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SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

Component Unit Financial Statements
With Independent Auditor's Reports
As of December 31, 1999, and for the Years Ended
December 31, 1999 and 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 7-26-00

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

Component Unit Financial Statements
With Independent Auditor's Reports
As of December 31, 1999, and for the Years Ended
December 31, 1999 and 1998

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HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

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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, 1999, and for the years ended December 31, 1999 and 1998, 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, 1999, 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, 2000, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 26, 2000

Statement A

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

Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			

Cash and cash equivalents	\$467,583		\$467,583
Receivables:			
Ad valorem taxes	287,736		287,736
State revenue sharing	24,597		24,597
Buildings, equipment, and books		\$1,119,680	1,119,680
	-----	-----	-----
TOTAL ASSETS	\$779,915	\$1,119,680	\$1,899,595
	=====	=====	=====
LIABILITIES AND FUND EQUITY			

Liabilities:			
Accounts and deductions from taxes payable	\$107,207	NONE	\$107,207
	-----	-----	-----
Fund Equity:			
Investment in general fixed assets		\$1,119,680	1,119,680
Fund balance - unreserved - undesignated	672,709		672,709
	-----	-----	-----
Total Fund Equity	672,709	1,119,680	1,792,388
	-----	-----	-----
TOTAL LIABILITIES AND FUND EQUITY	\$779,915	\$1,119,680	\$1,899,595
	=====	=====	=====

The accompanying notes are an integral part of this statement.

Statement B

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, 1999 and 1998

	December 31,	
	1999	1998
REVENUES		

Ad valorem taxes	\$320,693	\$317,181
Intergovernmental revenues - state funds	98,049	60,247
Fees and charges for services	9,572	5,757
Gifts, grants & contributions	332	73,056
Use of money - interest earnings	19,159	18,279
	-----	-----
Total revenues	447,806	474,520
	-----	-----
EXPENDITURES		

Current:		
Culture and recreation - library:		
Personal services and related benefits	207,684	207,230
Operating services	58,161	55,587
Materials and supplies	17,129	13,089
Travel and other charges	1,768	2,009
Intergovernmental	10,807	12,101
Capital outlay	165,903	142,126
	-----	-----
Total expenditures	461,452	432,142
	-----	-----
EXCESS OF REVENUES OVER EXPENDITURES	(13,646)	42,378

OTHER FINANCING SOURCES		

Sale of general fixed assets	NONE	1,547
	-----	-----
EXCESS OF REVENUES AND OTHER SOURCES		

OVER EXPENDITURES	(13,646)	43,925

FUND BALANCE AT BEGINNING OF YEAR	686,355	642,430

FUND BALANCE AT END OF YEAR	\$672,709	\$686,355
-----	=====	=====

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, 1999 and 1998

	December 31, 1999			December 31, 1998		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Ad valorem taxes	\$318,975	\$320,693	\$1,718	\$318,261	\$317,181	(\$1,080)
Intergovernmental revenues	45,000	107,621	62,621	45,304	60,247	14,943
Other income	12,550	19,491	6,941	27,750	97,092	69,342
Total revenues	376,525	447,806	71,281	391,315	474,520	83,205
EXPENDITURES						
Current:						
Culture and recreation - library:						
Personal services and related benefits	218,116	207,684	10,432	207,686	207,230	456
Operating services	58,400	58,161	239	54,000	55,587	(1,587)
Materials and supplies	13,500	17,129	(3,629)	13,500	13,089	411
Travel and other charges	3,000	1,768	1,232	3,000	2,009	991
Intergovernmental	13,000	10,807	2,193	13,000	12,101	899
Capital outlay	171,854	165,903	5,951	151,629	142,126	9,503
Total expenditures	477,870	461,452	16,418	442,815	432,142	10,673
EXCESS OF REVENUES OVER EXPENDITURES	(101,345)	(13,646)	87,699	(51,500)	42,378	93,878
OTHER FINANCING SOURCES						
Sale of general fixed assets	NONE	NONE	NONE	1,500	1,547	47
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(101,345)	(13,646)	87,699	(50,000)	43,925	93,925
FUND BALANCE AT BEGINNING OF YEAR	5,000	686,355	681,355	50,000	642,430	592,430
FUND BALANCE AT END OF YEAR	NONE	\$672,709	\$769,054	NONE	\$686,355	\$686,355

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, 1999, and for the Years Ended
December 31, 1999 and 1998

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 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 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, 1999, 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. CASH AND EQUIVALENTS

At December 31, 1999, the library has cash and cash equivalents (book balances) as follows:

Petty cash	\$60
Interest bearing demand deposits	9,978
Money market accounts	96,450
Certificates of deposit	361,095
Total	<u>\$467,583</u>

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana
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 \$490,074 at December 31, 1999, are secured by \$200,000 of federal deposit insurance (GASB Category 1) and \$290,074 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 150.163(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:

	Buildings	Equipment	Books	Total
Balance, December 31, 1997	\$12,878	\$177,027	\$753,175	\$943,080
Additions		80,616	61,511	142,126
Deductions		(10,009)	(16,430)	(26,439)
Balance, December 31, 1998	12,878	247,633	798,256	1,058,767
Additions		105,857	60,046	165,903
Deductions			(104,990)	(104,990)
Balance, December 31, 1999	\$12,878	\$353,490	\$753,312	\$1,119,680

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.

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

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 7.75 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, 1999, 1998, and 1997, were \$11,982, \$10,352, and \$10,086, respectively, equal to the required contributions for each year.

6. RISK MANAGEMENT

The Sabine Parish Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Sabine Parish Library has obtained commercial insurance for risks relating to injuries of employees, and the operation of motor vehicles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure 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 audit of the financial statements.

HERBIE W. WAY
CERTIFIED 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**
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, 1999, and for the years ended December 31, 1999 and 1998, and have issued my report thereon dated June 26, 2000. 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 its 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
Many, Louisiana
Compliance and Internal Control Report
(Continued)

Prior Audit Findings

The audit for the years ended December 31, 1997 and 1996, 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.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 26, 2000