

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

Basic Financial Statements
With Independent Auditor's Reports
As of and for the Year Ended December 31, 2015
(With Comparative Totals at December 31, 2014)

**SABINE PARISH LIBRARY
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Many, Louisiana

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With Independent Auditor's Reports
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REQUIRED SUPPLEMENTAL INFORMATION (PART 1)

SABINE PARISH LIBRARY
Many, Louisiana
MANAGEMENTS' DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

The discussion and analysis of the Sabine Parish Library's financial performance provides an overview of the financial activities as of and for the year ended December 31, 2015. It should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

The basic financial statements of the Sabine Parish Library, as of and for the year ended December 31, 2015, provides the following insights into the financial position and the results of operations. Governmental funds reported a general fund surplus of \$2.937 million, an increase of \$.455 million. Total spending for all programs was \$.536 million for the year, an decrease of \$.046 million. The library's revenues increased by \$.047 million.

USING THIS ANNUAL REPORT

The library's basic financial statements consists of a series of financial statements that show information for the library as a whole, its funds, and its financial responsibilities. 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. For the library's governmental activities, these statements report how the library finances its services in the short-term as well as what remains for future spending. Fund statements may also provide insights into the library's overall financial position. Fund financial statements also report the library's operations in more detail than the government-wide financial statements by providing information about the library's general fund.

The Statement of Net Position and the Statement of Activities are reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received and/or paid. These statements present the governmental activities of the library which comprises all of the library's services.

These statements report the library's net position - the difference between assets and liabilities, as reported in the Statement of Net Position - as a way to measure the library's financial position. Increases or decreases in the library's net position, as reported in the Statement of Activities, are an indicator of whether the library's financial position is improving or deteriorating. The difference between revenues and expenses presents the library's operating results; however, the library's objective is to provide services to the residents of the parish and the public in general, and not to generate profits as a commercial enterprise.

The fund financial statements provide detail information about the general fund of the library, but not the library as a whole. The general fund is required to be established by State law to enable the library to control and manage financial resources for particular purposes or to demonstrate that the library is meeting legal requirements for the expenditure of revenues.

The library's services are reported in governmental funds which focus on showing how financial resources flow into and out of funds and the balances remaining at year-end that may be available for future spending, using the modified accrual basis of accounting, which measures cash and other financial assets that may be readily converted to cash. This basis of accounting provides a detailed short-term view of the library's operations and the services it provides. The governmental fund information enables financial statement users to determine whether there are more or fewer financial resources that can be spent in the near future to finance the library's programs. The relationship between governmental activities reported in the government-wide financial statements (Statement A and B) and the governmental funds in the fund financial statements (Statement C and E) is presented in a reconciliation on Statements D and F.

SABINE PARISH LIBRARY
Many, Louisiana
Management's Discussion and Analysis
(Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

As reported on the Statement of Net Position (Statement A) the library's net position were \$3.289 million, at December 31, 2015. This represents a net increase of \$.489 million from the prior year. The \$3.289 million in unrestricted net position of governmental activities represents the accumulated results of all past year's operations. It means that if the library had to pay off all of its bills (current liabilities) at December 31, 2015, a balance of \$3.289 million, would be remaining.

As reported in the Statement of Activities (Statement B) the results of this year's operations for the library reflected an increase of \$.489 million.

FUND FINANCIAL STATEMENTS (FFS)

As reported on the Governmental Fund Balance Sheet (Statement C) the library reported total assets of \$2.960 million, this is an increase of approximately \$.455 million from the prior year.

As reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E) the total revenues increased by \$.047 million and expenditures decreased by \$.046 million.

BUDGETARY HIGHLIGHTS

Budgetary information, presented on Schedule 1, demonstrates the level of budgetary control exercised by the library as well as compliance with State law relating to budgets and the budgetary process. Actual revenues on budget basis were more than budgeted revenues by \$.016 million and actual expenditures on budget basis were less than budgeted expenditures by \$.382 million.

