

WEST BATON ROUGE PARISH LIBRARY

PORT ALLEN, LOUISIANA

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2023

**WEST BATON ROUGE PARISH LIBRARY
TABLE OF CONTENTS
DECEMBER 31, 2023**

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENTS DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	9
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Fund – General Fund	12
Statement of Revenues, Expenditures, and Changes In Fund Balance - Governmental Fund – General Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of the Governmental Funds to the Statement of Activities	14
NOTES TO THE FINANCIAL STATEMENTS	15-41
REQUIRED SUPPLEMENTARY INFORMATION	42
Schedule of Revenues, Expenditures, and Changes in Fund Fund Balance – Budget and Actual (GAAP Basis)	43
Schedule of Changes in Net OPEB Liability and Related Ratios	44
Schedule of West Baton Rouge Parish Library's Proportionate Share of the Net Pension Liability	45
Schedule of West Baton Rouge Parish Library's Contributions	46
OTHER SUPPLEMENTARY INFORMATION	47
Schedule of Compensation, Benefits and Other Payments to Agency Head, or Chief Executive Officer	48
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 <i>Government Auditing Standards</i>	50-51
Schedule of Findings	52
Schedule of Prior Year Findings	53
AGREED UPON PROCEDURES	54-66

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

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 West Baton Rouge Parish Library (a component unit of West Baton Rouge Parish Council), as of and for the year ended December 31, 2023 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 West Baton Rouge Parish Library (a component unit of West Baton Rouge Parish Council), as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 West Baton Rouge Parish Library's ability to continue as a going concern for twelve months beyond the

financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 West Baton Rouge Parish Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Baton Rouge Parish Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management discussion and analysis, the budgetary comparison information, schedule of West Baton Rouge Parish Library's proportionate share of the net pension liability, and schedule of West Baton Rouge Parish Library's contributions, and schedule of changes in net OPEB liabilities and related ratios on pages 4 through 8 and page 42 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2024 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Plaquemine, Louisiana
May 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

**WEST BATON ROUGE PARISH LIBRARY
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

EXHIBIT A

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,782,628
Taxes receivable	3,048,047
Due from other governmental units	58,022
Prepaid expenses	43,671
Other asset	5,241
Total Current Assets	<u>5,937,609</u>
Non-current Assets:	
Restricted cash	200,367
Restricted investments	1,128,518
Capital assets, not being depreciated	723,721
Capital assets, net	2,478,165
Total Non-current Assets	<u>4,530,771</u>
TOTAL ASSETS	<u>\$ 10,468,380</u>
DEFERRED OUTFLOW OF RESOURCES	
OPEB	\$ 413,701
Pension related	594,286
TOTAL DEFERRED OUTFLOWS	<u>1,007,987</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	138,485
Compensated absences	57,189
Lease liability	9,840
Due to other government unit	101,757
Total Current Liabilities	<u>307,271</u>
Non-current Liabilities:	
Lease liability	18,727
Net pension liability	433,982
Other post employment benefits	536,063
Total Non-current Liabilities	<u>988,772</u>
TOTAL LIABILITIES	<u>1,296,043</u>
DEFERRED INFLOWS	
Pension related	55,658
OPEB	602,727
Deferred Ad Valorem taxes	3,048,047
Deferred State Revenue Sharing	58,022
TOTAL DEFERRED INFLOWS	<u>3,764,454</u>
NET POSITION	
Net invested in capital assets	3,201,886
Restricted for Memorial fund	1,328,885
Unrestricted	1,885,099
TOTAL NET POSITION	<u>\$ 6,415,870</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH LIBRARY
STATEMENT OF ACTIVITIES
DECEMBER 31, 2023

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues Activities</u>
Governmental Activities:				
Culture and Recreation				
Support Services				
Library	\$ 2,199,579	\$ -	\$ 11,550	\$ (2,188,029)
Total Governmental Activities	<u>2,199,579</u>	<u>-</u>	<u>11,550</u>	<u>(2,188,029)</u>
General Revenues:				
Ad valorem taxes				2,572,156
State revenue sharing				56,719
Investment earnings				238,052
Other general revenues				<u>20,668</u>
Total General Revenues				<u>2,887,595</u>
Change in Net Position				\$ 699,566
Net Position at the Beginning of Year				<u>5,716,304</u>
Net Position at End of Year				<u>\$ 6,415,870</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

