

WEST BATON ROUGE PARISH LIBRARY

PORT ALLEN, LOUISIANA

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

**WEST BATON ROUGE PARISH LIBRARY
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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, 2024 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, 2024, 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 April 4, 2025 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
April 4, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



BASIC FINANCIAL STATEMENTS

**WEST BATON ROUGE PARISH LIBRARY
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

EXHIBIT A

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 4,481,324
Taxes receivable	2,975,162
Due from other governmental units	53,825
Prepaid expenses	43,746
Other asset	5,241
Total Current Assets	<u>7,559,298</u>
Non-current Assets:	
Restricted cash	210,995
Restricted investments	-
Capital assets, not being depreciated	175,000
Capital assets, net	3,851,777
Total Non-current Assets	<u>4,237,772</u>
TOTAL ASSETS	<u>\$ 11,797,070</u>
DEFERRED OUTFLOW OF RESOURCES	
OPEB	
Pension related	\$ 422,937
TOTAL DEFERRED OUTFLOWS	<u>365,049</u>
	<u>787,986</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	143,120
Compensated absences	81,222
Lease liability	10,063
Due to other government unit	98,761
Total Current Liabilities	<u>333,166</u>
Non-current Liabilities:	
Lease liability	8,664
Net pension liability	118,393
Other post employment benefits	557,093
Total Non-current Liabilities	<u>684,150</u>
TOTAL LIABILITIES	<u>1,017,316</u>
DEFERRED INFLOWS	
Pension related	59,182
OPEB	571,006
Deferred Ad Valorem taxes	2,975,162
Deferred State Revenue Sharing	53,825
TOTAL DEFERRED INFLOWS	<u>3,659,175</u>
NET POSITION	
Net invested in capital assets	4,008,050
Restricted for Memorial fund	210,995
Unrestricted	3,689,520
TOTAL NET POSITION	<u><u>\$ 7,908,565</u></u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH LIBRARY
STATEMENT OF ACTIVITIES
DECEMBER 31, 2024

		<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	\$ 2,625,351	\$ -	\$ 500,000	\$ (2,125,351)
Total Governmental Activities	<u>2,625,351</u>	<u>-</u>	<u>500,000</u>	<u>(2,125,351)</u>
General Revenues:				
Ad valorem taxes				3,035,249
State revenue sharing				58,022
Investment earnings				290,134
Other general revenues				<u>34,641</u>
Total General Revenues				<u>3,418,046</u>
Change in Net Position				\$ 1,292,695
Net Position at the Beginning of Year				<u>6,615,870</u>
Net Position at End of Year				<u>\$ 7,908,565</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH LIBRARY
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2024

EXHIBIT C

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 4,481,324
Prepaid expenses	43,746
Receivables:	
Taxes receivable	2,975,162
Due from other governmental units	53,825
Restricted cash	210,995
Restricted investments	-
Other asset	5,241
TOTAL ASSETS	<u><u>\$ 7,770,293</u></u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Accounts payable	143,120
Compensated absences payable	81,222
Due to other government unit	98,761
Total Liabilities	<u><u>323,103</u></u>
Deferred Inflows	
Deferred Ad Valorem taxes	2,975,162
Deferred state revenue sharing	53,825
Total Deferred Inflows	<u><u>3,028,987</u></u>
Fund Balance:	
Nonspendable - prepaids	43,746
Restricted	210,995
Unassigned	4,163,462
Total Fund Balances - Governmental Fund	<u><u>4,418,203</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	365,049
Deferred outflow- OPEB	422,937
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	4,026,777
Lease liability	(18,727)
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	(118,393)
Other post-employment benefits	(557,093)
Deferred inflow- OPEB	(571,006)
Deferred inflow - pension related	(59,182)
Net position of governmental activities	<u><u>\$ 7,908,565</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, 2024**

REVENUES

Ad valorem taxes	\$ 3,035,249
Intergovernmental revenues:	
State revenue sharing (net)	58,022
State grant	500,000
Local grants	-
Interest income	290,134
Miscellaneous	22,346
TOTAL REVENUES	<u>3,905,751</u>

