

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
 Many, Louisiana
 Schedule of Federal Financial Assistance
 For the Years Ended December 31, 1995 and 1994

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	EXPENDITURES	
		1995	1994
United States Department of Education Passed through the Louisiana Department of Culture and Recreation - State Library of Louisiana - Public Library Construction and Technology Enhancement (LSCA - Title I)	84.154	NONE	\$30,000
Total Issues/Expenditures		NONE	\$30,000

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**Independent Auditor's Report on the Internal Control Structure Based
Solely on an Audit of the Primary Government Financial Statements
and the Additional Procedures Required by OMB Circular A-128**

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

I have audited the financial statements of the Sabine Parish Library, a component unit of the Sabine Parish Police Jury as of December 31, 1995, and for the years ended December 31, 1995 and 1994, and have issued my report thereon dated May 20, 1996. I have also audited the library's compliance with requirements applicable to its only federal financial assistance program, a nonmajor program, and have issued my report thereon dated May 20, 1996.

I conducted my audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit as of December 31, 1995, and for the years ended December 31, 1995 and 1994, I considered the library's internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the library's financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance requirements applicable to federal financial assistance programs. I have addressed internal control policies and procedures relevant to my audit of the financial statements in a separate report dated May 20, 1996.

The management of the library is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana
Federal Internal Control Report (Continued)

with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting controls:

- Budgeting and budgetary reporting
- Revenues/receivables
- Expenditures/payables
- Payroll/personnel
- Electronic data processing

Grant administration controls:

General requirements:

- Political activity
- Civil rights
- Administrative requirements (Common Rule)

Specific requirements:

- Matching
- Reporting
- Claims for advances and reimbursements

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

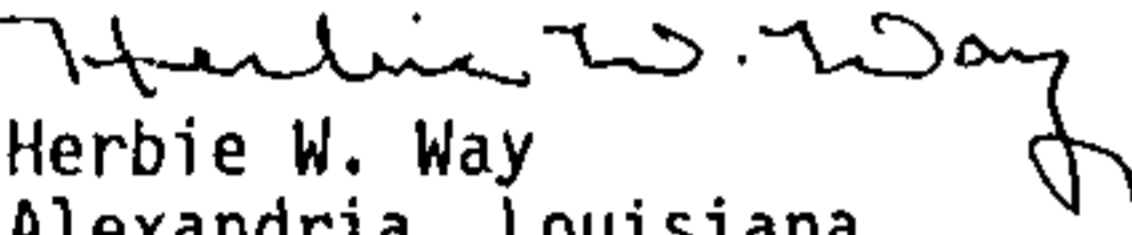
During the year ended December 31, 1995, the library did not participate in any federal financial assistance programs. During the year ended December 31, 1994, the library had no major federal financial assistance programs and expended 100 percent of its federal financial assistance under the Public Library Construction and Technology Enhancement (LSCA - Title II) grant program, CFDA No. 84.154. This grant, from the United States Department of Education - passed through the Louisiana Department of Culture and Recreation - State Library of Louisiana is a nonmajor federal financial assistance program.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the library's aforementioned nonmajor federal financial assistance program. My procedures are less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana
Federal Internal Control Report (Continued)

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the management of the library and the police jury. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Herbie W. Way
Alexandria, Louisiana
May 20, 1996

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**Independent Auditor's Report on Compliance
With the General Requirements Applicable to
Federal Financial Assistance Programs**

**SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY**
Many, Louisiana

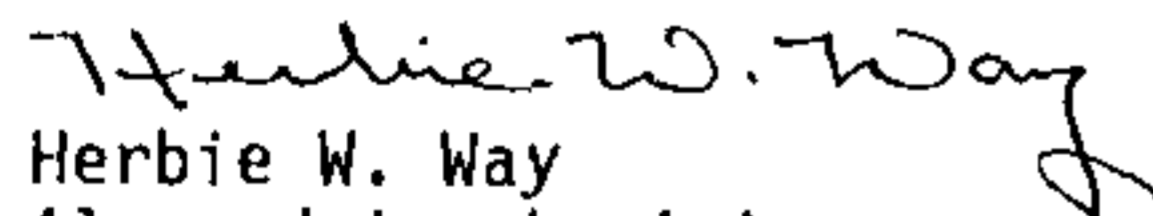
I have audited the financial statements of the Sabine Parish Library, a component unit of the Sabine Parish Police Jury as of December 31, 1995, and for the years ended December 31, 1995 and 1994, and have issued my report thereon dated May 20, 1996.

I have applied procedures to test the Sabine Parish Library's compliance with the following requirements applicable to its only federal financial assistance program, a nonmajor program which is identified in the schedule of federal financial assistance, for the two years ended December 31, 1995 and 1994, these requirements are: political activity, civil rights, and administrative requirements.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on library's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the library had not complied, in all material respects, with those requirements.

This report is intended for the information of the management of the library and the police jury. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Herbie W. Way
Alexandria, Louisiana
May 20, 1996

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**Independent Auditor's Report on Compliance
With Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

**SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY**
Many, Louisiana

I have audited the financial statements of the Sabine Parish library, a component unit of the Sabine Parish Police Jury as of December 31, 1995, and for the years ended December 31, 1995 and 1994, and have issued my report thereon dated May 20, 1996.

In connection with my audit of the financial statements of the Sabine Parish Library as of December 31, 1995, and for the years ended December 31, 1995 and 1994, and with my consideration of the internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular (OMB) A-128, *Audits of State and Local Governments*, I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the two years ended December 31, 1995.

As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing reporting and claims for advances and reimbursement that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Sabine Parish Library's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the library had not complied, in all material respects, with those requirements.

This report is intended for the information of the management of the library and the police jury. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Herbie W. Way
Herbie W. Way
Alexandria, Louisiana
May 20, 1996



RECEIVED
LEGISLATIVE AUDITOR

96 JUN 24 AM 9:31

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

Component Unit Financial Statements
With Independent Auditor's Reports
As of December 31, 1995, and for the Years Ended
December 31, 1995 and 1994

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-7-96

Herbie W. Way
Certified Public Accountant

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

Component Unit Financial Statements
With Independent Auditor's Reports
As of December 31, 1995, and for the Years Ended
December 31, 1995 and 1994

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditor's Report		4
Component Unit Financial Statements:		
Balance Sheet, December 31, 1995 - All Fund Types and Account Groups	A	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - General Fund For the Years Ended December 31, 1995 and 1994	B	6
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Governmental Fund Type - General Fund For the Years Ended December 31, 1995 and 1994	C	7
Notes to the Financial Statements		8
Other Independent Auditor's Reports Required by Government Auditing Standards:		
Report on Internal Control Structure Based Solely on an Audit of the Financial Statements		15
Report on Compliance With Laws and Regulations Based Solely on an Audit of the Financial Statements		17

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
CONTENTS (CONTINUED)

	<u>Schedule</u>	<u>Page No.</u>
Other Independent Auditor's Reports Required By Office of Management's and Budget's (OMB) Circular A-128, <i>Audits of State and Local Governments and the Single Audit Act of 1984:</i>		
Report on Schedule of Federal Financial Assistance		19
Schedule of Federal Financial Assistance	1	20
Report on Internal Control Structure Based Solely on An Audit of the Financial Statements and the Additional Procedures Required by OMB Circular A-128		21
Report on Compliance With the General Requirements Applicable to Federal Financial Assistance Programs		24
Report on Compliance With the Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions		25