**WEST BATON ROUGE PARISH LIBRARY
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2023**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,782,628
Prepaid expenses	43,671
Receivables:	
Taxes receivable	3,048,047
Due from other governmental units	58,022
Restricted cash	200,367
Restricted investments	1,128,518
Other asset	5,241
TOTAL ASSETS	<u><u>\$ 7,266,494</u></u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Accounts payable	138,485
Compensated absences payable	57,189
Due to other government unit	101,757
Total Liabilities	<u><u>297,431</u></u>
Deferred Inflows	
Deferred Ad Valorem taxes	3,048,047
Deferred state revenue sharing	58,022
Total Deferred Inflows	<u><u>3,106,069</u></u>
Fund Balance:	
Nonspendable - prepaids	43,671
Restricted	1,328,885
Unassigned	2,490,438
Total Fund Balances - Governmental Fund	<u><u>3,862,994</u></u>
Reconciliation of fund balance to net position:	
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflow-pension related	594,286
Deferred outflow- OPEB	413,701
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	3,201,886
Lease liability	(28,567)
Other post-employment benefit obligations and pensions are not due and payable in the current period, and therefore, are not reported in these funds.	
Net pension liability	(433,982)
Other post-employment benefits	(536,063)
Deferred inflow- OPEB	(602,727)
Deferred inflow - pension related	(55,658)
Net position of governmental activities	<u><u>\$ 6,415,870</u></u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

**WEST BATON ROUGE PARISH LIBRARY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

REVENUES

Ad valorem taxes	\$ 2,572,156
Intergovernmental revenues:	
State revenue sharing (net)	56,719
Local grants	11,550
Interest income	238,052
Miscellaneous	10,161
TOTAL REVENUES	<u>2,888,638</u>

EXPENDITURES

General government:	
Personnel services and related benefits	1,335,346
Operating services	386,068
Materials and supplies	56,128
Travel	12,932
Other charges	-
Intergovernmental	101,757
Capital outlay	912,395
Debt Service:	
Principal payment	9,400
Interest payment	1,556
TOTAL EXPENDITURES	<u>2,815,582</u>

**EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES**

73,056

FUND BALANCE AT BEGINNING OF YEAR **3,789,938**

FUND BALANCE AT END OF YEAR **\$ 3,862,994**

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH LIBRARY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Amounts reported for governmental activities are different because:

Net change in fund balances - total governmental funds (page 13)	\$ 73,056
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.	10,507
Pension expense	(79,604)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
Capital outlay	912,395
Depreciation expense	(240,519)
Net adjustment	671,876
Leased asset	-
Amortization expense	(9,804)
Net adjustment	(9,804)
The issuance of long term debt provided current financial resources to governmental funds which the repayment of principal of long term debt consumes the current financial resource of governmental funds. The amount is the net effect of differences in the treatment of debt and related items.	9,400
Some expenses reported in the Statement of Activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.	24,135
Change in net position of governmental activities (page 11)	\$ 699,566

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Baton Rouge Parish Library (the Library) was created by the West Baton Rouge Parish Council, as provided by Louisiana Revised Statute 25:211. The Library is governed by the West Baton Rouge Parish Council's governing body.

The function and objective of the Library is to provide the citizens of the parish and the adjoining parishes, through reciprocal agreements, access to library books, materials, magazines, records, videos, and other services for education, information, and recreation.

The responsibility of the Library is vested in the Board of Control by the West Baton Rouge Parish Council. The Board of Control consists of eight members. Pursuant to the Library Law of Louisiana (Act 36 of 1926), no per diem shall be paid to board members for attendance at board meetings.

The Library is located in the city of Port Allen, adjacent to the Parish Court House and Parish Council.

The latest estimated census information estimates the West Baton Rouge Parish population to be 25,085. The Library's 82,720 circulation serves approximately 100,000 people annually with over 15,980 registrations. The Library employs approximately 13 full time and 6 part-time and 2 student workers.

The accompanying basic financial statement of the Library have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Library conform to generally accepted accounting principles as applicable to governments.

The following is a summary of the certain significant accounting policies:

Financial Reporting Entity

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Library is considered a component unit of West Baton Rouge Parish Council. The Library does not possess all of the corporate powers necessary to make it a legally separate entity from the West Baton Rouge Parish council, which holds the Library's corporate powers. For this reason, the Library is a component unit of the West Baton Rouge Parish Council, the financial reporting entity.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Library as a whole. These statements include all the financial activities of the Library. The Library has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Library's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Library, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The general fund of the Library is classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Library or meets the following criteria:

- 1) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- 2) Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:621.18 and 13:996.58, is the Library's primary operating fund and it accounts for all financial resources of the Library, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Library's policy. This fund is considered to be a major fund.

Basis of Accounting/Measurement Focus

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

Measurement Focus –

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources management. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or costs recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting –

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Non-Exchange Transactions."

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Court costs and fees, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Substantially all other revenues are recorded when received.

Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

Budget and Budgetary Accounting

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The budgetary calendar – The Library's management prepares the budget in the third quarter of each year and submits it to the Board of Control for adoption. Once adopted by the Board of Control, the budget is sent to the West Baton Rouge Parish Council who then conducts a public hearing on the budget which must be adopted by December 15. At year end, a public notice affording the public the opportunity to participate in the budget process is published in the December issue of the West Side Journal, the official journal of the parish.
- 2) All budgetary appropriations (unexpected budget balances) lapse at the end of each fiscal year.
- 3) There are no outstanding encumbrances.
- 4) The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Library. Such amendments were not material in relation to the original appropriations.
- 5) The Board of Control will, from time to time, make changes or amendments within the various budget classifications.

Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received. Payables consist of all expenses/expenditures incurred at year end and not yet paid.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits are stated at cost, which approximates market. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Library's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments

Under State law, the Library may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and For External Investment Pools," investments meeting the criteria specified in the Statements are stated at fair value. Investments that do not meet the requirements are stated at cost. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated cost if historical cost is not available. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building Improvements	5-10 years
Furniture and Fixtures	5-10 years
Vehicles	5-10 years
Library Collection	5 years

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- 1) The employees' rights to receive compensation are attributable to services already rendered.
- 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The current portion of the 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 is adjusted into the entity-wide column of Statements of Net Position and Activities.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- 1) Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net invested in capital assets."

In the fund statements, governmental fund equity is classified as fund balance as is classified in these components:

- 1) Non-spendable – Included amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as non-spendable at December 31, 2023 by the Library are non-spendable in form. The Library has not reported any amounts that are legally or contractually required to be maintained intact.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 2) Restricted – Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.
- 3) Committed – Includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directive of the Library who has the highest level of decision-making authority. Commitments may be modified or rescinded only through actions of the Library.
- 4) Assigned – Includes amounts that the Library intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Library may assign amounts to this classification.
- 5) Unassigned – Includes amount that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund. The Library reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Library considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Library considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Library has provided otherwise in its commitment or assignment actions.

Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond December 31, 2023 are recorded as prepaid items.

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.

WEST BATON ROUGE PARISH LIBRARY NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America required 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 expenditures during the reporting period. Actual results could differ from those estimates.

Pension Plans

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

OPEB Plan

The Library's defined benefit postemployment health care plan provides OPEB to eligible retired employees. The plan provides OPEB for employees with at least twenty (20) years of full time consecutive service, must be at least 55 years old, and must have been on the Library's health insurance for at least the last ten consecutive years prior to retirement. The Library's OPEB plan is a single employer defined benefit OPEB plan administered by the Library. No assets are accumulated in a trust that meets the criteria in GASB Codification P52 *Postemployment Benefits Other Than Pensions-Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*. The premium rates are established and may be amended with the Library determining the contribution requirements of the retirees.

Recently Implemented Accounting Pronouncements

The Library adopted Governmental Accounting Standards Board (GASB) Statement 87, Leases: Under this Statement, lease contracts, as defined, are financing the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

WEST BATON ROUGE PARISH LIBRARY NOTES TO FINANCIAL STATEMENTS

NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

Leases – Lessee

The library is a lessee for noncancellable lease agreements for equipment (copiers) used. In accordance with GASB Statement No. 87, *Leases*, the Library recognizes a lease liability and an intangible right-to-use assets (lease asset) in the financial statements for those lease contracts with an initial individual value that is material to the financial statements and whose terms call for a lease period great than one year. The lease liability is measured at the commencement of the least at the present value of payments expected to be made during the least term. Subsequently, the lease liability is reduced by the principal portion of the least payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimate and judgements related to leases include (1) the discount rate used to present value the expected lease payments, (2) lease term, and (3) lease payments.

- The Library uses the interest rate charged by the lessor as the discount rate, if provided. When the interest rate charged by the lessor is not provided, the Library uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease and optional renewal periods. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal period that management considers reasonably certain to be exercised.

The Library monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are report with capital assets and lease liabilities are reported with long-term debt on the statement of net position. The Library did not recognize any lessor leases in the financial statements.

NOTE B – LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
Library	4.10	4.10	2023

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

NOTE B – LEVIED TAXES(CONTINUED)

The gross assessed value for the tax year 2023, on the certified roll was \$. After applying homestead exemptions and other reductions of \$, the net assessed value upon which the Library's property tax was computed was \$.

Property taxes are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The West Baton Rouge Parish Sheriff acts as the collecting agent for the Parish's property taxes. The Sheriff will have a "tax sale" each year to collect as much of the taxes due as possible. The tax sale date for West Baton Rouge Parish for the 2023 tax assessment will be in May 2024 and the lien date was December 31, 2023.

Property taxes are recorded as receivable and deferred inflows at the time the tax levy is billed (November of each year). As the Sheriff collects the taxes, he forwards them to the Library where they are recorded as revenues in accordance with the modified accrual basis of accounting.

The following are the principal taxpayers and related ad valorem tax revenue for the Library:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
The Dow Chemical Co.	Chemical	120,724,520	17.70%
ExxonMobil Production Co.	Oil Storage	66,660,170	9.80%
Placid Refining Co.	Chemical	40,383,240	5.90%
Total		<u>227,767,930</u>	<u>33.40%</u>

NOTE C – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2023, the Library had cash and interest-bearing deposits (book balances) totaling \$ 2,782,628 as unrestricted and \$ 1,328,885 as restricted as follows for a grand total of \$4,111,513: