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BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS  
For the Year Ended December 31, 1998

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 7-14-99

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS  
For the Year Ended December 31, 1998

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# ELLIOTT & ASSOCIATES, INC.

*A Professional Accounting Corporation*

P. O. Box 1287

Leesville, Louisiana 71496-1287

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W. Micheal Elliott, CPA

## UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY

### INDEPENDENT AUDITOR'S REPORT

Board of Control  
Beauregard Parish Library  
Beauregard Parish Police Jury  
DeRidder, Louisiana

I have audited the accompanying general-purpose financial statements of the Beauregard Parish Library, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Beauregard Parish Library's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

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. 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Beauregard Parish Library as of and for the year ended December 31, 1998, and the results of its 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 23, 1999, on my consideration of the Beauregard Parish Library's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

The year 2000 supplementary information on page 26 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and the presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Beauregard Parish Library is or will become year 2000 compliant, that the District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will become year 2000 compliant.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Library taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Elliott & Assoc. "APAC"*

Leesville, Louisiana  
June 23, 1999



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W. Micheal Elliott, CPA

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

Board of Control  
Beauregard Parish Library  
Beauregard Parish Police Jury  
DeRidder, Louisiana

I have audited the financial statements of the Beauregard Parish Library as of and for the year ended December 31, 1998, and have issued my report thereon dated June 23, 1999. 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 Beauregard Parish Library's 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 Beauregard Parish Library's 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 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.

This report is intended for the information and use of management, others within the organization, the Board of Control, and the Louisiana Legislative Auditor and is not to be and should not be used by anyone other than these specified parties.

*Elliott & Assoc. "APAC"*

Leesville, Louisiana  
June 23, 1999

Beauregard Parish Library  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 1998

I have audited the financial statements of the Beauregard Parish Library as of and for the year ended December 31, 1998, and have issued my report thereon dated June 23, 1999. 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. My audit of the financial statements as of December 31, 1998 resulted in a qualified opinion.

**Section I Summary of Auditor's Reports**

*a. Report on Internal Control and Compliance  
Material to the Financial Statements*

Internal Control

Material Weaknesses         Yes     No  
Reportable Conditions     Yes     No

Compliance

Compliance Material to Financial  
Statements                         Yes     No

*b. Federal Awards*

Internal Control

Material Weaknesses         Yes     No     N/A  
Reportable Conditions     Yes     No     N/A

Type of Opinion On Compliance For Major Programs

Unqualified <input type="checkbox"/>	Qualified <input type="checkbox"/>
Disclaimer <input type="checkbox"/>	Adverse <input type="checkbox"/>
N/A <input checked="" type="checkbox"/>	

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

Yes         No         N/A





BEAUREGARD PARISH LIBRARY  
 BEAUREGARD PARISH POLICE JURY  
 DeRidder, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1998

	<u>General</u>
<b>ASSETS</b>	
Cash and cash equivalents (Note 2)	\$ 363,677
Receivables:	
Ad valorem taxes (Note 4)	792,270
State revenue sharing	33,394
Land and improvements (Note 5)	---
Buildings and improvements (Note 5)	---
Furniture and equipment (Note 5)	---
Library books and periodicals (Note 5)	---
Prepaid expenditures (Note 8)	---
Amount to be provided for retirement of general long-term obligations (Note 7)	---
<b>TOTAL ASSETS</b>	<b>\$1,189,341</b>
 <b>LIABILITIES AND FUND EQUITY</b>	
Liabilities:	
Accounts payable	\$ 25,211
Ad valorem deduction (Note 4)	25,640
Compensated absences payable (Notes 3 and 7)	---
General obligation bonds payable (Note 7)	---
Total liabilities	50,851
Fund Equity:	
Investments in general fixed assets (Note 5)	---
Fund balances:	
Unreserved - undesignated	1,138,490
Total fund equity	1,138,490
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$1,189,341</b>

The accompanying notes are an integral part of this statement.

