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IBRINE PARISH LIBRARY
IBRINE PARISH POLICE JURY
Mony, Louisiana

Component Unit Financial Statements
With Independent Auditor's Reports
As of December 31, 1997, and for the Years Ended
December 31, 1997 and 1996

Under provisions of state law this report is a public document. A copy of this report shall be made available to all citizens of the parish. This report is the property of the parish and shall remain in the possession of the parish clerk of court.

Herbelle W. Way
CLERK OF COURSE - ACCOUNTANT

**SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Bop., Louisiana**

**Component Unit Financial Statements
With Independent Auditor's Reports
As of December 31, 1997, and for the Years Ended
December 31, 1997 and 1996**

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FREDIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Bay, 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, 1997, and for the years ended December 31, 1997 and 1996, 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, 1997, 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 June 26, 1998, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Fredie W. Way

Fredie W. Way
Alexandria, Louisiana
June 26, 1998

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

Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL (PERMANENT ONLY)
ASSETS AND OTHER DEBITS			
Cash and cash equivalents	\$111,000		\$111,000
Receivables:			
No salaries taxes	317,290		317,290
State revenue sharing	29,800		29,800
Other debts - buildings, equipment, and books		\$993,000	993,000
TOTAL ASSETS	\$458,110	\$993,000	\$1,596,395
LIABILITIES AND FUND EQUITY			
Liabilities:			
Amounts and deductions from taxes payable	\$10,000	None	\$10,000
Fund Equity:			
Investment in general fixed assets		\$993,000	993,000
Fund balance - unreserved - undesignated	448,400		448,400
total fund equity	448,400	993,000	1,596,310
TOTAL LIABILITIES AND FUND EQUITY	\$458,110	\$993,000	\$1,596,395

The accompanying notes are an integral part of this statement.

SANDE PARISH LIBRARY
 SANDE PARISH POLICE JURY
 Bay, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 for the Years Ended December 31, 1997 and 1998

	DECEMBER 31	
	1997	1998
REVENUES		

All valorem taxes	\$108,800	\$114,042
Intergovernmental revenues:		
Federal funds	4,400	
State funds	27,110	24,689
Fees and charges for services	9,832	8,000
Use of Money - interest earnings	10,491	12,843
Miscellaneous	689	836
	-----	-----
Total revenues	184,402	192,699
	-----	-----
EXPENDITURES		

Current:		
Culture and recreation - library:		
Personnel services and related benefits	188,867	189,508
Operating services	62,807	67,338
Materials and supplies	12,164	27,353
Travel and other charges	2,488	2,268
Intergovernmental	10,185	12,252
Capital outlay	76,725	48,798
	-----	-----
Total expenditures	339,136	317,699
	-----	-----
EXCESS OF REVENUES OVER EXPENDITURES	50,234	54,418
	-----	-----
FUND BALANCE AT BEGINNING OF YEAR	586,324	541,746
	-----	-----
FUND BALANCE AT END OF YEAR	\$642,430	\$596,164
	-----	-----

The accompanying notes are an integral part of this statement.

Source: data in Exhibit
 Exhibit filed by the SEC upon
 filing of the 1997
 10-K statement of the registrant.

Statement of Revenue, Expenses, and Changes in Fund Balance
 (Amounts in thousands of dollars)
 For the Years Ended December 31, 1997 and 1996

	DECEMBER 31, 1997			DECEMBER 31, 1996		
	REVENUE	EXPENSE	NET INCOME (LOSS)	REVENUE	EXPENSE	NET INCOME (LOSS)
REVENUE						
Admission fees	\$125,222	\$715,400	\$590,178	\$266,400	\$244,402	\$22,000
Interdepartmental transfers	60,480	60,480	0	78,700	78,700	0
Other income	25,299	25,299	0	12,000	12,000	0
Total revenue	210,999	801,179	39,878	357,100	335,102	22,000
EXPENSES						
Contractual obligations - literary						
Personnel services and related costs	222,790	222,790	0	222,471	222,471	0
Marketing services	12,000	12,000	0	22,000	22,000	0
Materials and supplies	2,000	2,000	0	2,000	2,000	0
Travel and other charges (management)	12,217	12,217	0	27,000	27,000	0
Capital costs	199,279	199,279	0	165,112	165,112	0
Total expenditures	548,286	548,286	0	438,583	438,583	0
INCOME BY DEPENDENT-OWN EXPENDITURES	0	60,214	60,214	0	60,214	60,214
FUND BALANCE AT BEGINNING OF YEAR	0	199,124	199,124	0	199,124	199,124
FUND BALANCE AT END OF YEAR	0	260,000	260,000	0	279,338	279,338

