

ST. TAMMANY PARISH LIBRARY

Audit of Financial Statements

December 31, 2024



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Independent Auditor's Report

To the Board of Control
St. Tammany Parish Library

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of St. Tammany Parish Library (the Library), a component unit of St. Tammany Parish, Louisiana, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Library as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 33, the pension schedules on pages 34 and 35, and the schedule of changes in net OPEB liability and related ratios on page 36, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the 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.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The schedule of general fund expenditures, the schedule of governing board, and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 general fund expenditures, the schedule of governing board, and the schedule of compensation, benefits, and other payments to agency head are 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 15, 2025 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
April 15, 2025

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. TAMMANY PARISH LIBRARY
Statement of Net Position
December 31, 2024

	Governmental Activities
Assets	
Cash	\$ 6,317,694
Intergovernmental Receivable - Ad Valorem Taxes, Net	13,079,220
Intergovernmental Receivable - State Revenue Sharing	269,095
Deposits	1,981
Prepaid Expenses	144,570
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>3,785,541</u>
Total Assets	<u>23,598,828</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pension Obligation	1,784,475
Deferred Outflows Related to Other Postemployment Benefit Obligation	<u>33,213</u>
Total Deferred Outflows of Resources	<u>1,817,688</u>
Liabilities	
Accounts Payable	11,838
Accrued Payroll Liabilities	283,483
Claims Payable	249,919
Noncurrent Liabilities	
Due Within One Year - Leases	143,235
Due in More than One Year - Leases	849,212
Compensated Absences	506,665
Net Pension Liability	594,381
Net Other Postemployment Benefit Obligation (OPEB)	<u>1,529,409</u>
Total Liabilities	<u>4,168,142</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pension Obligation	269,508
Deferred Inflows Related to Other Postemployment Benefit Obligation	<u>916,876</u>
Total Deferred Inflows of Resources	<u>1,186,384</u>
Net Position	
Net Investment in Capital Assets	2,793,094
Unrestricted	<u>17,268,896</u>
Total Net Position	<u><u>\$ 20,061,990</u></u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH LIBRARY
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Library	\$ 12,211,174	\$ 96,265	\$ 85,509	\$ (12,029,400)
General Revenues				
Intergovernmental Revenue - Ad Valorem Taxes, Net				13,217,481
Intergovernmental Revenue - State Revenue Sharing				284,621
Miscellaneous Revenues				6,346
Earnings on Investments				198,221
Total General Revenues				13,706,669
Change in Net Position				1,677,269
Net Position, Beginning of Year				18,384,721
Net Position, End of Year				\$ 20,061,990

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUND**

ST. TAMMANY PARISH LIBRARY
Balance Sheet
Governmental Fund
December 31, 2024

	General Fund
<hr/>	
Assets	
Cash	\$ 6,317,694
Intergovernmental Receivable - Ad Valorem Taxes, Net	13,079,220
Intergovernmental Receivable - State Revenue Sharing	269,095
Other Receivables	727
Prepaid Expenses	144,570
Deposits	1,981
	<hr/>
Total Assets	<u><u>\$ 19,813,287</u></u>
Liabilities	
Accounts Payable	\$ 11,838
Accrued Payroll Liabilities	283,483
Claims Payable	249,919
	<hr/>
Total Liabilities	<u>545,240</u>
Deferred Inflows of Resources	
Unavailable Ad Valorem Taxes	109,467
	<hr/>
Total Deferred Inflows of Resources	<u>109,467</u>
Fund Balance	
Nonspendable	144,570
Assigned	5,648,000
Unassigned	13,366,010
	<hr/>
Total Fund Balance	<u>19,158,580</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 19,813,287</u></u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH LIBRARY
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance	\$ 19,158,580
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,785,541
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.	109,467
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(506,665)
The Library follows the requirements of GASB Statement No. 68, which provides for the recognition of pension obligations. This includes the recognition of related deferred outflows and inflows of resources.	1,514,967
The Library follows the requirements of GASB Statement No. 75, which provides for the recognition of OPEB obligations. This includes the recognition of related deferred outflows and inflows of resources.	(883,663)
Long-term assets/liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those assets/liabilities consist of:	
Leases	(992,447)
Net Pension Liability	(594,381)
Net Other Postemployment Benefit Obligation (OPEB)	<u>(1,529,409)</u>
Net Position of Governmental Activities	<u><u>\$ 20,061,990</u></u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH LIBRARY
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2024