Exhibit A

<u>General Fixed Assets</u>	<u>General Long-term Obligations</u>	<u>Total (Memorandum Only)</u>
\$ ----	\$ ----	\$ 363,677
----	----	792,270
----	----	33,394
128,500	----	128,500
1,637,510	----	1,637,510
392,947	----	392,947
869,587	----	869,587
----	----	----
----	224,128	224,128
<u>\$3,028,544</u>	<u>\$ 224,128</u>	<u>\$4,442,013</u>
\$ ----	\$ ----	\$ 25,211
----	----	25,640
----	29,128	29,128
----	195,000	195,000
----	224,128	274,979
<u>3,028,544</u>	----	<u>3,028,544</u>
----	----	<u>1,138,490</u>
<u>3,028,544</u>	----	<u>4,167,034</u>
<u>\$3,028,544</u>	<u>\$ 224,128</u>	<u>\$4,442,013</u>

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUND TYPE -  
GENERAL FUND

For the Year Ended December 31, 1998

## REVENUES

Taxes - ad valorem (Note 4)	\$ 800,942
Intergovernmental (Note 9)	189,105
Fees and charges for library services	6,077
Fines and forfeitures	12,105
Interest income	19,927
Other revenues (Note 9)	<u>5,605</u>
Total revenues	<u>1,033,761</u>

## EXPENDITURES

## Current expenditures:

Culture and recreation - libraries:	
Personal services and related benefits	501,583
Operating services	151,183
Materials and supplies	49,824
Travel and other charges	7,626
Capital outlay (Notes 5 and 8)	273,618
Intergovernmental (Note 9)	---
Debt Service:	
Principal payment (Note 7)	30,000
Interest expense (Note 7)	<u>10,500</u>
Total expenditures	<u>1,024,334</u>

EXCESS OF REVENUES OVER  
EXPENDITURES

9,427

## FUND BALANCE, BEGINNING OF YEAR

1,129,063

## FUND BALANCE, END OF YEAR

\$1,138,490

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND  
ACTUAL - GOVERNMENTAL FUND TYPE - GENERAL FUND  
For the Year Ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes - ad valorem (Note 4)	\$ 773,274	\$ 800,942	\$ 27,668
Intergovernmental (Note 9)	179,141	189,105	9,964
Fees and charges for library services	3,500	6,077	2,577
Fines and forfeitures	10,000	12,105	2,105
Interest income	20,000	19,927	(73)
Other revenues - refunds (Note 9)	<u>2,152</u>	<u>5,605</u>	<u>3,453</u>
Total revenues	<u>988,067</u>	<u>1,033,761</u>	<u>45,694</u>
<b>EXPENDITURES</b>			
Current expenditures:			
Culture and recreation-libraries:			
Personal services and related benefits	519,500	501,583	17,917
Operating services	143,127	151,183	(8,056)
Materials and supplies	61,771	49,824	11,947
Travel and other charges	9,371	7,626	1,745
Capital outlay (Notes 5 & 8)	381,909	273,618	108,291
Debt service:			
Principal payments (Note 7)	30,000	30,000	---
Interest expense (Note 7)	10,500	10,500	---
Intergovernmental (Note 9)	---	---	---
Total expenditures	<u>1,156,178</u>	<u>1,024,334</u>	<u>131,844</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(168,111)	9,427	177,538
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,129,063</u>	<u>1,129,063</u>	<u>---</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 960,952</u>	<u>\$1,138,490</u>	<u>\$ 177,538</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements  
December 31, 1998

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Beauregard Parish Library provides for the general maintenance, upkeep, and construction of facilities used to house the parish library, and also provides for the replenishment of the parish library's book inventory.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a codification of governmental accounting and financial reporting standards (1993). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing boards.
2. Designation of management.
3. Ability to significantly influence operations.
4. Accountability for fiscal matters.
5. Scope of public service.

Because the Beauregard Parish Police Jury (1) appoints the governing board, (2) it has the ability to significantly influence operations, and (3) determines the scope of public service, the library was determined to be a component unit of the Beauregard Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. 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 the other governmental units that comprise the governmental reporting entity.



BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

A. FUND ACCOUNTING

The accounts of the library are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Funds of the library are classified as governmental funds. Governmental funds account for the library's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the library include:

General Fund

The General Fund is the general operating fund of the library. It is used to account for all financial resources except those required to be accounted for in other funds.

B. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used in governmental fund operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value when received.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligations account group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using the flow of current financial resources measurement focus. The library's accounts are maintained on the cash basis of accounting. However, these accounts as reported in the accompanying financial statements have been converted to the modified accrual basis of accounting utilizing the following practices:

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations which is recognized when due.

D. BUDGET PRACTICES

The annual budget of the Beauregard Parish Library is adopted in accordance with Louisiana Revised Statutes 39:1301-1314. The budget was published in the official journal and made available for public inspection on November 13, 1997. The public hearing was held and the budget was adopted on

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

D. BUDGET PRACTICES (Continued)

December 9, 1997, and amended on February 11, 1999. Budgets are prepared on a cash basis of accounting. All budgetary appropriations lapse at the end of each year.