The accompanying notes are an integral part of this statement.

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

Notes to the Financial Statements
As of December 31, 1997, and for the Years Ended
December 31, 1997 and 1996

INTRODUCTION

The Sabine Parish Library was established by the parish governing authority under the provisions of Louisiana Revised Statute 25:221. 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. 34 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
New Orleans, 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 services 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 uses) 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 (or General) Fund. Under the modified accrual basis of accounting, revenues are recognized when measurable and available (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:

Revenues

All 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 47:2083 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.

B. BUDGET PRACTICES

A proposed budget is published annually 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 comment 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. Fiscal 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.

C. 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.

SAIBO PARISH LIBRARY
SAIBO PARISH POLICE JURY
Bapt., Louisiana
Notes to the Financial Statements (Continued)

F. FIXED ASSETS

Fixed assets are recorded at 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 85 per cent of the general fixed assets are valued at actual cost while the remaining 15 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 30 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, 1997, 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 (review). 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. CASH AND EQUIVALENTS

At December 31, 1997, the library has cash and cash equivalents (book balances) as follows:

Petty cash	\$40
Interest bearing demand deposits	6,827
Money market accounts	66,366
Certificates of deposit	237,789
Total	<u>311,022</u>

LABINE POLICE LIBRARY
LABINE POLICE POLICE JURY
 New Orleans
 Notes to the Financial Statements (Continued)

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 \$284,187 at December 31, 2000, are secured by \$208,800 of federal deposit insurance (GASB Category 1) and \$164,187 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 2).

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 150.303(b); however, Louisiana Revised Statute 28:1729 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 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:

	Buildings	Equipment	Books	Total
Balance, December 31, 1998	\$22,878	\$188,248	\$717,952	\$899,078
Additions			48,708	48,708
Deductions			(23,348)	(23,348)
Balance, December 31, 1999	22,878	188,248	743,312	954,438
Additions		17,758	58,968	76,726
Deductions			(48,808)	(48,808)
Balance, December 31, 2000	\$22,878	\$206,006	\$753,472	\$982,356

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 ("PERSOL"), a multiple-employer, public employer 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.

LAGONE PARISH LIBRARY
LAGONE PARISH POLICE JURY
Bany, Louisiana
Notes to the Financial Statements (Continued)

All permanent employees working at least 26 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 30 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 joint 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 14626, Baton Rouge, LA 70806-4626, or by calling (504) 819-1361.

Under Plan B, members are required by state statute to contribute 8.6 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 8.6 percent of annual covered payroll. Contributions in 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 11:303, 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 B for the years ending December 31, 1997, 1996, and 1995, were \$20,350, \$18,084, and \$11,590, respectively, equal to the required contributions for each year.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structures and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The reports are based solely on the facts of the financial statements.

HEBBIE W. WAY
CREDITED PUBLIC ACCOUNTANT
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Bay, 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, 1997, and for the years ended December 31, 1996 and 1995, and have issued my report thereon dated June 26, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting 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 over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that I consider to be material weaknesses.

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Mossy, Louisiana
Compliance and Internal Control Report
(Continued)

Prior Audit Findings

The audit for the year ended December 31, 1995, disclosed no instances of noncompliance that were required to be reported under Government Auditing Standards or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

General

This report is intended for the information of the Sabine Parish Library. However, this report is a matter of public record and its distribution is not limited.

Berkie W. May

Berkie W. May
Alexandria, Louisiana
June 26, 1996