	General Fund
Revenues	
Intergovernmental Revenue - Ad Valorem Taxes, Net	\$ 13,465,593
Intergovernmental Revenue - State Revenue Sharing	284,621
Fines and Fees	96,265
Donations	23,776
Earnings on Investments	198,221
Miscellaneous Revenues	<u>6,346</u>
Total Revenues	<u>14,074,822</u>
Expenditures	
Library	
Personnel Services	7,500,038
Operating Services	3,526,254
Debt Service	
Principal	133,548
Interest	73,178
Capital Outlay	<u>1,131,674</u>
Total Expenditures	<u>12,364,692</u>
Net Change in Fund Balance	1,710,130
Fund Balance, Beginning of Year	<u>17,448,450</u>
Fund Balance, End of Year	<u>\$ 19,158,580</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH LIBRARY
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2024

Net Change in Fund Balance - Total Governmental Fund	\$ 1,710,130
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Amounts reported for governmental activities in the statement of activities are different because:

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.	(5,696)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund:

Change in Unavailable Ad Valorem Taxes	(248,112)
Contributions Made to Retirement Plan by Other Governments	61,733

The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position:

Principal Payments on Outstanding Leases	133,548
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:

Compensated Absences Payable	38,534
Change in the Net Pension Liability and Related Deferred Outflows and Inflows of Resources	334,451
Change in Other Postemployment Benefit Obligation and Related Deferred Outflows and Inflows of Resources	(347,319)

Change in Net Position of Governmental Activities	<u>\$ 1,677,269</u>
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The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting and reporting policies of St. Tammany Parish Library (the Library) conform to accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to government entities. The following is a summary of significant accounting policies.

Reporting Entity

The Library was established by St. Tammany Parish, Louisiana (the Parish), under the provisions of Louisiana Revised Statute (R.S.) 25:211. The Library is governed by a Board of Control (the Board), which is appointed by the Parish. Effective January 1, 1989, the administrative and accounting functions for the Library were transferred to the Board of Control under the provisions of R.S. 25:215(b)(9); these functions were previously provided by the Parish. During 2023, the Library maintained twelve branches, a business resource center, and an administrative facility, which provide citizens of the Parish access to library materials, books, magazines, compact discs, films, and the internet.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, as amended, established criteria for determining which component units should be considered part of the Parish for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

The Library is a component unit of the Parish because the Parish appoints all members of the Library's Board and, as such, is financially accountable for the Library. The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

Basis of Presentation

The accompanying basic financial statements of the Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63 in June 2011.

The Library's basic financial statements include both government-wide and fund financial statements. The Library currently has only one fund, the General Fund, which is reported as a governmental activity.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the governmental activities using the full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of the Library's primary function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain library functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity, or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds.

The General Fund is the primary operating and sole fund of the Library. It accounts for all the financial transactions and is classified as a governmental fund type. The focus of the governmental fund's measurement is upon the determination of financial position and changes in financial position rather than upon net income.

Measurement Focus / Basis of Accounting

The government-wide financial statements are accounted for using the economic resources measurement focus. All assets and liabilities (whether current or noncurrent) are reported.

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows.

The amounts reflected in the governmental fund financial statements are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus / Basis of Accounting (Continued)

The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on any general long-term debt, which would be recognized when payment is due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected after 60 days are recorded as a deferred inflow on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period is considered susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library.

Budget and Budgetary Accounting

The Board has adopted a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Board. Budgeted amounts included in the accompanying financial statements include all amendments. All budgeted amounts which are not expended or obligated through contracts lapse at year-end. Unspent budgeted amounts will be reallocated in the following year's budget. The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Library amended its budget during 2024. These amendments are reflected in the budgetary comparison schedule of this report.

Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Receivables

Receivables are reported net of estimated uncollectible amounts. The allowance for uncollectible amounts was \$321,733, which represents 2% of the total ad valorem tax receivable at December 31, 2024. This estimate is based on the Library's history of collections within this revenue stream.

Capital Assets

Capital assets, which include property, vehicles, furniture and equipment, computers, and building improvements, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation of all exhaustible capital assets is charged as an expense against the Library's operations. In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The Library capitalizes equipment in excess of \$2,500, and improvements in excess of \$25,000. The Library capitalizes all books and other items except for periodicals and reference materials.

The following estimated useful lives and methods are used to compute depreciation:

Library Materials	5 Years	Straight-Line
Vehicles	5 Years	Straight-Line
Furniture and Equipment	5 - 10 Years	Straight-Line
Computers	5 Years	Straight-Line
Building Improvements	20 - 30 Years	Straight-Line

Depreciation expense amounted to \$879,749 and amortization expense amounted to \$158,194 for the year ended December 31, 2024.

Compensated Absences

The Library's policy allows employees to accumulate unused vacation and sick leave on an unlimited basis. Employees earn annual vacation leave and sick leave based on the number of years of service, as follows:

Years of Service	Annual Time Earned	
	Vacation	Sick
1 to 15 Years	15 Days	12.5 Days
Greater than 15 Years	20 Days	12.5 Days

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences (Continued)

At the end of each year, employees forfeit unused vacation that exceeds 600 hours. Upon termination of service, employees are entitled to be paid for up to 300 hours of unused vacation leave and one-third of the accumulated sick leave. The remainder of the vacation and sick leave is forfeited upon termination, but will be paid only upon illness while in the employ of the Library. The noncurrent portion (amounts estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide statement of net position, and represents a reconciling item between the fund and government-wide presentations. At December 31, 2024, the Library had compensated absences of \$499,423 and salary related costs of \$7,242 for a total compensated absences liability of \$506,665. Compensated absences decreased by \$38,534 during the year ended December 31, 2024.

Leases

The Library is a lessee for noncancellable lease of buildings. It recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of a lease, the Library initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured 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.

The Library uses the interest rate charged by the lessor at the discount rate. When the interest rate charged by the lessor is not provided, the Library generally uses its estimated incremental borrowing rate as the discount rate for leases.

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.

Estimates

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Equity

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Nonspendable* - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. *Restricted* - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. *Committed* - Amounts that can be used only for specific purposes determined by a formal action of the Board. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.
4. *Assigned Fund Balance* - Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
5. *Unassigned Fund Balance* - All amounts not included in other spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Library's policy is to apply restricted net position first.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements - Adopted

The Library adopted the following accounting pronouncements during the year ended December 31, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections*

The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The adoption of the Statement did not have an effect on the financial statements.

GASB Statement No. 101, *Compensated Absences*

The Statement updates the recognition and measurement guidance for compensated absences. The Library adopted the Statement which increased compensated absences liability due to including salary related costs of \$7,242.

New Accounting Pronouncements - Upcoming

GASB Statement No. 102, *Certain Risk Disclosures*

The objective of the Statement is to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*

The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2025.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at December 31, 2024:

Demand Deposits	<u>\$ 6,317,694</u>
-----------------	---------------------

These deposits are stated at cost, which approximates market.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent 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.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Library's deposits may not be recovered. The Library does not have a deposit policy for custodial credit risk. As of December 31, 2024, \$5,957,136 of the Library's bank balance was exposed to custodial credit risk. However, these deposits were secured from risk by the pledge of securities owned by the fiscal agent bank.

Note 3. Assigned Fund Balance

At December 31, 2024, assigned fund balance of the General Fund consisted of the following:

Operational Reserves	\$ 2,500,000
Disaster/Emergency Funds	1,475,000
Slidell Branch Furniture	700,000
Causeway Branch Furniture	130,000
Mandeville Branch Furniture	270,000
Lacombe Branch Furniture	250,000
Covington Furniture and Acoustic	50,000
Outreach	<u>273,000</u>
Total	<u><u>\$ 5,648,000</u></u>

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 473,285	\$ -	\$ -	\$ 473,285
Capital Assets Being Depreciated				
Artwork	49,464	-	-	49,464
Right-to-Use Buildings	2,103,979	-	-	2,103,979
Library Materials	8,199,273	462,240	(1,627,380)	7,034,133
Vehicles	309,471	162,890	(107,340)	365,021
Computers	198,421	126,050	(15,655)	308,816
Building Improvements	1,873,124	-	(45,365)	1,827,759
Furniture and Equipment	1,914,643	281,067	(40,417)	2,155,293
Total Capital Assets Being Depreciated	14,648,375	1,032,247	(1,836,157)	13,844,465
Less Accumulated Depreciation and Amortization for				
Artwork	(44,011)	(3,606)	-	(47,617)
Right-to-Use Buildings	(1,116,877)	(158,194)	-	(1,275,071)
Library Materials	(7,100,523)	(645,045)	1,627,380	(6,118,188)
Vehicles	(218,609)	(29,457)	107,340	(140,726)
Computers	(86,221)	(49,708)	15,655	(120,274)
Building Improvements	(1,057,500)	(79,620)	45,365	(1,091,755)
Furniture and Equipment	(1,706,682)	(72,313)	40,417	(1,738,578)
Total Accumulated Depreciation and Amortization	(11,330,423)	(1,037,943)	1,836,157	(10,532,209)
Total Capital Assets Being Depreciated, Net	3,317,952	(5,696)	-	3,312,256
Capital Assets, Net	\$ 3,791,237	\$ (5,696)	\$ -	\$ 3,785,541

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 5. Ad Valorem Taxes

Intergovernmental ad valorem taxes for the operations of the Library are normally levied each November on the assessed value listed as of the prior January 1st for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed in 2024. Taxes are due and payable by December 31st in the year levied and become delinquent thereafter. Taxes are collected by the St. Tammany Parish Sheriff's Office and remitted to the Parish, which passes the dedicated millage through to the Library.

Note 6. State Revenue Sharing

State revenue sharing is an arrangement whereby local governments are reimbursed by the State of Louisiana (the State) for ad valorem taxes not billed due to the homestead exemption. These intergovernmental revenues are received by St. Tammany Parish and passed through to the Library.

The Library recognized revenue from state revenue sharing of \$284,621 for the year ended December 31, 2024. Receivables for state revenue sharing for the year ended December 31, 2024 were \$269,095.

Note 7. Risk Management

The Library participates in the self-insurance fund of its primary government, St. Tammany Parish, for coverage of property and contents.

The Library has established a self-insurance medical plan (the Plan) for its employees and their covered dependents. The Plan Administrator is responsible for the approval, processing, and payment of claims. The Plan Administrator is also responsible for actuarially determining the needed funding of the Plan. The Plan provides health benefits up to a \$1,000,000 lifetime maximum per covered person. All full-time employees who are regularly scheduled to work at least 28 hours per week and their eligible dependents are eligible for the Plan.

The Plan is accounted for in the General Fund of the Library. The cost of claims is recorded as an expense when the claims arise. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated, and are recorded in the governmental activities in the statement of net position.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 7. Risk Management (Continued)

Claims liabilities include an amount for claims that have been incurred but not paid as of December 31, 2024. These liabilities are reported at their present value of \$249,919. Changes in the balances of claims liabilities during the years ended December 31, 2024, 2023, and 2022 were as follows:

	2024	2023	2022
Beginning of Year Liability	\$ 196,494	\$ 255,933	\$ 148,211
Claims and Changes in Estimates	1,478,007	1,390,187	1,050,181
Claims Payments	(1,424,582)	(1,449,626)	(942,459)
Balance at Fiscal Year End	\$ 249,919	\$ 196,494	\$ 255,933

A stop-loss insurance contract executed with an insurance carrier covers aggregate claims in excess of \$1,038,397 and claims in excess of \$50,000 per single employee per year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

Note 8. Pension Plan

The Library contributes to a cost-sharing, multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana (PERS or the System). Employees of the Library may elect to be members of PERS Plan A. PERS was established by the Louisiana Legislature as of January 1, 1953, by Act 205 of 1952. PERS is administered by a Board of Trustees consisting of seven members. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to P.O. Box 14619, Baton Rouge, LA 70898-4619, or by calling 225-928-1361.

Plan Description

All permanent employees working at least 28 hours per week and who are paid wholly or in part from library funds shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service
2. Age 55 with a minimum of twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 8. Pension Plan (Continued)

Plan Description (Continued)

For employees hired after January 1, 2007:

1. Age 55 with a minimum of thirty (30) years of creditable service
2. Age 62 with a minimum of ten (10) years of creditable service
3. Age 67 with a minimum of seven (7) years of creditable service

The retirement benefit is generally 1% of the member's final compensation plus \$2 per month for each year of service credited prior to January 1, 1980, and 3% of final average compensation for each year of service after that date. Final average salary is the employee's average salary over the 36 consecutive or joined months which produce the highest average.

Employees who terminate with at least the amount of credited service stated previously, and who do not withdraw their employee contributions, may retire at the age specified previously and receive the benefit accrued to their date of termination. PERS also provides death and disability benefits. Benefits are established by state statute.

Funding Policy

Contributions to PERS include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish except Orleans and East Baton Rouge Parishes. PERS members are required to contribute 9.5% of their annual covered salary. The Library is required to contribute at an actuarially-determined rate. The current rate is 11.50% of annual covered salary for the year ended December 31, 2024.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior year. The Library's contributions to PERS for the years ended December 31, 2024, 2023, and 2022 were \$541,992, \$493,473, and \$505,163, respectively, which is equal to the required contribution. During the year ended December 31, 2023, non-employer contributions to the PERS was \$61,733.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Library reported a net pension liability of \$594,381 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and was determined by actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all municipalities, actuarially determined. At December 31, 2023, the Library's proportion was .623876%.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 8. Pension Plan (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2024, the Library recognized pension expense of \$234,820. At December 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 281,457	\$ 159,543
Changes in Assumptions	-	103,553
Net Difference between Projected and Actual Earnings on Pension Plan Investments	957,930	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	3,096	6,412
Library Contributions Subsequent to the Measurement Date	541,992	-
Total	\$ 1,784,475	\$ 269,508

In the year ending December 31, 2024, \$541,992 reported as deferred outflows of resources related to pensions resulting from the Library's contributions subsequent to the measurement date will be recognized.

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

Year Ending December 31,	Amount
2025	\$ 79,375
2026	476,378
2027	806,584
2028	(389,362)
Total	\$ 972,975

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 8. Pension Plan (Continued)

Actuarial Assumptions

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

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Return	6.40% (Net of Investment Expense)
Expected Remaining Service Lives	4 Years
Projected Salary Increases	4.75% (2.35% Merit / 2.40% Inflation)
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.
Inflation Rate	2.30%

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

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 8. Pension Plan (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real Assets	2%	0.11%
	<u>100%</u>	<u>5.10%</u>
Inflation		<u>2.40%</u>
Expected Arithmetic Normal Return		<u>7.50%</u>

Sensitivity to Changes in Discount Rate

The following presents the net pension liability (asset) of the Library using the discount rate of 6.40% as well as what the liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate:

	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Library's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,241,013	\$ 594,381	\$ (2,466,605)

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 9. Leases

The Library leases building space for one of its branches, its administrative office, and its technical services annex. The lease agreements do not specify an interest rate. The Library has estimated lease liabilities and right-to-use assets using its incremental borrowing rate which is the prime rate as of the inception of the leases. At December 31, 2024, the value of the right-to-use assets was \$2,103,979 and accumulated amortization was \$1,275,071. A summary of changes in the Library's lease liabilities during 2024 is as follows:

	December 31, 2023	Additions/ Changes	Retirements/ Payments	December 31, 2024	Due Within One Year
Lease Liabilities	\$ 1,125,995	\$ -	\$ (133,548)	\$ 992,447	\$ 143,235
Total	\$ 1,125,995	\$ -	\$ (133,548)	\$ 992,447	\$ 143,235

Principal and interest payments due on lease liabilities over the next five years and thereafter are as follows (in thousands):

Year Ending December 31,	Principal	Interest
2025	\$ 143,235	\$ 65,168
2026	153,616	56,506
2027	164,740	47,144
2028	141,603	37,180
2029	44,516	31,394
2030 - 2035	344,737	85,133
Total	\$ 992,447	\$ 322,525

Note 10. Deferred Compensation Plan

Certain employees of the Library participate in the Louisiana Public Employees' Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code, Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, P.O. Box 94397, Baton Rouge, Louisiana 70804-9397.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 11. Other Postemployment Benefits (OPEB)

In addition to the pension benefits described in Note 8, the Library provides post-employment healthcare benefits to employees under 65 years of age who retire from the Library in accordance with criteria listed in Note 7 and, in addition, have at least five years of employment in the library system, and have participated in the health insurance plan for the three years prior to retirement. The Library will pay a proportionate share of the health insurance cost based on the years of service.

