

**SABINE PARISH LIBRARY
MANY, LOUISIANA**

**ANNUAL FINANCIAL REPORT
DECEMBER 31, 2016**

Sabine Parish Library
Many, Louisiana

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Sabine Parish Library
705 Main Street
Many, LA 71449

MANAGEMENT'S DISCUSSION AND ANALYSIS
for the Year Ended December 31, 2016

The Management's Discussion and Analysis of the Sabine Parish Library provides an over-view and overall review of the Library's financial activities for the year ended December 31, 2016. The intent of the MD&A is to look at the Library's financial performance as a whole. It should, therefore be read in conjunction with this report.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Certain comparative information is presented to provide an over-view of the Library's operations.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Library's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Library's net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.
- The Statement of Activities presents information showing how the Library's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

- The services provided by the Library are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library's governmental fund is the General Fund (primary operating fund). These statements provide a short-term view of the Library's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Library.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2016</u>	<u>2015</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$2,380,606	\$2,000,746
Prepaid Expenses	9,035	0
Revenue Receivable	<u>885,693</u>	<u>958,923</u>
Total Current Assets	\$3,275,334	\$2,959,669
Noncurrent Assets-		
Capital Assets (Net)	<u>312,771</u>	<u>329,503</u>
Total Assets	\$3,588,105	\$3,289,172
DEFERRED OUTFLOWS OF RESOURCES:	\$ <u>125,272</u>	\$ <u>34,272</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 2,121	\$ 22,814
Long-Term Liabilities		
Compensated Absences	9,459	0
Net Pension Liability	<u>88,939</u>	<u>8,007</u>
Total Liabilities	\$ <u>100,519</u>	\$ <u>30,821</u>
DEFERRED INFLOWS OF RESOURCES:	\$ <u>15,079</u>	\$ <u>4,101</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 312,771	\$ 329,503
Unrestricted	<u>3,285,008</u>	<u>2,959,019</u>
Total Net Position	\$ <u>3,597,779</u>	\$ <u>3,288,522</u>

Summary of Statement of Activities

	<u>2016</u>	<u>2015</u>
REVENUES:		
Charges for Services	\$ 8,134	\$ 5,946
State Grants	11,142	32,761
General Revenues-		
Taxes	907,392	946,555
Interest	4,682	4,441
Other	1,172	1,262
Non-employer Pension Revenue	<u>2,459</u>	<u>0</u>
Total Revenues	\$ 934,981	\$ 990,965

EXPENDITURES:

Culture & Recreation	<u>555,554</u>	<u>502,217</u>
Change in Net Position	\$ 379,427	\$ 488,748
Beginning Net Position (*Restated. See Note 3).	<u>3,218,352*</u>	<u>2,799,774</u>
Ending Net Position	<u>\$3,597,779</u>	<u>\$3,288,522</u>

- The Library's assets exceeded its liabilities by \$3,597,779 (Net Position) for the year. For the prior year, assets exceeded liabilities by \$3,288,522, as originally reported.
- Unrestricted Net Position of \$3,285,008 represents the portion available to maintain the Library's obligation to both citizens and creditors. This is an increase of \$325,989 from the prior year, as originally reported.

General Fund Budgetary Highlights

The Library continues to receive sufficient revenue to provide services to the citizens of the parish. Actual revenues and expenditures varied from budgeted amounts by less than the 5% variance allowed by the Local Government Budget Act.

Economic Factors and Next Year's Budget

The Library has prepared its 2017 budget for the General Fund, taking into consideration the revenues and expenditures from prior year and any projected change in services and costs that may occur in 2017.

Contacting the Library

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Library Director at 705 Main Street, Many, Louisiana.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
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INDEPENDENT AUDITOR'S REPORT

Sabine Parish Library
Many, LA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund information of the Sabine Parish Library (Library), a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information of the Library as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, Louisiana

June 21, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Sabine Parish Library
Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$2,380,606
Prepaid Expenses	9,035
Revenue Receivable	<u>885,693</u>
Total Current Assets	\$3,275,334
Noncurrent Assets-	
Capital Assets (Net)	<u>312,771</u>
Total Assets	<u>\$3,588,105</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 125,272</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	<u>\$ 2,121</u>
Noncurrent Liabilities-	
Net Pension Liability	\$ 88,939
Compensated Absences	<u>9,459</u>
Total Long-Term Liabilities	<u>\$ 98,398</u>
Total Liabilities	<u>\$ 100,519</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 15,079</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 312,771
Unrestricted	<u>3,285,008</u>
Total Net Position	<u>\$3,597,779</u>

See notes to financial statements.

