1.0% Increase 3.06%
Total OPEB Liability	\$ 1,034,098	\$ 862,446	\$ 728,917

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease 4.5%	Current Healthcare Cost Trend Rate 5.5%	1.0% Increase 6.5%
Total OPEB Liability	\$ 715,049	\$ 862,446	\$ 1,057,549

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

For the year ended December 31, 2021, the Library recognized OPEB expense of \$69,030. At December 31, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,880	\$ (319,167)
Changes in assumptions	440,233	(39,209)
Total	\$ 468,113	\$ (358,376)

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

<u>Year Ended June 30:</u>	
2022	\$ 10,434
2023	10,434
2024	10,434
2025	10,434
2026	10,434
Thereafter	57,567

**WEST BATON ROUGE PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE M – ON-BEHALF PAYMENTS

Because the Library is one of several governmental agencies receiving proceeds from a property tax assessment, state law (R.S. 11:82) required the Library to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Library's pro-rata share of the required contribution was \$79,297 that was withheld by the West Baton Rouge Parish Sheriff from property tax collections to satisfy the Library's obligation. The Sheriff withholds the entire amount of this obligation in January each year even though some of the property taxes may never be collected.

The \$79,297 withheld by the Sheriff has been included as part of "intergovernmental" expenditures of the General Fund in these financial statements. Further described in Note B, the Library has increased its property tax revenue by the same amount of this intergovernmental expenditure.

NOTE N – LITIGATION AND CLAIMS

As of December 31, 2021, there was no litigation pending against the Library, nor was the Library aware of any unasserted claims. The Library's management believes that any potential lawsuits would be covered by insurance or resolved without any material impact upon the Library's financial statements. No claims were paid out or litigation costs incurred during the year ended December 31, 2021.

NOTE O – RISK MANAGEMENT

The Library is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Library's coverage.

NOTE P – COMPENSATION PAID TO THE BOARD

There was no compensation paid to the Board of Control during the fiscal year ended December 31, 2021.

NOTE Q: LEASES

The West Baton Rouge Parish Library had the following operating leases as of December 31, 2021:

- North River Road Store and Lock – storage units. The lease payments are broken down into monthly lease payments ranging from \$110 - \$135. The terms of the leases are 12 months with the final lease payment in January 31, 2021.
- Xerox Corporation – copiers. The lease payments are broken down into monthly lease payments ranging from \$375 - \$499. The terms of the leases are 60 months ending on March 11, 2025.

**WEST BATON ROUGE PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE Q: LEASES (CONTINUED)

Lease expense for the year ending December 31, 2021 was \$12,677. The following is a schedule of future minimum lease payments required under the operating leases:

2022	10,495
2023	10,494
2024	10,495
2025	1,749

NOTE R – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2021. The Library will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the Library's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Library is unknown at this time.

GASB Statement 96, Subscription-Based Information Technology Arrangements: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement for government end users. This Statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for the IRS Section 457 Deferred Compensation Plans. The requirements of this Statement related to the accounting and financial reporting for IRS Code Section 457 plans are effective for periods beginning after June 15, 2021.

GASB Statement 91, Conduit Debt Obligations: The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effect for reporting periods beginning with the fiscal year that ends December 31, 2022.

WEST BATON ROUGE PARISH LIBRARY NOTES TO FINANCIAL STATEMENTS

GASB Statement 92, Omnibus 2020: The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issue that have been identified during implementation and application of certain GASB statements. This statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement 93, Replacement of Interbank Offered Rates: The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirement in paragraph 11b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements: The primary object of this statement is to improve financial reporting by addressing issues related to these arrangements. This statement is effective for reporting periods beginning after June 15, 2022.

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

NOTE S – SUBSEQUENT EVENTS

The Library has evaluated subsequent events through the date that the financial statements were available to be issued, April 6, 2022. As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Library is closely monitoring its financial statements for 2022 impacts.