Funding Policy

The Library allows qualifying retirees to participate in the employee benefit plan for a specified monthly contribution until Medicare-eligible. Qualifying Medicare-eligible retirees are reimbursed up to 75% of the cost of a Medicare supplement plan, but no more than \$150 per month. The Library finances its plan on a pay-as-you-go basis; therefore, no funds are reserved for payment of future health insurance premiums. For the year ended December 31, 2024, the Library contributed \$62,029 to the plan on behalf of the retirees.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	20
Active Plan Members	110
	<hr/>
Total	130

Total OPEB Liability

The Library's total OPEB liability of \$1,529,409 was determined by an actuarial valuation as of December 31, 2023 and measured as of December 31, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.7%
Salary Increases, Average Including Inflation	2.45%, including inflation
Investment Rate of Return	3.26% annually (beginning of year) 4.08% annually (end of year)
Healthcare Cost Trend Rates	
Pre Medic and Medical and Rx	7.75% decreasing to an ultimate rate of 4.0%
Stop Loss Fees	7.75% decreasing to an ultimate rate of 4.0%
Administrative Fees	4.0%
Mortality Rates	Pub-2010 mortality table with generational scale MP-2021

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 11. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of ongoing evaluations of the assumptions.

Changes in the Total OPEB Liability

	Net Liability
Balance at January 1, 2023	\$ 2,346,237
Changes for the Year	
Service Cost	164,588
Interest Cost	80,842
Differences between Expected and Actual Experience	(472,729)
Changes in Assumptions	(527,500)
Benefit Payments	(62,029)
Net Changes for the Year	(816,828)
Balance as of December 31, 2024	\$ 1,529,409

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08%) or one percentage point higher (5.08%) than the current discount rate:

	1.0% Decrease	Discount Rate 4.08%	1.0% Increase
Net OPEB Liability	\$ 1,701,000	\$ 1,529,409	\$ 1,380,000

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare trend rates:

	1.0% Decrease	Healthcare Cost Trend Rates	1.0% Increase
Net OPEB Liability	\$ 1,408,000	\$ 1,529,409	\$ 1,678,000

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 11. Other Postemployment Benefits (OPEB) (Continued)

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

For the year ended December 31, 2024, the Library recognized OPEB expense of \$409,349. At December 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 33,213	\$ 433,335
Differences between Actual and Expected Experience	-	483,541
Total	\$ 33,213	\$ 916,876

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

Year Ending December 31,	Amount
2025	\$ (50,139)
2026	(83,352)
2027	(83,352)
2028	(83,352)
2029	(583,468)
Total	\$ (883,663)

Note 12. Compensation of Board Members

No compensation was paid to board members for the year ended December 31, 2024.

Note 13. Commitments

On May 1, 2008, St. Tammany Parish approved a resolution to issue Limited Tax Revenue Bonds not to exceed \$5,000,000. These bonds were issued on July 1, 2008 for the purpose of constructing, acquiring, and improving public library facilities, furnishings, and equipment, and paying the costs incurred in connection with the issuance. The bonds range from 4% to 4.25%, with final principal maturing on March 1, 2025. Principal is due annually on March 1st beginning in 2009, and interest is due semi-annually on March 1st and September 1st beginning in 2009. All of the bond proceeds were used to construct and furnish the Madisonville Branch which was completed in 2013.

ST. TAMMANY PARISH LIBRARY

Notes to Financial Statements

Note 13. Commitments (Continued)

This debt and any acquired assets are part of the Parish and are not reflected within the accompanying financial statements of the Library. The Parish pledged the Library's dedicated millage for the repayment of these bonds.

The debt service payments are withheld from the Library's ad valorem taxes received by the Parish. Debt service to be withheld in future years is as follows:

Year Ending December 31,	Amount
2025	<u>\$ 431,800</u>

Note 14. Subsequent Event

On March 29, 2025, the voters of St. Tammany Parish renewed the Library ad valorem millage at a reduced authorized millage of 4.35 mills for a period of fifteen years.