Sabine Parish Library
Statement of Activities
December 31, 2016

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Culture- Library-					
Personnel	\$353,495	\$ 0	\$ 0	\$0	\$ (353,495)
Operations	116,584	8,134	11,142	0	(97,308)
Depreciation	<u>85,475</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(85,475)</u>
Total Governmental Activities	<u>\$555,554</u>	<u>\$8,134</u>	<u>\$11,142</u>	<u>\$0</u>	<u>\$ (536,278)</u>
		General Revenues:			
					\$ 907,392
					4,682
					2,459
					<u>1,172</u>
				Total General Revenues	<u>\$ 915,705</u>
				Change in Net Position	\$ 379,427
				Net Position January 1, 2016 (Restated. See Note 3.)	<u>3,218,352</u>
				Net Position December 31, 2016	<u>\$3,597,779</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Sabine Parish Library
Balance Sheet-Governmental Funds
December 31, 2016

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$2,380,606
Prepaid Expenses	9,035
Revenue Receivables	<u>885,693</u>
Total Assets	<u>\$3,275,334</u>
LIABILITIES:	
Accounts Payable	\$ <u>2,121</u>
FUND BALANCE:	
Nonspendable- Prepaid Expenses	\$ 9,035
Unassigned	<u>3,264,178</u>
Total Fund Balance	<u>\$3,273,213</u>
Total Liabilities & Fund Balance	<u>\$3,275,334</u>

See notes to financial statements.

Sabine Parish Library
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2016

Total Fund Balance for the Governmental Funds at December 31, 2016	\$ 3,273,213
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles	1,606,181
Less: Accumulated Depreciation	(1,293,410)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet:	125,272
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the Governmental Funds:	
Net Pension Liability	(88,939)
Accrued Compensated Absences	(9,459)
Deferred Inflows of Resources are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet:	<u>(15,079)</u>
Total Net Position of Governmental Activities at December 31, 2016	<u>\$ 3,597,779</u>

See notes to financial statements.

Sabine Parish Library
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
December 31, 2016

	General <u>Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 907,392
State Revenue Sharing	9,668
SRAC Grant	1,474
Charges for Services	8,134
Miscellaneous-	
Interest	4,682
Other	<u>1,172</u>
Total Revenues	<u>\$ 932,522</u>
Expenditures:	
Culture – Library -	
Salaries & Related Expenditures	\$ 335,113
Insurance	6,449
Utilities & Telephone	19,530
Rent	5,400
Legal & Professional	3,150
Access to Information Services	15,602
Contractual Services	19,895
Repairs & Maintenance	7,511
Materials & Supplies	35,273
Training & Travel	1,971
Other	1,803
Capital Expenditures	<u>68,743</u>
Total Expenditures	<u>\$ 520,440</u>
Excess of Revenues over Expenditures	\$ 412,082
Fund Balance-Beginning of Year (Restated. See Note 3.)	<u>2,861,131</u>
Fund Balance-End of Year	<u>\$3,273,213</u>

See notes to financial statements.

Sabine Parish Library
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
for the Year Ended December 31, 2016

Net Change in Fund Balance- Governmental Funds	\$412,082
<p>The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:</p>	
Increases in accrued compensated absences are reflected as an increase in expenses on the Statement of Activities, but are not reported in the Governmental Funds.	(3,782)
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	68,743
Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:	
Non-Employer Pension Revenue	2,459
Pension Expense	(14,600)
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(85,475)</u>
Change in Net Position of Governmental Activities	<u>\$379,427</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

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 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 (GASB) 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 criteria 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. This criteria includes:

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
Notes to Financial Statements
December 31, 2016

Because the police jury appoints the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the 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 the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Library are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Library has one fund, which is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the Library is described below:

Governmental Funds-

General Fund – used to account for all financial resources, except those required to be accounted for in another fund.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred.