CAPITAL ASSETS

The capital assets of the library consists of land, buildings and improvements, furniture and equipment and library collections. The land and buildings utilized by the library in its operations are, in accordance with Louisiana law, titled in the name of the Sabine Parish Police Jury. These immovables, with a 1962 acquisition cost of \$54,164, which are fully depreciated, are accounted for by the Sabine Parish Police Jury. By agreement, additional immovables purchased by the library are reported on the library's financial statements. At December 31, 2015, the library had investments in capital assets (net of accumulated depreciation) totaling \$.330 million. This is an increase of \$.009 million from the prior year.

CONTACTING THE LIBRARY

The financial report is designed to provide a general overview of the library's finances and to show accountability for the financial resources received. Questions about this report or requests for additional financial information should be directed to the Ms. Deborah Anderson, Library Director, Sabine Parish Library, 705 Main Street, Many, LA 71459, phone 318-256-4150.

HERBIE W. WAY
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INDEPENDENT AUDITOR'S REPORT

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the governmental activities and the major fund of Sabine Parish Library, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the library, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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. Those standards require that I 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, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

OPINIONS

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the library as of December 31, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

SABINE PARISH POLICE JURY
Many, Louisiana
Independent Auditor's Report
(Continued)

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

I have previously audited the December 31, 2014, financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated June 25, 2015. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER MATTERS

Accounting principles generally accepted in the United States of America require that the supplementary information (Part I & II), as listed in the foregoing table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 my opinion, the Schedule of Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2016, on my consideration of the internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my 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 entity's internal control over financial reporting and compliance.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 25, 2016

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY

BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS, DECEMBER 31, 2014)

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana

Statement of Net Position
 December 31, 2015
 (With Comparative Totals, December 31, 2014)

	2015	2014
	-----	-----
ASSETS AND OUTFLOWS		
Cash and cash equivalents	\$2,000,746	\$1,602,907
Receivables:		
Ad valorem taxes	926,274	874,775
State revenue sharing	32,649	32,504
Capital assets, net	329,503	320,841
Deferred outflows from pension benefit obligations	34,272	
	-----	-----
TOTAL ASSETS AND OUTFLOWS	\$3,323,444	\$2,831,026
	=====	=====
LIABILITIES AND INFLOWS		
Liabilities:		
Accounts and other payables	\$22,814	\$28,448
Pension benefit obligations	8,007	2,804
Deferred inflows from pension obligations	4,101	
	-----	-----
TOTAL LIABILITIES AND INFLOWS	\$34,922	\$31,252
	-----	-----
NET POSITION		
Invested in capital assets	329,503	320,841
Unrestricted	2,959,019	2,478,933
	-----	-----
TOTAL NET POSITION	\$3,288,522	\$2,799,774
	=====	=====

The accompanying notes are an integral part of these financial statements.

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana

Statement of Activity
 For the Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	2015	2014
	-----	-----
EXPENSES		

Current - Culture and Recreation - Libraries:		
Personal services and related benefits	\$249,217	\$254,523
Operating services	115,261	123,609
Materials and supplies	22,772	22,213
Travel and other charges	1,339	177
Intergovernmental	25,595	28,448
Depreciation expense	88,033	80,043
	-----	-----
TOTAL EXPENSES	502,217	509,014
	-----	-----
GENERAL REVENUES		

Ad valorem taxes	946,555	862,073
State grants	32,761	66,041
Fees, charges, and commissions for services	5,946	8,995
Interest earnings	4,441	4,538
Other	1,262	1,954
	-----	-----
TOTAL GENERAL REVENUES	990,965	943,601
	-----	-----
CHANGES IN NET POSITION	488,748	434,587

NET POSITION - BEGINNING OF YEAR	2,799,774	2,365,187

NET POSITION - END OF YEAR	\$3,288,522	\$2,799,774
-----	=====	=====

The accompanying notes are an integral part of these financial statements.