REQUIRED SUPPLEMENTARY INFORMATION

WEST BATON ROUGE PARISH LIBRARY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Ad valorem taxes	\$ 1,968,000	\$ 1,968,000	\$ 2,081,080	\$ 113,080
State revenue sharing	45,000	45,000	53,595	8,595
State grants	-	-	-	-
Local grants	-	-	-	-
Investment earnings	26,000	26,000	18,445	(7,555)
Other Revenues	4,000	4,000	7,099	3,099
TOTAL REVENUES	<u>2,043,000</u>	<u>2,043,000</u>	<u>2,160,219</u>	<u>117,219</u>
EXPENDITURES				
Current				
General Government:				
Personnel services and related benefits	1,336,713	1,336,713	1,086,877	249,836
Operating services	416,004	416,004	291,722	124,282
Intergovernmental	66,000	66,000	79,297	(13,297)
Materials and supplies	66,500	66,500	41,190	25,310
Travel	12,000	12,000	4,100	7,900
Other charges	-	-	612	(612)
Capital outlay	1,758,100	1,758,100	372,858	1,385,242
TOTAL EXPENDITURES	<u>3,655,317</u>	<u>3,655,317</u>	<u>1,876,656</u>	<u>1,778,661</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,612,317)	(1,612,317)	283,563	1,895,880
FUND BALANCE, BEGINNING OF YEAR	<u>4,488,702</u>	<u>4,488,702</u>	<u>4,488,702</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,876,385</u>	<u>\$ 2,876,385</u>	<u>\$ 4,772,265</u>	<u>\$ 1,895,880</u>

**WEST BATON ROUGE PARISH LIBRARY
PORT ALLEN, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	15,929	13,114	49,851	40,867
Interest	23,334	25,319	21,187	17,729
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(10,614)	15,534	(373,660)	17,243
Changes of assumptions	(53,467)	119,822	405,939	8,585
Benefit payments	<u>(34,546)</u>	<u>(36,446)</u>	<u>(35,826)</u>	<u>(37,796)</u>
Net change in total OPEB liability	(59,364)	137,343	67,491	46,628
Total OPEB liability - beginning	<u>670,349</u>	<u>610,985</u>	<u>748,328</u>	<u>815,819</u>
Total OPEB liability - ending	<u><u>\$ 610,985</u></u>	<u><u>\$ 748,328</u></u>	<u><u>\$ 815,819</u></u>	<u><u>\$ 862,447</u></u>
 Covered-employee payroll	 \$ 693,659	 \$ 714,469	 \$ 747,242	 \$ 769,659
 Net OPEB liability as a percentage covered-employee payroll	 88.08%	 104.74%	 109.18%	 112.06%
 Notes to Schedule:				
<i>Benefit Changes:</i>	None	None	None	None
<i>Changes of Assumptions:</i>				
Discount Rate:	4.10%	2.74%	2.12%	2.06%
Mortality:	RP-2000	RP-2000	RP-2014	RP-2014
Trend:	5.5%	5.5%	Variable	Variable

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

WEST BATON ROUGE PARISH LIBRARY
PORT ALLEN, LOUISIANA
SCHEDULE OF WEST BATON ROUGE PARISH LIBRARY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021

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
2021	0.104268%	\$ (182,825)	\$ 712,764	-25.6501%	103.99%
2020	0.106055%	\$ 4,992	\$ 692,321	0.7211%	99.89%
2019	0.107391%	\$ 476,640	\$ 672,470	70.8790%	88.86%
2018	0.096866%	\$ (71,898)	\$ 653,793	-10.9971%	101.98%
2017	0.107333%	\$ 221,054	\$ 635,418	34.7888%	94.15%
2016	0.112816%	\$ 296,964	\$ 636,544	46.6525%	92.23%
2015	0.108136%	\$ 29,565	\$ 646,843	4.5707%	99.15%

The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**WEST BATON ROUGE PARISH LIBRARY
PORT ALLEN, LOUISIANA
SCHEDULE OF WEST BATON ROUGE PARISH LIBRARY'S CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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
2021	\$ 87,314	\$ 87,314	\$ -	\$ 712,764	12.2501%
2020	\$ 84,809	\$ 84,809	\$ -	\$ 692,321	12.2500%
2019	\$ 77,843	\$ 77,843	\$ -	\$ 672,470	11.5757%
2018	\$ 75,294	\$ 75,294	\$ -	\$ 653,793	11.5165%
2017	\$ 74,528	\$ 74,528	\$ -	\$ 635,418	11.7290%
2016	\$ 82,751	\$ 82,751	\$ -	\$ 636,544	13.0000%
2015	\$ 93,725	\$ 93,725	\$ -	\$ 646,843	14.4896%