The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and certificates of deposit of the Library.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The Library maintains a threshold level of \$100 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Buildings and improvements	15-40 years
Furniture & Equipment	5 years
Library Collections	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. PENSIONS-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows or financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

I. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

I. EQUITY CLASSIFICATIONS (CONTINUED)-

- b. Restricted net position - consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - all other resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$3,264,178. If applicable, the Library would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

J. ESTIMATES-

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

K. BUDGET-

Prior to the beginning of each fiscal year, the Library adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Cash and Cash Equivalents:

At December 31, 2016, the Library had cash and cash equivalents (book balances) totaling \$2,380,606 as follows:

Petty Cash	\$ 80
Demand deposits	1,490,400
L.A.M.P.	10,139
Certificates of Deposits < 1 yr.	<u>879,987</u>
	<u>\$2,380,606</u>

Valuation: Certificates of deposit are stated at cost, which approximates market value. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

The cash and cash equivalents of the Library are subject to the following risks:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Library will not be able to recover its deposits. 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.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

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 deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Library's name.

At year end, the Library had collected bank balances of \$2,380,606, which were protected by \$764,834 of federal depository insurance and pledged securities with a market value of \$1,771,742 held by the custodial banks in the name of the Library, leaving \$134,472 unsecured.

Interest Rate Risk: This is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the Library diversifies its investments by security type and institution.

Cash and cash equivalents held at December 31, 2016 include \$10,139 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

3. Restatement of Net Position and Fund Balance:

For the year ended December 31, 2015, cash and cash equivalents, ad valorem taxes receivable, deferred outflows, and library book collections were misstated. As a result, both net position and fund balance were restated as follows:

	<u>Government-wide</u>	<u>Governmental Funds</u>
December 31, 2015, as previously reported	\$3,288,522	\$2,936,855
Prior period adjustment	<u>(70,170)</u>	<u>(75,724)</u>
December 31, 2015, as restated	<u>\$3,218,352</u>	<u>\$2,861,131</u>

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

4. Compensated Absences:

All full-time employees who have fulfilled the initial probationary period of six months will earn ten days of sick leave each year. All full-time employees who have fulfilled the initial probationary period of six months earn annual leave at rates varying from ten to twenty days each year depending upon length of service, as shown in the table below. Upon separation from the Library, employees shall be paid for all accrued but unused annual leave.

Anniversary of Service	Days per Year
1 st -5 th	10
6 th	11
7 th	12
8 th	13
9 th	14
10 - 11 th	15
12 - 13 th	16
14 - 15 th	17
16 - 17 th	18
18 - 19 th	19
20 th	20

Professional staff members earn twenty paid work days per year and administrative staff members earn thirty paid work days per year.

The following is a summary of the accrual of compensated absences for the year ended December 31, 2016:

Beginning Balance	Prior Period Adjustment	Additions	Deletions	Ending Balance
\$0	\$5,677	\$3,782	\$0	\$9,459

5. Ad Valorem Taxes:

The Library levies taxes on real and business personal property located within the boundaries of Sabine Parish. Property taxes are levied by the Library on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission. The Sabine Parish Sheriff's office bills and collects property taxes for the Library. Collections are remitted to the Library monthly. The Library recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	November 15
Total taxes due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax sale	May 16

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$206,329,798 in 2016. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$33,489,327 of the assessed value in 2016. For the year ended December 31, 2016, taxes of 5.25 mils were levied on the property and taxes collected totaled \$907,392.

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Vine Oil & Gas LP	\$7,713,170	3.7%
GEP Haynesville, LLC	7,706,800	3.7%
Enable Midstream Partners	7,694,926	3.7%
Chesapeake Operating	7,485,680	3.6%
Central La. Electric Co.	6,321,230	3.1%

6. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2016, is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-16</u>
Capital Assets Not Depreciated:				
Land	\$ <u>28,600</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>28,600</u>
Capital Assets Depreciated:				
Buildings	\$ 171,576	\$ 0	\$ 0	\$ 171,576
Furniture & Equip.	396,292	8,343	0	404,635
Library Collection	<u>1,033,655</u>	<u>60,400</u>	<u>(92,685)</u>	<u>1,001,370</u>
Total Assets Depreciated	<u>\$1,601,523</u>	<u>\$ 68,743</u>	<u>\$(92,685)</u>	<u>\$1,577,581</u>
Total Assets	<u>\$1,630,123</u>	<u>\$ 68,743</u>	<u>\$(92,685)</u>	<u>\$1,606,181</u>
Less, Accumulated Depreciation:				
Buildings	\$ 47,579	\$ 4,289	\$ 0	\$ 51,868
Furniture & Equip.	358,205	15,006	0	373,211
Library Collection	<u>894,836</u>	<u>66,180</u>	<u>(92,685)</u>	<u>868,331</u>
Total Depreciation	<u>\$1,300,620</u>	<u>\$ 85,475</u>	<u>\$(92,685)</u>	<u>\$1,293,410</u>
Net Capital Assets	<u>\$ 329,503*</u>	<u>\$(16,732)</u>	<u>\$(0)</u>	<u>\$ 312,771</u>
(*Restated. See Note 3).				

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

Depreciation expense of \$85,475 was charged to the culture & recreation function.

7. Post-Employment Benefits

The Library does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

8. Pension Plan:

Plan Description

The Library contributes to Parochial Employees' Retirement System of Louisiana (System) which is a cost-sharing multiple employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

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

For employees hired prior to January 1, 2007:

- | | |
|--------------|--|
| • At any age | after 30 or more years of creditable service |
| • At age 55 | after 25 years of creditable service |
| • At age 60 | after 10 years of creditable service |
| • At age 65 | after 7 years of creditable service |

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

For employees hired after January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 62 after 10 years of creditable service
- At age 67 after 7 years of creditable service

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

For employees hired prior to January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 60 after 10 years of creditable service
- At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 62 after 10 years of creditable service
- At age 67 after 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor's Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married no less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

For Plan B, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Cost-of-Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2015, the actuarially determined contribution rate was 10.40% of member's compensation for Plan A and 6.91% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2015 was 14.50% for Plan A and 9.00% for Plan B.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

The Library's contractually required composite contribution rate for the year ended December 31, 2016 was 13.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Library were \$23,435 for the year ended December 31, 2016.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

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

At December 31, 2016, the Library reported a liability of \$88,939 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Library's proportion of the Net Pension Liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Library's proportion was .033788%, which was an increase of .0045% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the Library recognized pension expense of \$38,461 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(426).

At December 31, 2016, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$14,135
Changes in assumption	19,817	0
Net difference between projected and actual earnings on pension plan investments	81,382	0
Changes in employer's proportion of beginning net pension liability	0	944
Differences between employer contributions and proportionate share of employer contributions	638	0
Subsequent Period Contributions	23,435	
Total	\$125,272	\$15,079

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

Year ended December 31:	
2017	\$ 27,548
2018	27,548
2019	27,548
2020	27,548
Total	\$110,193

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2015 is as follows:

Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years.
Investment Rate of Return	7.00%, net of investment expense, including inflation.
Inflation Rate	2.50% per annum.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
	Experience study performed on plan data for the period January 1, 2010 through December 31, 2014.
Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 7.00% for Plans A and B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.55% for the year ended December 31, 2015. The best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real Assets	3%	0.19%
Total	<u>100%</u>	<u>5.55%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.55%</u>

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Library's proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the Library's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$222,826	\$88,939	\$(24,211)

Sabine Parish Library
Notes to Financial Statements
December 31, 2016

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org.

Payables to the Pension Plan

There was no payable to the pension plan due at December 31, 2016.

9. Litigation and Claims:

Management has advised that there is no litigation pending against the Library at December 31, 2016.

10. Receivables:

The following is a summary of receivables at December 31, 2016:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-Ad Valorem	\$874,264
State Revenue Sharing	10,974
Charges for Services	<u>455</u>
Total	<u>\$885,693</u>

Substantially all receivables are considered to be fully collectible; therefore, no allowance for uncollectible accounts is used.

11. Risk Management:

The Sabine Parish Library is exposed to various risks of loss related to torts; thefts of, damage to, and/or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library has obtained commercial insurance for these risks.

12. Subsequent Events:

Management has evaluated events through June 21, 2017, the date which the financial statements were available for issue. The following item was noted.

On February 28, 2017, the Library paid the Sabine Parish School Board \$24,000 for a ten-year lease of a building to relocate the Zwolle branch library.