RECEIVED
LEGISLATIVE AUDITOR
96 JUN 24 AM 9:31

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

INDEPENDENT AUDITOR'S REPORT

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

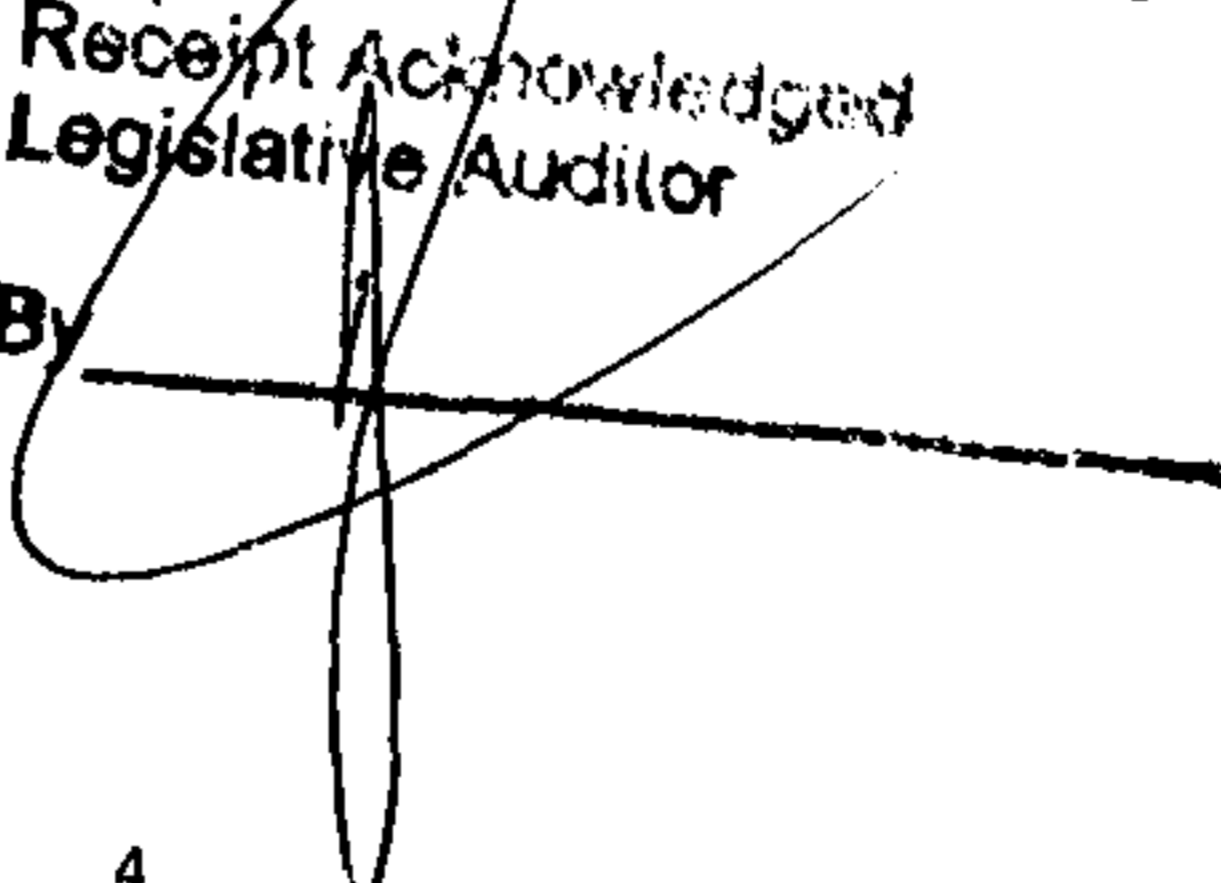
I have audited the accompanying financial statements of the Sabine Parish Library, a component unit of the Sabine Parish Police Jury, primary government, as of December 31, 1995, and for the years ended December 31, 1995 and 1994, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the library. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sabine Parish Library, a component unit of the Sabine Parish Police Jury, primary government, as of December 31, 1995, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated May 20, 1996, on my consideration of the Sabine Parish Library's internal control structure and a report dated May 20, 1996, on its compliance with laws and regulations.