The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

**WEST BATON ROUGE PARISH LIBRARY
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021**

AGENCY HEAD NAME: Tamie Martin

PURPOSE

Salary	\$	94,500
Benefits - Insurance		13,468
Benefits - Retirement		11,576
Travel		1,724
Professional Membership		-
TOTAL	\$	121,268

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

SCHEDULE 1

To the Board of Control
West Baton Rouge Parish Library
Port Allen, Louisiana

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 General of the United States, the financial statements of the governmental activities and the major fund and the aggregate remaining fund information of West Baton Rouge Parish Library, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Library's basic financial statements and have issued our report thereon dated April 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) to determine the 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 Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

SCHEDULE 1
(continued)

**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**

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our audit disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Plaquemine, Louisiana
April 6, 2022

**WEST BATON ROUGE PARISH LIBRARY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the West Baton Rouge Parish Library.
2. No material weakness relating to the audit of the financial statements is 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. No significant deficiencies relating to the audit of the financial statements are 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.
4. No instances of noncompliance material to the financial statements of the West Baton Rouge Parish Library.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings.

SCHEDULE 3

**WEST BATON ROUGE PARISH LIBRARY
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

There are no prior year audit findings for the year ended December 31, 2020.

**WEST BATON ROUGE PARISH LIBRARY
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

To the Board of Control
West Baton Rouge Parish Library &
Louisiana Legislative Auditors
Port Allen, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the West Baton Rouge Parish Library and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The West Baton Rouge Parish Library's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. 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:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **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.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **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).

- e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***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.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***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.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: We reviewed the written policies and procedures for the related functions listed above. Through our review, we determined that some areas lacked sufficient documentation. Those areas included budgeting, purchasing, contracting and ethics.

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:

- b) 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.
- c) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*
- d) 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.

Findings: The Library met in accordance with their charter and a quorum was present. Financial statements were reviewed at each meeting. There was no negative ending unassigned fund balance in prior year audit report.

No exceptions were noted as a result in applying the procedure.

Bank Reconciliations

- 3. 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:
 - a) 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);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) 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.

Findings: We obtained a list of bank accounts, CDs and Lamp accounts from the Library. We reviewed the bank reconciliations to report whether they were prepared, included evidence that management or a council member had reviewed each statement, and included documentation that management has research reconciling items that have been outstanding for more than twelve months as of the fiscal year.

No exceptions were noted as a result of applying the procedure.

Collections (excluding electronic funds transfers)

4. 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).

Findings: We reviewed a listing of cash/check/money order collection locations and management's representation to determine that the listing is complete. There is only one collection location.

No exceptions were noted as a result of applying the procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Findings: Per management's representation, we visited the one deposit site. The employees do share cash drawers but there were other compensating controls in place. Employees responsible for collecting cash are not responsible for preparing/making bank deposits, posting collections to ledgers or reconciling the cash accounts.

No exceptions were noted as a result of applying the procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Findings: We obtained the bond or insurance policy for theft during the fiscal period.

No exceptions were noted as a result of applying the procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, 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:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We selected two deposit dates for 5 bank accounts. Deposits were traced to the actual deposit per the bank statement and made within the appropriate number of days. The deposit agreed to the general ledger. The receipts were not sequentially pre-numbered.

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

8. 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).

Findings: We reviewed a listing of locations that process payments and management's representation to determine that the listing is complete. There is only one location.

No exceptions were noted as a result of applying the procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.

- d) 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

Findings: We obtained a listing of employees involved in the non-payroll purchasing and payment functions. Two employees are involved in initiating purchase request and placing orders, two employees are involved in processing and approving payments, and a separate employee responsible for signing checks mails or gives checks to an employee to mail. The one finding is that the employee responsible for processing payments is not prohibited from adding or modifying vendor files.