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Mansfield, Louisiana
 GOVERNMENTAL FUND - GENERAL FUND

Balance Sheet, December 31, 2015
 (With Comparative Totals, December 31, 2014)

	2015	2014
	-----	-----
ASSETS		

Cash and cash equivalents	\$2,000,746	\$1,602,907
Receivables		
Ad valorem taxes	926,274	874,775
State revenue sharing	32,649	32,504
	-----	-----
TOTAL ASSETS	\$2,959,668	\$2,510,186
	=====	=====
LIABILITIES AND FUND BALANCE		

Liabilities - accounts and other payables	\$22,814	\$28,448
Fund Balance:		
Restricted for:		
Library foundation	5,239	5,139
Friends of the library	363	363
Unassigned	2,931,253	2,476,235
	-----	-----
Total fund balance	2,936,855	2,481,737
	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$2,959,668	\$2,510,186
	=====	=====

The accompanying notes are an integral part of these financial statements.

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana

Reconciliation of the Governmental Fund
 Balance Sheet to the Statement of Net Assets
 December 31, 2015
 (With Comparative Totals, December 31, 2014)

	2015	2014
	-----	-----
Total Fund Balance - Governmental Fund	\$2,936,855	\$2,481,737
Cost of capital assets	\$1,970,131	
Less - accumulated depreciation	(1,640,628)	320,841

Pension benefit obligations and related deferred outflows/inflows	22,164	(2,804)
	-----	-----
Net Assets	\$3,288,522	\$2,799,774
	=====	=====

The accompanying notes are an integral part of these financial statements.

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	2015	2014
	-----	-----
REVENUES		

Ad valorem taxes	\$946,555	\$862,073
State grants and entitlements	32,761	66,041
Fees, charges, and commissions for services	5,946	8,995
Interest earnings	4,441	4,538
Other	1,262	1,954
	-----	-----
Total revenues	990,965	943,601
	-----	-----
EXPENDITURES		

Current - Culture and Recreation - Libraries:		
Personal services and related benefits	274,185	251,719
Operating services	178,511	123,609
Materials and supplies	22,772	21,365
Travel and other charges	1,339	177
Intergovernmental	25,595	28,448
Capital outlay	33,446	156,885
	-----	-----
Total expenditures	535,847	582,204
	-----	-----
EXCESS OF REVENUES OVER EXPENDITURES	455,118	361,398

FUND BALANCE AT BEGINNING OF YEAR	2,481,737	2,120,340

FUND BALANCE AT END OF YEAR	\$2,936,855	\$2,481,737
-----	=====	=====

The accompanying notes are an integral part of these financial statements.

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana

Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2015
 (With Comparative Totals For the Year Ended December 31, 2014)

	2015	2014
	-----	-----
Total net change in fund balances - governmental funds	\$455,118	\$361,398
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures, as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlays	\$96,695	
Depreciation expense	(88,033)	75,993

Net change in pension benefit obligations	25,816	(2,804)
	-----	-----
Change in net assets of governmental activities	\$488,748	\$434,587
	=====	=====

The accompanying notes are an integral part of these financial statements.

SABINE PARISH LIBRARY
SABINE PARISH POLICE JURY
Many, Louisiana

Notes to the Financial Statements
As of December 31, 2015, and for the Year Then Ended

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Sabine Parish Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Sabine Parish Police Jury is the financial reporting entity for Sabine Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Sabine Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

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

C. FUND ACCOUNTING

The library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the library's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, the fund balance represents the accumulated expendable resources that may be used to finance future operations of the library. The library's current operations require the use of only governmental (general) fund. The General Fund is the general operating fund of the library and accounts for all financial resources.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) - include the Statement of Net Position (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the library as a whole. Fiduciary funds are not included at this level, as they are only reported in the Statement of Fiduciary Net Position at the fund financial statement level. The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

Allocation of Indirect Expenses - The library reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation which cannot be specifically identified by function is assigned to depreciation expense due to the fact that the assets serve multiple purposes.

Fund Financial Statements (FFS) - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1995 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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

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

Expenditures

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

E. BUDGET PRACTICES

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

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. 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. Under state law, the library may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the library, upon determination of the availability of funds in excess of immediate cash requirements, may invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the library may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost. 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 for reporting purposes. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method with an useful live as follows:

Description	Estimated Use Life (yrs)
Buildings and improvements	15-40
Furniture and equipment	5
Library collections	5

J. RESTRICTED NET POSITION

For Government-Wide Statement of Net Position, net position are reported as restricted when constraints placed on net position use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

K. FUND EQUITY

Effective for fiscal years ending December 31, 2015, the library implemented the requirements of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of constraints placed on government's fund balance more transparent. The following classifications describe the relative strength of spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form; i.e., inventory, prepaid expenses, etc.

Restricted Fund Balance - amounts constrained to specific purposes by their providers; i.e., grantors, bondholders, and higher levels of government through constitutional provision or enabling legislation.

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

Committed Fund Balance - amounts constrained to specific purposes, by the library, using the highest level of decision-making authority. These fund balances can not be used for any other purpose unless the library takes the same highest level action to remove or modify the constraint.

Assigned Fund Balance - amounts the library intends to use for a specific purpose. Intent is expressed by the board.

Unassigned Fund Balance - amounts that are available for unrestricted expenditure. Positive amounts are reported only in the General Fund.

The board, establishes fund balance commitments and assignments by passage of a resolution, typically uses restricted fund balances first, followed by committed, assigned, and unassigned fund balances when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

L. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the library, which are either unusual in nature or infrequent in occurrence.

M. USE OF 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 on the basic financial statements and the related note disclosure at the date of the financial statements. Actual results could differ from those estimates.

2. RESTATEMENT OF NET POSITION

For the year ended June 30, 2015, the clerk of court implemented the provisions of GASB Statement 68, *Accounting and Financial Reporting For Pensions*. As a result of implementation,, net position was restated as follows:

Net position (deficit) - June 30, 2014	\$2,802,578
Restatement due to implementation of GASB 68	<u>(2,804)</u>
Net position (deficit) - June 30, 2015	<u><u>\$2,799,774</u></u>

3. CASH AND EQUIVALENTS

At December 31, 2015, the library has cash and cash equivalents (book balances) as follows:

Petty cash	\$60
Interest bearing demand deposits	28,014
Money market accounts	1,086,356
LAMP	10,089
Certificates of deposit	<u>876,227</u>
Total	<u><u>\$2,000,746</u></u>

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

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) totaling \$2,037,636 at December 31, 2015 are secured by \$1,000,000 of federal deposit insurance (GASB Category 1) and \$1,037,636 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3). Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the library, they are considered uncollateralized under the provisions of GASB Codification 150.163(b); however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the library that the fiscal agent bank has failed to pay deposited funds upon demand.

The Louisiana Asset Management Pool (LAMP) is a non-profit corporation created under Louisiana law. This corporation, created at the initiative of the Louisiana State Treasurer's Office and governed by a board of directors, allows units of local government to pool their cash balances as a means of increasing their rate of return on investments. LAMP invests only in securities and other obligations that are permissible under Louisiana law for municipalities and parishes; accordingly, these investments are restricted to securities issued, guaranteed or otherwise backed by the United States Government or one of its agencies, enterprises or instrumentalities. Since participation in LAMP constitutes a direct investment in the assets constituting the pool, there are no specific collateralization requirements; accordingly, these cash equivalents are considered uncollateralized under the provisions of GASB Codification 150.163(b).

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Land	Buildings	Furniture and Equipment	Library Collection	Total
Capital Assets - Balance at Beginning of Year	28,600	171,576	370,341	1,302,918	\$1,873,435
Additions			25,948	70,747	96,695
Capital Assets - Balance at End of Year	28,600	171,576	396,289	1,373,666	1,970,131
Less- accumulated depreciation		(47,579)	(358,202)	(1,234,847)	(1,640,628)
Net Capital Assets, End of Year	\$28,600	\$123,997	\$38,087	\$138,819	\$329,503
Accumulated Depreciation					
Beginning balance		\$43,289	\$342,014	\$1,167,291	\$1,552,595
Additions		4,289	16,188	67,556	88,033
Ending balance		\$47,579	\$358,202	\$1,234,847	\$1,640,628

The main library building, with an initial acquisition cost (1962) of \$54,164, is reported in the financial statements of the Sabine Parish Police Jury. This capital asset, with a 40 year estimated useful life, is (excluding the land) fully depreciated.