Budgeted amounts, included in the accompanying financial statements, include original adopted budget amounts and all subsequent amendments.

E. PREPAID ITEMS

Prepaid items that benefit future periods and not the current accounting period are accounted for as prepaid costs.

F. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds.

G. ACCOUNTS RECEIVABLE WRITE-OFF METHOD

The Library has adopted a write off policy wherein any account that is deemed uncollectible is written off directly when the account's collection efforts have been deemed unsuccessful.

H. TOTAL COLUMNS ON STATEMENTS

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

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

Note 2 - CASH AND CASH EQUIVALENTS

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 1998, the library has cash and cash equivalents totaling \$363,677 as follows:

Interest-bearing demand deposits	\$363,677
Time deposits	<u>      ---</u>
Total	<u>\$363,677</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. Deposits (bank balances) at December 31, 1998, are secured as follows:

Bank balances	<u>\$383,227</u>
Federal deposit insurance	\$100,000
Pledged securities (Category 3)	<u>  283,227</u>
Total	<u>\$383,227</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 has failed to pay deposited funds upon demand.



BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

NOTE 3 - ANNUAL AND SICK LEAVE

All full-time employees earn from 80 to 240 hours of annual leave each year depending upon the length of employment and staff position with the library. Temporary or seasonal employees and regular part-time employees averaging 20 or more work hours each week earn annual leave on a pro-rata basis. Employees may accrue all unused annual leave. Employees with at least one year of continuous service shall be paid for any annual leave to their credit at the time of separation.

All full-time and regular part-time employees earn sick leave at the same rate as annual leave. Sick leave may be accumulated up to a maximum of 40 hours in addition to sick leave earned for use in the current benefit year. Sick leave is not payable upon separation.

At December 31, 1998, employees of the library have accumulated \$29,128 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the above codification, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Note 4 - AD VALOREM TAXES

The entire amount included in the "Receivables" section on the combined balance sheet for the General Fund is for ad valorem taxes which attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.



BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

Note 4 - AD VALOREM TAXES (Continued)

The Library utilizes the Beauregard Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Beauregard Parish.

For the year ended December 31, 1998, taxes of 6.99 mills were levied on property with assessed valuation totaling and were dedicated to the General Fund.

Taxes were levied upon a total assessed valuation of \$114,408,041. The total amount levied was \$799,712. Furthermore, collections of delinquent taxes and other adjustments resulted in total collections of \$800,942. Taxes receivable at December 31, 1998, consisted of the following:

	<u>General</u>
Taxes receivable - current roll	\$792,270
Less: Allowance for uncollectible taxes	<u>---</u>
Net taxes receivable	<u>\$792,270</u>

BEAUREGARD PARISH LIBRARY  
 BEAUREGARD PARISH POLICE JURY  
 DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
 December 31, 1998

Note 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance Jan. 1, 1998	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, 1998
Land and improvements	\$ 128,500	\$ ---	\$ ---	\$ 128,500
Buildings and improvements	1,602,872	34,638	---	1,637,510
Furniture and equipment	260,373	132,574	---	392,947
Library books and periodicals	<u>783,080</u>	<u>123,896</u>	<u>(37,389)</u>	<u>869,587</u>
 Total	 <u>\$ 2,774,825</u>	 <u>\$ 291,108</u>	 <u>\$(37,389)</u>	 <u>\$ 3,028,544</u>

The \$291,108 in additions includes \$273,619 in 1998 capital outlay and \$17,489 in donated assets.

Note 6 - PENSION PLAN

*Plan Description.* Substantially all employees of the Beauregard Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan 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. All employees of the library are members of Plan A.

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

Note 6 - PENSION PLAN (Continued)

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish 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 creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended 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, Louisiana 70898-4619, or by calling (504) 928-1610.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the library is required to contribute at an actuarially determined rate. The current rate is 5.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each 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

BEAUREGARD PARISH LIBRARY  
 BEAUREGARD PARISH POLICE JURY  
 DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
 December 31, 1998

Note 6 - PENSION PLAN (Continued)

library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The library's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996 were \$25,635, \$22,658, and \$18,966, respectively, equal to the required contributions for each year.