Herbie W. Way
Herbie W. Way
Alexandria, Louisiana
May 20, 1996

Receipt Acknowledged
Legislative Auditor
By 

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1995

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
<u>ASSETS</u>			
Cash and cash equivalents	\$245,597		\$245,597
Receivables:			
Ad valorem taxes	282,266		282,266
State revenue sharing	24,265		24,265
Buildings, equipment, and books		\$889,697	889,697
	<u>\$552,128</u>	<u>\$889,697</u>	<u>\$1,441,825</u>
<u>TOTAL ASSETS</u>			
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts and deductions from taxes payable	\$10,382	NONE	\$10,382
Fund Equity:			
Investment in general fixed assets		\$889,697	889,697
Fund balance - unreserved - undesignated	541,746		541,746
Total Fund Equity	<u>541,746</u>	<u>889,697</u>	<u>1,431,443</u>
	<u>\$552,128</u>	<u>\$889,697</u>	<u>\$1,441,825</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>			

The accompanying notes are an integral part of this statement.

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Years Ended December 31, 1995 and 1994

	December 31,	
	1995	1994
<u>REVENUES</u>		
Ad valorem taxes	\$286,761	\$270,883
Intergovernmental revenues:		
Federal funds		30,000
State funds	35,607	36,759
Local funds	1,700	
Fees and charges for services	4,210	4,263
Use of money - interest earnings	11,706	9,395
Miscellaneous	5,056	4,716
Total revenues	<u>345,040</u>	<u>356,016</u>
<u>EXPENDITURES</u>		
Current:		
Culture and recreation - library:		
Personal services and related benefits	193,676	206,856
Operating services	42,927	46,517
Materials and supplies	12,402	21,498
Travel and other charges	3,909	4,836
Intergovernmental	11,342	11,202
Capital outlay	63,144	93,557
Total expenditures	<u>327,400</u>	<u>384,466</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	17,640	(28,450)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>524,106</u>	<u>552,556</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$541,746</u>	<u>\$524,106</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 For the Years Ended December 31, 1995 and 1994

	DECEMBER 31, 1995			DECEMBER 31, 1994		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Ad valorem taxes	\$282,730	\$286,761	\$4,031	\$278,650	\$270,883	(\$7,767)
Intergovernmental revenues:						
Federal funds				30,000	30,000	
State funds	37,000	35,607	(1,393)	37,000	36,759	(241)
Local grants		1,700				
Other income	9,400	20,972	11,572	9,420	18,374	8,954
Total revenues	<u>329,130</u>	<u>345,040</u>	<u>14,210</u>	<u>355,070</u>	<u>356,016</u>	<u>946</u>
EXPENDITURES						
Current:						
Culture and recreation - library:						
Personal services and related benefits	205,655	193,676	11,979	218,765	206,856	11,909
Operating services	44,010	42,927	1,083	47,840	46,517	1,323
Materials and supplies	12,000	12,402	(402)	11,300	21,498	(10,198)
Travel and other charges	3,000	3,909	(909)	3,330	4,834	(1,504)
Intergovernmental	11,500	11,342	158	9,492	11,204	(1,712)
Capital outlay	52,965	63,144	(10,179)	118,343	93,557	24,786
Total expenditures	<u>329,130</u>	<u>327,400</u>	<u>1,730</u>	<u>409,070</u>	<u>384,466</u>	<u>24,604</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	17,640	15,940	(54,000)	(28,450)	25,550
FUND BALANCE AT BEGINNING OF YEAR	<u>524,106</u>	<u>524,106</u>	NONE	<u>552,556</u>	<u>552,556</u>	NONE
FUND BALANCE AT END OF YEAR	<u>\$524,106</u>	<u>\$541,746</u>	<u>\$15,940</u>	<u>\$498,556</u>	<u>\$524,106</u>	<u>\$25,550</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana**

Notes to the Financial Statements
As of December 31, 1995, and for the Years Ended
December 31, 1995 and 1994

INTRODUCTION

The Sabine Parish Library was established by the parish governing authority under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films through a central library, several branches, and service outlets. The library is governed by a 6-member board of control that is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without pay.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Sabine Parish Police Jury is the financial reporting entity for Sabine Parish. The financial reporting entity consists of (a) the primary government (police jury), (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 established criteria for determining which component units should be considered part of the Sabine Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Financial Statements (Continued)

Because the police jury has the ability to impose its will on the Sabine Parish Library and/or there exists the potential for the Sabine Parish Library to provide specific financial benefits to or impose specific financial burdens on the police jury, the Sabine Parish Library was determined to be a component unit of the Sabine Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The library uses a fund (General Fund) and an account group to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The General Fund is the general operating fund of the library and accounts for all financial resources.

On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets (general fixed assets) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

C. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund (General Fund) is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of this fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used for reporting the governmental type (General Fund). 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 be used to pay liabilities of the current period. The library uses the following practices in recognizing and reporting revenues and expenditures:

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the library.

Based on the above criteria, ad valorem tax and the related state revenue sharing are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. BUDGET PRACTICES

A proposed budget is published in the official journal at least ten days prior to a public hearing. The public hearing is held at the library's main branch during the month of November for comments from taxpayers. The proposed budget is then legally adopted and amended during the year, as necessary, by the library board. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Formal budgetary integration is not employed as a management control device during the year. Encumbrances are not recorded or recognized in the budget of the library. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts. Cash equivalents include amounts in time deposits. Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with fiscal agent banks organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana.

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Financial Statements (Continued)

F. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical or estimated historical cost. Approximately 95 per cent of the general fixed assets are valued at actual cost while the remaining 5 per cent are valued at estimated historical cost, based on the actual cost of like items. The land and the building that comprise the main library facility in Many, Louisiana is recorded as a general fixed asset of the Sabine Parish Police Jury.

G. COMPENSATED ABSENCES

Employees, after six months of service, earn from 10 to 30 days of vacation leave annually. Employees must use vacation leave within the twelve month period immediately following the service year in which the leave was earned or the remaining leave shall be forfeited. Employees who separate from the library shall be paid for the balance of current-year vacation leave earned but not taken as of the date of separation.

All employees earn 10 days of sick leave annually, which may be accumulated to a maximum of 30 days. Upon separation from the library, all accumulated sick leave is cancelled and no extra compensation may be claimed for it.

Based on the policies of the library, relating to vacation and sick leave, there are no accumulated or vested benefits relating to compensated absences, at December 31, 1995, which require recognition or disclosure to conform with generally accepted accounting principles.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

The total columns on the financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis (overview). Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The Sabine Parish Library is authorized to levy a 5-mill ad valorem tax through 2001 to operate the library. The library levied 5 mills in 1995 and 1994.

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Financial Statements (Continued)

3. CASH AND EQUIVALENTS

At December 31, 1995, the library has cash and cash equivalents (book balances) as follows:

Petty cash	\$60
Demand deposits	8,977
Money market accounts	15,395
Certificates of deposit	<u>221,165</u>
Total	<u><u>\$245,597</u></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. 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. Cash and cash equivalents (bank balances) totaling \$272,544 at December 31, 1995, are secured by \$151,379 of federal deposit insurance (GASB Category 1) and \$121,165 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the library, they are considered uncollateralized under the provisions of GASB Codification I50.163(b); however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the library that the fiscal agent bank has failed to pay deposited funds upon demand.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Buildings</u>	<u>Equipment</u>	<u>Books</u>	<u>Total</u>
Balance, December 31, 1993	\$12,878	\$136,768	\$701,691	\$851,337
Additions		44,504	49,053	93,557
Deductions			(59,030)	(59,030)
Balance, December 31, 1994	<u>12,878</u>	<u>181,272</u>	<u>691,714</u>	<u>885,864</u>
Additions		16,106	47,038	63,144
Deductions		(32,110)	(27,200)	(59,310)
Balance, December 31, 1995	<u><u>\$12,878</u></u>	<u><u>\$165,268</u></u>	<u><u>\$711,552</u></u>	<u><u>\$889,697</u></u>