EXPENDITURES

General government:	
Personnel services and related benefits	1,506,631
Operating services	505,932
Materials and supplies	65,546
Travel	19,137
Other charges	689
Intergovernmental	98,761
Capital outlay	1,142,890
Debt Service:	
Principal payment	9,840
Interest payment	1,116
TOTAL EXPENDITURES	<u>3,350,542</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	555,209
FUND BALANCE AT BEGINNING OF YEAR	<u>3,862,994</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,418,203</u>

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, 2024**

Amounts reported for governmental activities are different because:

Net change in fund balances - total governmental funds (page 13) **\$ 555,209**

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.

12,296

Pension expense

70,532

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		1,142,890
Depreciation expense		(508,194)
Net adjustment		634,696
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.

9,840

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.

19,926

Change in net position of governmental activities (page 11) **\$ 1,292,695**

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 second location is on Hwy 1 South in the Town of Addis, LA.

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, 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, 2024 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, 2024 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.

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 lease 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.

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

NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

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 generally uses the City generally uses the risk free rate from the U.S. Department of Treasury website 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	3.60	3.60	2024

The gross assessed value for the tax year 2024, on the certified roll was \$879,309,781. After applying homestead exemptions and other reductions of \$56,430,926, the net assessed value upon which the Library's property tax was computed was \$822,878,855.

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 2024 tax assessment will be in May 2025 and the lien date was December 31, 2024.

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.

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

NOTE B – LEVIED TAXES (CONTINUED)

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	184,982,140	22.60%
ExxonMobil Production Co.	Oil Storage	84,277,620	10.30%
Placid Refining Co.	Chemical	44,071,200	5.40%
Total		<u>313,330,960</u>	<u>38.30%</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, 2024, the Library had cash and interest-bearing deposits (book balances) totaling \$4,493,868 as unrestricted and \$210,995 as restricted as follows for a grand total of \$4,704,863:

	<u>Unrestricted</u>	<u>Restricted</u>
Cash and Cash Equivalents:		
Demand deposits	\$ 668,830	\$ -
LAMP	2,628,327	-
Money market	1,196,511	-
Petty Cash	200	-
Investments:		
LAMP	-	210,995
Certificates of deposit	-	-
Totals	<u>\$ 4,493,868</u>	<u>\$ 210,995</u>

Custodial Credit Risk Relating to Deposits

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

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

NOTE C – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

As of December 31, 2024, \$1,867,341 of the Library's bank balances were secured through the Federal Deposit Insurance Corporation or other government-backed securities.

The Library can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The Library's investments are categorized to give an indication of the level or risk assumed by it at year end. Category 1 includes investments that are insured or registered for which the securities are held by the Library or its agent in the Library's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Library's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Library's name.

Restricted Cash and Investments of the West Baton Rouge Parish Library consists of LAMP cash (\$210,995). These securities are stated at their fair value as required by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. The Library used quoted market values to determine fair value of the investments.

Internal Rate Risk – The West Baton Rouge Parish Library has no formal investment policy, but has adopted the state investment policy at LA RS 49:327. The Library invests in investments with maturities limited to five-year as means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library invests in certificates of deposits that are backed by FDIC and pledged securities, and United States government securities. The Library has adopted the state investment policy at LA 49:327 and does not have any other policy that would further limit the investment choices. As of December 31, 2024, 100% of the Library's investment balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

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

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

NOTE C – CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2024, the Library had \$2,839,322 deposited at LAMP. Of this amount \$210,995 was restricted and \$2,628,327 was unrestricted.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA. R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like pool. The following facts are relevant for 2a7-like investment pools:

Credit risk: LAMP is rate AAAm by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is (52) (from LAMP's monthly Statement of Net Position) as of 12/31/24.

Foreign currency risk: Not applicable to 2a7-like pools.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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

NOTE D – RECEIVABLES

Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected, they are recorded as miscellaneous income. The direct charge off method is not a material departure from GAAP as it approximates the valuation method. At December 31, 2024, the receivables from ad valorem taxes is \$2,975,162 and from other governmental units is \$53,825 for a total of \$3,028,987.

NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance 12/31/2023	Additions	Reclass	Deletions	Balance 12/31/2024
<u>Not being depreciated</u>					
Land	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
Const. in progress - bldg	748,721	-	(748,721)	-	-
	923,721		(748,721)	-	175,000
<u>Being depreciated</u>					
Buildings	2,425,735	645,070	748,721	-	3,819,526
Vehicles	212,404			-	212,404
Furniture & Equipment	884,152	156,175		-	1,040,327
Library Collection	3,734,433	341,645		-	4,076,078
Right of use leased assets:					
Copiers	49,028	-		-	49,028
	7,305,752	1,142,890		-	9,197,363
<u>Less: accumulated depreciation and amortization</u>					
Buildings	402,770	261,735		-	664,505
Vehicles	160,279	11,071		-	171,350
Furniture and fixtures	777,417	68,690		-	846,107
Library Collection	3,455,893	166,698		-	3,622,591
Right of use leased assets:					
Copiers	31,230	9,804		-	41,034
	4,827,589	517,998		-	5,345,587
Net capital assets depreciated	2,478,163	624,892		-	3,851,776
Total capital assets, net	\$ 3,401,884	\$ 624,892		\$ -	\$ 4,026,776

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

NOTE F – DEFERRED COMPENSATION PLAN

Certain employees of the West Baton Rouge Parish Library participate in the Louisiana Public Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosure relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397; Baton Rouge, LA 70804-9397.

NOTE G – DEFERRED INFLOWS

Deferred inflows at December 31, 2024 comprises of:

Pension related	\$ 59,182
OPEB	571,006
Deferred ad valorem taxes	2,975,162
Deferred state revenue sharing	53,825
Total	<u>\$ 3,659,175</u>

NOTE H – CHANGES IN LONG TERM OBLIGATION

The following is a summary of long-term debt transactions for year ended December 31, 2024:

	Beginning Balance - Restated	Additions	Reductions	Ending Balance	Due in One Year	Due in More Than One Year
Leases Payable	\$28567	-	9840	\$18,727	\$ 10,063	\$8,664
Ending Balances	\$28567	-	9840	\$18,727	\$ 10,063	\$8,664

Long-term debt at December 31, 2024 is comprised of the following items:

LEASES PAYABLE

2 copiers ; due in monthly installments of \$25 - \$888 and maturity dates 2/18/25 - 9/30/26; interest at 3.0% - 4.65% payable monthly .

18,727

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

NOTE H – CHANGES IN LONG TERM OBLIGATION (continued)

The annual requirements to amortize all debt outstanding as of December 31, 2024 including interest payments of \$842 are as follows:

Year Ending 31-Dec	Lease Payable
2025	10,719
2026	8,855
	<u>\$ 19,574</u>

NOTE I – COMPENSATED ABSENCES

The following is a summary of the transactions for the year ended December 31, 2024:

Compensated absences, 1/1/24	\$ 57,189
Additions	24,033
Deductions	-
Compensated absences, 12/31/24	<u>\$ 81,222</u>

The following is a summary of the current (due in one year or less) and long-term portions of the obligation at December 31, 2024:

Current portion	\$ 81,222
Long-term portion	-
Total	<u>\$ 81,222</u>

NOTE J – NET POSITION/FUND EQUITY

A portion of Fund Balance on the Balance Sheet has been classified as non-spendable. This represents the prepaid expenses.

A portion of Net Position on the Statement of Net Position and Fund Balance on the Balance Sheet has been classified as restricted. This represents the Judge Paul B. Landry bequest to the Library for capital projects.

The 1977 House Bill No. 199 – enacted R.S. 25.221.1, relative to the West Baton Rouge Parish Library, prohibits the West Baton Rouge Parish Library Board of Control from spending the principal of the Judge Paul B. Landry Jr. Memorial Fund but authorized the board to spend the investment earnings of the fund to provide for related matters.