REQUIRED SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH LIBRARY
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2024

	Budgetary Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
Revenues				
Intergovernmental Revenue -				
Ad Valorem Taxes, Net	\$ 11,861,153	\$ 12,474,891	\$ 13,465,593	\$ 990,702
Intergovernmental Revenue -				
State Revenue Sharing	258,515	264,302	284,621	20,319
Fines and Fees	73,000	76,000	96,265	20,265
Donations	50,000	50,000	23,776	(26,224)
Grants	-	-	-	-
Earnings on Investments	194,000	194,000	198,221	4,221
Miscellaneous Revenue	2,120	2,120	6,346	4,226
Total Revenues	12,438,788	13,061,313	14,074,822	1,013,509
Expenditures				
Library				
Personnel Services	7,847,000	8,016,480	7,500,038	516,442
Operating Services	2,622,676	3,157,833	3,526,254	(368,421)
Debt Service				
Principal	-	-	133,548	(133,548)
Interest	-	-	73,178	(73,178)
Capital Outlay	1,968,000	1,862,000	1,131,674	730,326
Total Expenditures	12,437,676	13,036,313	12,364,692	671,621
Net Change in Fund Balance	\$ 1,112	\$ 25,000	1,710,130	\$ 1,685,130
Fund Balance, Beginning of Year			17,448,450	
Fund Balance, End of Year			\$ 19,158,580	

See independent auditor's report.

ST. TAMMANY PARISH LIBRARY
Schedule of Library's Proportionate Share of the
Net Pension Liability (Asset)
For the Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's Portion of the Net Pension Liability (Asset)	0.623876%	0.644107%	0.628558%	0.618277%	0.617355%	0.638432%	0.649030%	0.640436%	0.632207%	0.647096%
Library's Proportionate Share of the Net Pension Liability (Asset)	\$ 594,381	\$ 2,479,033	\$ (2,960,781)	\$ (1,084,095)	\$ 29,062	\$ 2,833,590	\$ (481,741)	\$ 1,318,986	\$ 1,664,151	\$ 176,921
Library's Covered Payroll	\$ 4,291,071	\$ 4,299,875	\$ 3,961,970	\$ 4,056,004	\$ 3,941,826	\$ 3,669,200	\$ 3,745,040	\$ 3,613,937	\$ 3,375,696	\$ 3,384,421
Library's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	13.85%	57.65%	-74.73%	-26.73%	0.74%	77.23%	-12.86%	36.50%	49.30%	5.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.03%	91.73%	110.46%	104.00%	99.88%	88.86%	101.97%	94.15%	92.23%	99.15%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
The amounts presented have a measurement date of the previous fiscal year-end.

See independent auditor's report.

ST. TAMMANY PARISH LIBRARY
Schedule of Library's Contributions to
Defined Benefit Pension Plan
For the Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 541,992	\$ 520,757	\$ 505,163	\$ 505,912	\$ 507,438	\$ 453,715	\$ 421,958	\$ 468,130	\$ 469,812	\$ 489,477
Contributions in Relation to the Contractually Required Contribution	(541,992)	(520,757)	(505,163)	(505,912)	(507,438)	(453,715)	(421,958)	(468,130)	(469,812)	(489,477)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's Covered Payroll	\$ 4,777,648	\$ 4,291,071	\$ 4,299,875	\$ 3,961,970	\$ 4,056,004	\$ 3,941,826	\$ 3,669,200	\$ 3,745,040	\$ 3,613,937	\$ 3,375,696
Contributions as a Percentage of Covered Payroll	11.34%	12.14%	11.75%	12.77%	12.51%	11.51%	11.50%	12.50%	13.00%	14.50%

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

See independent auditor's report.

ST. TAMMANY PARISH LIBRARY
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 164,588	\$ 146,688	\$ 104,994	\$ 102,936	\$ 88,959	\$ 80,374	\$ 77,208
Interest Cost	80,842	81,855	29,825	28,879	34,475	43,063	36,125
Difference between Expected and Actual Experience	(472,729)	-	(11,527)	-	(92,264)	-	-
Changes in Assumptions	(527,500)	101,300	655,421	9,265	108,341	121,968	(69,528)
Benefit Payments	(62,029)	(74,664)	(60,936)	(54,149)	(44,826)	(47,354)	(46,252)
Net Change in OPEB Liability	(816,828)	255,179	717,777	86,931	94,685	198,051	(2,447)
Total OPEB Liability - Beginning	2,346,237	2,091,058	1,373,281	1,286,350	1,191,665	993,614	996,061
Total OPEB Liability - Ending	\$ 1,529,409	\$ 2,346,237	\$ 2,091,058	\$ 1,373,281	\$ 1,286,350	\$ 1,191,665	\$ 993,614
 Covered Employee Payroll	 \$ 5,157,610	 \$ 4,541,000	 \$ 4,432,350	 \$ 4,356,955	 \$ 4,356,955	 \$ 3,980,000	 \$ 3,902,330
 Net OPEB Liability as a Percentage of Covered-Employee Payroll	 29.65%	 51.67%	 47.18%	 31.52%	 29.52%	 29.94%	 25.46%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2024.