6. PENSION PLAN

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials, enrolled as of January 1, 1997, are eligible to participate in the system. Under Plan A, employees who were hired prior to January 1, 2008, may retire at or after age 65 with at least 7 years of credited service, at age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service and employees who were hired after January 1, 2008, may retire at age 67 with at least 7 years of credited service, at age 62 with at least 10 years of credited service, or at age 55 with at least 30 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 per cent of final compensation, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post office Box 14619, Baton Rouge, LA 70898-4619, or by calling (225) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 16.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year.

At December 31, 2015, the library reported a liability of \$ for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability, used to calculate the net pension liability was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employees's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan. The employer's contribution effort was actuarially determined by the system's actuary.

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

For the year ended December 31, 2015 the library recognized pension expense of \$21,125. At December 31, 2015, the library reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience		\$3,559
Net difference between projected and actual earnings on pension plan investments	\$16,625	
Differences between library contributions and proportionate share contributions		542
Library contributions made subsequent to the measurement date	<u>17,647</u>	
Total	<u><u>\$34,272</u></u>	<u><u>\$4,101</u></u>

\$12,524 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Deferral Period 1	\$2,789
Deferral Period 2	2,789
Deferral Period 3	2,789
Deferral Period 4	4,157

7. RISK MANAGEMENT

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

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

SUPPLEMENTAL INFORMATION - PART II

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

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2015

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL ON BUDGET BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes	\$874,775	\$874,775	\$895,056	\$20,281
Intergovernmental revenues	33,000	33,000	32,616	(384)
Other income	15,250	15,250	11,550	(3,700)
Total revenues	923,025	923,025	939,221	16,196
EXPENDITURES				
Current:				
Culture and recreation - library:				
Personal services and related benefits	311,884	311,884	274,185	37,699
Operating services	217,700	217,700	178,511	39,189
Materials and supplies	26,000	26,000	22,772	3,228
Travel and other charges	8,000	8,000	709	7,291
Intergovernmental	35,500	35,500	31,230	4,270
Capital outlay	323,941	323,941	33,446	290,495
Total expenditures	923,025	923,025	540,852	382,173
EXCESS OF REVENUES AND OTHER SOURCES				
OVER EXPENDITURES	NONE	NONE	398,369	398,369
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	1,597,405	1,597,405
FUND BALANCE AT END OF YEAR	NONE	NONE	\$1,995,774	\$1,995,774

See independent auditor's report.

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

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2015

Budget Reconciliation	

Excess (deficiency) of revenues and other sources over expenditures and other uses - (Non-GAAP basis) Schedule 1	\$398,369
Adjustments:	
Revenues/Receivables (net)	(51,744)
Expenditures/Payables (net)	5,005

Excess (deficiency) of revenues and other sources over expenditures and other uses - (GAAP basis) Statement E	\$455,118
	=====

See independent auditor's report.

OTHER SUPPLEMENTAL INFORMATION

SABINE PARISH LIBRARY
 SABINE PARISH POLICE JURY
 Many, Louisiana

Schedule of Compensation, Reimbursements, Benefits,
 and Other Payments to Agency Head, Political
 Subdivision Head or Chief Executive Officer

For the Year Ended December 31, 2015

	Deborah H. Anderson - Director

Gross salary	\$46,008
Retirement	7,361

Totals	\$53,369
	=====

See independent auditor's report.

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/449-9159

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

SABINE PARISH LIBRARY
Many, Louisiana

I have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the library, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued my report thereon dated June 25, 2016.

Internal Control Over Financial Reporting

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

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 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 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.

My consideration of internal control over financial reporting 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 my audit I did not identify any deficiencies in internal control I 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 entity's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SABINE PARISH LIBRARY
Many, Louisiana
GAO Report
(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing on 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 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. Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 25, 2016