5. PENSION PLANS

Parochial Employees Retirement System of Louisiana -- substantially all employees of the library are members of the Parochial Employees Retirement System of Louisiana ("system"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials are eligible to participate in the system. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 per cent of final compensation, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that 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 ages specified previously and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The employer contributions to the System under Plan A for the years ending December 31, 1995, 1994, and 1993, were \$11,591, \$12,234, and \$13,444, respectively, equal to the required contributions for each year.

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on internal control and compliance are presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**Independent Auditor's Report on Internal Control Structure
Based Solely on an Audit of the Financial Statements**

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

I have audited the financial statements of the Sabine Parish Library, a component unit of the Sabine Parish Police Jury, as of December 31, 1995, and for the years ended December 31, 1995 and 1994, and have issued my report thereon dated May 20, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of the Sabine Parish Library, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

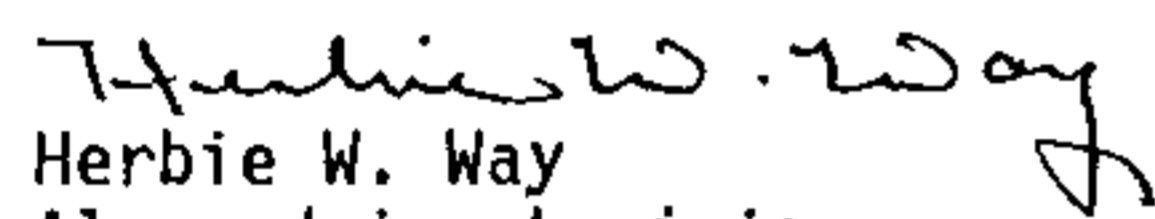
The management of the Sabine Parish Library is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Internal Control Report (Continued)

In planning and performing my audit of the financial statements, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that could be material to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of management of the library and the police jury. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Herbie W. Way
Alexandria, Louisiana
May 20, 1996

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**Independent Auditor's Report on Compliance With Laws
and Regulations Based Solely on an Audit
of the Financial Statements**

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

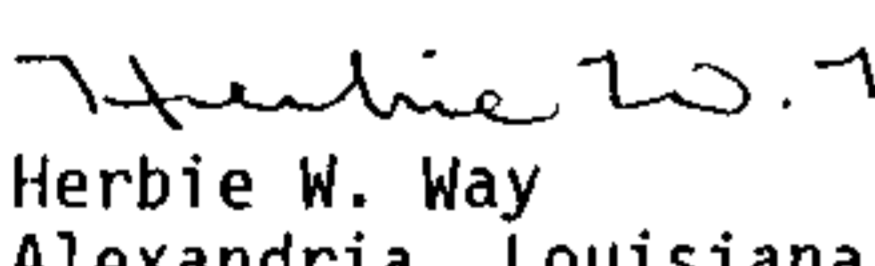
I have audited the financial statements of the Sabine Parish Library, a component unit of the Sabine Parish Police Jury, as of December 31, 1995, and for the years ended December 31, 1995 and 1994, and have issued my report thereon dated May 20, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Sabine Parish Library is the responsibility of the library's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the library's compliance with certain provisions of laws and regulations. However, my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management of the library and the police jury. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Herbie W. Way
Alexandria, Louisiana
May 20, 1996

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**Independent Auditor's Report on Schedule
of Federal Financial Assistance**

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

I have audited the financial statements of the Sabine Parish Library, a component unit of the Sabine Parish Police Jury for the two years ended December 31, 1995 and 1994, and have issued my report thereon dated May 20, 1996. These financial statements are the responsibility of the library's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the financial statements of the Sabine parish Library, a component unit of the Sabine Parish Police Jury, taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Herbie W. Way
Herbie W. Way
Alexandria, Louisiana
May 20, 1996