Changes in Assumptions. The discount rate as of December 31, 2024 was 4.08%, an increase from 3.26% at January 1, 2024.

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

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH LIBRARY
Schedule of General Fund Expenditures
For the Year Ended December 31, 2024

Personnel Services

Salaries and Wages	\$ 5,357,372
Employee Benefits	<u>2,142,666</u>

Total Personnel Services	\$ 7,500,038
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Operating Services

Library Resource Acquisitions	\$ 907,974
Maintenance of Property and Equipment	830,822
Utilities	309,152
Maintenance of Services (Buildings)	261,462
Professional Services	269,707
Insurance	298,120
Public Relations/Programming	116,555
Operating Supplies	191,448
Communications	106,278
Travel and Continuing Education	46,551
Building and Equipment Leases	115,060
Advertising, Dues, and Subscriptions	35,101
Promotional Production	14,941
Printing, Duplicating, and Binding	22,017
Signage	<u>1,066</u>

Total Operating Services	\$ 3,526,254
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Capital Outlay

Capital Outlay - Library Resource Acquisitions	\$ 462,240
Capital Outlay - Non-Book Acquisitions	<u>669,434</u>

Total Capital Outlay	\$ 1,131,674
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See independent auditor's report.

ST. TAMMANY PARISH LIBRARY
Schedule of Governing Board
For the Year Ended December 31, 2024

Board of Control	Term Expiration	Compensation
Ann Shaw, President 404 Twin River Drive Covington, LA 70433	May 2, 2029	\$-0-
Rev. Robert H. Belknap. J.D. Vice President 37148 West Powerline Road Pearl River, LA 70452	May 2, 2025	\$-0-
Pam Georges, Secretary/Treasurer 332 Sandalwood Drive Mandeville, LA 70448	May 2, 2025	\$-0-
Carole Gillio 1290 Seventh Street Slidell, LA 70458	May 2, 2026	\$-0-
Jill Roland Kesler 427 N. Theard Street Covington, LA 70433	May 2, 2025	\$-0-
Tamarah Myers 525 Beau Chene Drive Mandeville, LA 70471	May 2, 2028	\$-0-

See independent auditor's report.

ST. TAMMANY PARISH LIBRARY
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2024

Agency Head
Kelly LaRocca, Director

Purpose	Amount
Salary	\$114,367
Benefits - Insurance	\$0
Benefits - Retirement	\$13,168
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$2,115
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Control
St. Tammany Parish Library

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of St. Tammany Parish Library (the Library), a component unit of St. Tammany Parish, Louisiana, 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, and have issued our report thereon dated April 15, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
April 15, 2025

ST. TAMMANY PARISH LIBRARY
Schedule of Findings and Responses
For the Year Ended December 31, 2024

Part I - Summary of Auditor's Results

Financial Statements

- | | | |
|----|---|------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting and compliance and other matters: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified? | No |
| | c. Noncompliance material to the financial statements? | No |
| | d. Other matters identified? | No |
| 3. | Management letter comment provided? | None |

Federal Awards

Not applicable.

Prior Year Findings

None

AGREED-UPON PROCEDURES REPORT

St. Tammany Parish Library

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2024 - December 31, 2024

To the Board of Control of the
St. Tammany Parish Library
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the St. Tammany Parish Library's (the Library) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2024 through December 31, 2024. The Library's management is responsible for those C/C areas identified in the SAUPs.

The Library has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2024 through December 31, 2024. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

3) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

Results: We noted that employees do share cash drawers at each branch. We noted no other exceptions in the performance of these procedures.

We were engaged by the Library to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

Baton Rouge, LA
April 15, 2025

Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd St.
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Act SAUP Agreed-upon Procedures

The management of the St. Tammany Parish Library wishes to provide the following responses relative to the results of the 2024 statewide agreed-upon procedures engagement:

1. Collections – The management of the Library has determined that it is not cost beneficial to provide separate cash drawers at its branches due to fact that the amount of cash collected at each branch is relatively small. Management has determined that internal controls in place over cash collection mitigate the risk of sharing cash drawers.

Sincerely,

A handwritten signature in cursive script that reads "Kelly LaRocca".

Kelly LaRocca
Director