10. For each location selected under #8 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:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: We selected 5 disbursements from the one location. Each disbursement matched an original invoice and included evidence of segregation of duties.

No exceptions were noted as a result of applying the procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Findings: We obtained management's representation regarding the listing of credit cards, debit cards, fuel cards and P-cards for the fiscal year.

No exceptions were noted as a result of applying the procedure.

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

- a) 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

Findings: We examined the three credit cards for the month of December 2021. We noted that all three statements were reviewed and approved by someone other than the card holder with the exception of the Shell Fleet Plus card. There was no evidence of a review or approval by management of the monthly statement or supporting documentation.

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Findings: We examined 10 transactions from the December 2021 VISA credit card. We observed the original receipts and business purposes. There were no transactions on the debit card for the month of December 2021.

No exceptions were noted as a result of applying the procedure.

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

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe 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).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Findings: We examined 5 travel expenditures during the fiscal period and management's representation. 4 out of 5 included the proper supporting documentation, business purpose, and approvals. One of the expenditures was approved by the same person receiving the reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) 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.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe 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, was approval documented).
 - d) 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 the invoice and related payment agreed to the terms and conditions of the contract.

Findings: Per management's representation, we obtained a listing of agreements/contracts for professional services, materials, leases and construction activities. We examined the contracts, approvals, amendments (if any) and one payment with supporting invoice per contract.

No exceptions were noted as a result of applying the procedure.

Payroll and Personnel

16. 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.

Findings: Per management's representation, we obtained a listing of the employees and official employed during the fiscal period. We randomly selected 5 employees and agreed paid salaries to authorized pay rates in the personnel files.

No exceptions were noted as a result of applying the procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Findings: We randomly selected 5 employees for the April 2021 pay period. We observed daily attendance and leave records, supervisory approval, and authorized pay rates.

No exceptions were noted as a result of applying the procedure.

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Findings: We obtained management's representation on the one employee that received termination payments during the fiscal period. We examined the documentation regarding hours, pay rate and cumulative leave records. We agreed the payment to the entity policy.

No exceptions were noted as a result of applying the procedure.

19. 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.

Findings: We obtained management's representation that employer and employee portions of payroll related amounts have been paid, and payroll reports have been filed timely.

No exceptions were noted as a result of applying the procedure.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above: obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

Findings: We examined the ethics training certificates for 5 randomly selected employees. There were no changes in ethics noted during the year.

No exceptions were noted as a result of applying the procedure.

Debt Service

21. 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 State Bond Commission approval was obtained for each debt instrument issued.

Findings: We obtained management’s representation that there was no debt instruments issued during the year.

Therefore, this procedure was considered not applicable.

22. 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).

Findings: The Library did not have any listing of bonds/notes outstanding at the end of the fiscal period.

Therefore, this procedure was considered not applicable.

Fraud Notice

23. 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.

Findings: Per management's representation, there was no misappropriation of public funds and assets during the fiscal period.

No exceptions were noted as a result of applying the procedure.

24. Observe 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.

Findings: We observed the notice required by R.S. 24:523.1 was posted on the bulletin board located at the Library's main entrance and also on their website.

No exceptions were noted as a result of applying the procedure.

Information Technology Disaster Recovery/Business Continuity

25. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- 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.

Findings: Per management's representation, we obtained a listing of the Library's computers currently in use. We randomly selected 5 computers and observed that each had an active antivirus software and the accounting system was supported by the vendor. We observed

documentation regarding backups within the past week and verifying that backups can be restored.

No exceptions were noted as a result of applying the procedure.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Findings: We randomly selected 5 employees and examined the sexual harassment training documentation for the 2021 calendar year.

No exceptions were noted as a result of applying the procedure

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

Findings: We observed the sexual harassment policy on the Library’s website.

No exceptions were noted as a result of applying the procedure.

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

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

Findings: We examined the annual sexual harassment report for the current fiscal period.

No exceptions were noted as a result of applying the procedure.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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 of 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.

Plaquemine, Louisiana
April 6, 2022

WEST BATON ROUGE PARISH LIBRARY

**Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2021**

Management's Response to Items:

1.

7.

9.

12.

14.