OTHER REQUIRED
SUPPLEMENTAL INFORMATION

Sabine Parish Library
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budget	Actual	Favorable (Unfavorable)
REVENUES:			
Ad Valorem	\$ 901,093	\$ 907,392	\$ 6,299
State Revenue Sharing	33,000	9,668	(23,332)
Grant Income	-	1,474	1,474
Fees, Charges for Services	8,450	8,134	(316)
Interest	5,000	4,682	(318)
Miscellaneous	1,800	1,172	(628)
Total Revenues	<u>\$ 949,343</u>	<u>\$ 932,522</u>	<u>\$ (16,821)</u>
EXPENDITURES:			
Payroll & Related Benefits	\$ 345,405	\$ 335,113	\$ 10,292
Electronic Access	39,000	15,602	23,398
Operating Expenditures	98,200	63,738	34,462
Materials & Supplies	26,000	35,273	(9,273)
Collections	81,500	60,401	21,099
Travel & Training	8,000	1,971	6,029
Capital Expenditures	351,238	8,342	342,896
Total Expenditures	<u>\$ 949,343</u>	<u>\$ 520,440</u>	<u>\$ 428,903</u>
Excess of Revenues over Expenditures	\$ -	\$ 412,082	\$ 412,082
Fund Balance- Beginning of Year (Restated. See Note 3.)	<u>2,861,131</u>	<u>2,861,131</u>	<u>-</u>
Fund Balance- End of Year	<u><u>\$2,861,131</u></u>	<u><u>\$ 3,273,213</u></u>	<u><u>\$ 412,082</u></u>

See independent auditor's report.

Sabine Parish Library
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2016

	<u>2015</u>	<u>2016</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.029285%	0.033788%
Employer's Proportionate Share of the Net Pension Liability (Asset)	8,007	88,939
Employer's Covered Employee Payroll	193,725	180,267
Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	4.133%	49.337%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	99.146%	99.966%

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

See independent auditor's report.

Sabine Parish Library
Schedule of Employer Contributions
For the Year Ended December 31, 2016

	<u>2015</u>	<u>2016</u>
Contractually Required Contributions	\$ 28,087	\$ 23,435
Contributions in Relation to Contractually Required Contribution	\$ 28,087	\$ 23,435
Contribution Deficiency (Excess)	\$ 0	\$ 0
Employer's Covered Employee Payroll	\$193,725	\$180,267
Contributions as a Percentage of Covered Employee Payroll	14.498%	13.000%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2016.

See independent auditor's report.

Sabine Parish Library
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2016

Agency Head Name: Deborah Anderson, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$48,339
Benefits- Retirement	6,284
Benefits- Medicare	701
Reimbursements	<u>0</u>
Total	<u>\$55,324</u>

See independent auditor's report.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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

To the Members of the
Sabine Parish Library Board of Control
Many, LA, 71449

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund of the Sabine Parish Library (Library) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 21, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Sabine Parish Library's Response to Finding

The Library's response to the finding identified in our audit is described in the accompanying schedule of audit findings. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, Louisiana

June 21, 2017

Sabine Parish Library
Schedule of Audit Findings
Year Ended December 31, 2016

I. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Sabine Parish Library.
2. There were no significant deficiencies in internal control noted during the audit of the financial statements.
3. There was one instance of noncompliance material to the financial statements of the Sabine Parish Library disclosed during the audit.

II. Findings in Accordance with Governmental Auditing Standards

Compliance-

16-001 Cash Balance Unsecured

Criteria - Louisiana state law requires that all funds held by banks for an entity must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the FDIC insurance must at all times equal or exceed the amount on deposit with the bank.

Condition - The cash balance in the bank was not fully secured by FDIC or pledged securities.

Effect - If the bank were to fail, then the Library's funds in excess of FDIC insurance and pledged securities could be lost.

Cause - The Library and the bank did not monitor the bank balances to ensure the balances were not in excess of FDIC Insurance and pledged securities.

Recommendation - The Library should ensure at all times that their financial institution has their funds fully secured by FDIC insurance and pledged securities.

Management's Response - The Library will ensure at all times that our financial institution has fully secured the funds of the Library by FDIC insurance and pledged securities.

III. Prior Year Findings

None identified.