Note 7 - LONG-TERM DEBT OBLIGATIONS

During the year ended December 31, 1998 the Library continued making principal payments on the \$300,000 in certificates of indebtedness, Series 1994, through three local banks. These certificates at 5% interest mature on March 1, 2004, with principal maturities over a ten year term from \$25,000 to \$35,000.

The following is a summary of long-term debt transactions of the Library for the year ended December 31, 1998:

	Certificates of Indebtedness	Compensated Absences	Total
Balance 12-31-97	\$ 225,000	\$ 43,824	\$ 268,824
Additions	---	24,692	24,692
Deletions	(30,000)	(39,388)	(69,388)
Balance 12-31-98	<u>\$ 195,000</u>	<u>\$ 29,128</u>	<u>\$ 224,128</u>

Long-term debt maturities for the above certificates of indebtedness including interest of \$30,375 are as follows:



BEAUREGARD PARISH LIBRARY  
 BEAUREGARD PARISH POLICE JURY  
 DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
 December 31, 1998

Note 7 - LONG-TERM DEBT OBLIGATIONS (Continued)

<u>Year Ending Dec. 31,</u>	<u>Amount</u>
1999	\$ 39,000
2000	37,500
2001	36,000
2002	39,375
2003	37,625
2004	<u>35,875</u>
Total	<u>\$ 225,375</u>

Note 9 - LSCA TECHNOLOGY GRANT

In March of 1996, the Beauregard Parish Library received approval of a grant in the amount of \$171,610 from Title II (Technology Enhancement) of the Library Services and Construction Act for an experimental project establishing the Parishwide Information Network. This grant extended over three years with reimbursement of grant funds received in 1997 and 1998 of \$131,817 and \$39,793, respectively, for a total of \$171,610.

An additional \$20,000 in Title II LSCA funds was approved for the addition of 3 kiosk units to the network. These funds were received in 1998. Total LSCA funds received in 1998 are as follows:

Original grant	\$39,793
Kiosk project	<u>20,000</u>
Total	<u>\$59,793</u>

These funds are included in intergovernmental revenue on Exhibit B.



BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

Notes to the Financial Statements (Continued)  
December 31, 1998

Note 10 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Library carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF <u>COVERAGE</u>
Workmen's compensation	\$1,000,000
Auto liability	1,000,000
Commercial general liability	2,000,000
Library-owned buildings and equipment	10,923,020

The Library covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Library was not involved in any litigation nor did it have asserted claims lodged against it.

SUPPLEMENTAL INFORMATION

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
DeRidder, Louisiana

COMPENSATION OF BOARD MEMBERS  
December 31, 1998

During the period covered by this examination, there was no compensation paid to board members.

See independent auditor's report.

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 1998

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

The audit report for the year ended December 31 1997, contained a finding related to the report not being issued within the six months of the close of its' December 31, 1997 year-end. This was a violation of LA R.S. #24:513 (A)(5)(a), but did not effect the financial statements. The current year report will be issued to the Legislative Auditor within the statutory period.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FED-  
ERAL AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

**SECTION III MANAGEMENT LETTER**

There was no management letter with prior year audit report.

See independent auditor's report.

BEAUREGARD PARISH LIBRARY  
BEAUREGARD PARISH POLICE JURY  
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Fiscal Year Ended December 31, 1998

**SECTION I    INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
                 FINANCIAL STATEMENT**

N/A

**SECTION II    INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FED-  
                 ERAL AWARDS**

N/A

**SECTION III    MANAGEMENT LETTER**

N/A

See independent auditor's report.



Beauregard Parish Library  
Required Supplemental Information  
Year 2000 Supplementary Information  
December 31, 1998

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Library's operations as early as fiscal year 1999.

The Library has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting Library operations and has identified such systems as being financial reporting, payroll, library materials inventory, library automation and cash receipts. The Library is vendor reliant in the areas of equipment, operating system and data-base system. The major components of the Libraries electronic data processing applications have been developed in house and can be adapted by Library personnel as necessary.

All major servers which are under the control of the Library have been upgraded to a version of the Red-Hat Linux operating system which is Year 2000 compliant. The Library is working with the data-base vendor on remaining Year 2000 issues related to the database engine on which the applications are built. July 1999 is the target date for a preliminary test of all Library systems. Problems identified at the testing will be addressed and corrected prior to the end of 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of the related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Library is or will be Year 2000 ready, the Library's remediation efforts will be successful in whole or in part, or that parties with whom the Library does business will be Year 2000 ready.

See independent auditor's report.