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ST. MARY PARISH LIBRARY

FINANCIAL REPORT

Year Ended December 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/12/98

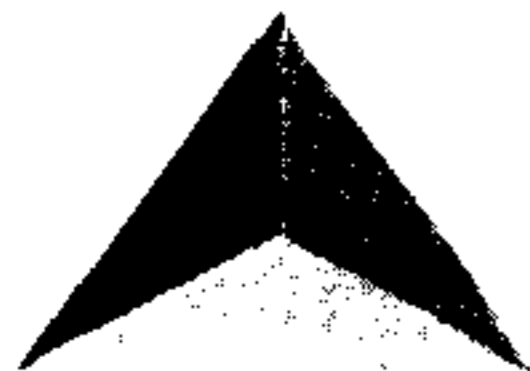
PARISH CLERK OF COURT

LSA-RS 24:516 provides that this report shall be available for public inspection for a period of not less than one year from the date of receipt.

Legislative Auditor

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Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

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Board of Control
St. Mary Parish Library
Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the St. Mary Parish Library, a component unit of the St. Mary Parish Council, as of and for the year ended December 31, 1997. These general purpose financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish Library as of December 31, 1997 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 2, 1998 on our consideration of the Library's internal control structure and a report dated February 2, 1998 on its compliance with laws and regulations.

Member of
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the St. Mary Parish Library.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
February 2, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

ST. MARY PARISH LIBRARY

Combined Balance Sheet - Governmental Fund Types and Account Group
December 31, 1997

	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Capital Projects	General Fixed Assets	1997	1996
ASSETS					
Cash	\$ 203,744	\$ -	\$ -	\$ 203,744	\$ -
Interest - bearing deposits	199,362	1,934,620	-	2,133,982	2,507,252
Investments (net of discount)	35,000	-	-	35,000	50,835
Receivables (net of allowance for uncollectibles):					
Taxes	795,856	-	-	795,856	792,244
Accrued interest	100	6,858	-	6,958	9,130
Due from other governmental units	39,948	-	-	39,948	38,693
Library materials, equipment and building improvements	-	-	2,423,282	2,423,282	1,891,293
Total assets	\$1,274,010	\$1,941,478	\$2,423,282	\$5,638,770	\$5,289,447
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 11,010	\$ 146,552	\$ -	\$ 157,562	\$ 35,414
Accrued payables	18,795	-	-	18,795	17,517
Retainage payable	-	15,265	-	15,265	-
Bank overdraft	-	-	-	-	4,831
Salaries payable	9,663	-	-	9,663	9,370
Total liabilities	39,468	161,817	-	201,285	67,132
Fund equity:					
Investment in general fixed assets	-	-	2,423,282	2,423,282	1,891,293
Fund balances - Unreserved:					
Designated for subsequent years' expenditures	-	1,779,661	-	1,779,661	2,198,161
Undesignated	1,234,542	-	-	1,234,542	1,132,861
Total fund equity	1,234,542	1,779,661	2,423,282	5,437,485	5,222,315
Total liabilities and fund equity	\$1,274,010	\$1,941,478	\$2,423,282	\$5,638,770	\$5,289,447

The accompanying notes are an integral part of this statement.

ST. MARY PARISH LIBRARY

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
 All Governmental Fund Types
 Year Ended December 31, 1997

	<u>Governmental Fund Types</u>		<u>Totals</u>	
	<u>General</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>	
			<u>1997</u>	<u>1996</u>
Revenues:				
Taxes - ad valorem	\$ 910,879	\$ -	\$ 910,879	\$ 923,806
Intergovernmental -				
St. Mary Parish Council	-	-	-	2,200,000
State revenue sharing	61,116	-	61,116	58,039
Miscellaneous -				
Interest	32,455	109,591	142,046	34,954
Other sources	<u>36,940</u>	<u>-</u>	<u>36,940</u>	<u>14,644</u>
Total revenues	<u>1,041,390</u>	<u>109,591</u>	<u>1,150,981</u>	<u>3,231,443</u>
Expenditures:				
Current -				
General government:				
Administrative				
Sheriff's fee	29,946	-	29,946	29,958
Culture and recreation:				
Salaries and wages	467,021	-	467,021	463,854
Retirement contributions	37,693	-	37,693	35,080
Group insurance	24,221	-	24,221	22,395
Utilities and telephone	70,528	-	70,528	62,794
Professional fees	7,955	-	7,955	32,710
Advertising, dues and subscriptions	1,741	-	1,741	2,756
Building rentals	6,000	-	6,000	6,000
Equipment rentals	13,301	-	13,301	13,613
General insurance	37,497	-	37,497	35,398
Unemployment	1,535	-	1,535	828
Travel	12,011	-	12,011	8,119
Supplies	44,393	22	44,415	42,279
Repairs and maintenance	77,232	-	77,232	75,501
Miscellaneous	29,402	-	29,402	23,948
Rental books and paperbacks	45,985	-	45,985	35,073
Uniforms	8,493	-	8,493	9,176
Bond election expense	4,885	-	4,885	22,153
Capital outlay -				
Books	-	185,812	185,812	99,825
Buildings	15,079	152,646	167,725	-
Furniture and equipment	4,791	115,901	120,692	35,412
Construction in progress	<u>-</u>	<u>73,710</u>	<u>73,710</u>	<u>3,278</u>
Total expenditures	<u>939,709</u>	<u>528,091</u>	<u>1,467,800</u>	<u>1,060,150</u>

(Continued)

ST. MARY PARISH LIBRARY

Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balance (Continued)
 All Governmental Fund Types
 Year Ended December 31, 1997

	<u>Governmental Fund Types</u>		<u>Totals</u>	
	<u>General</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u> 1997	<u>1996</u>
Excess (deficiency) of revenues over expenditures	101,681	(418,500)	(316,819)	2,171,293
Fund balance, beginning	<u>1,132,861</u>	<u>2,198,161</u>	<u>3,331,022</u>	<u>1,159,729</u>
Fund balance, ending	<u>\$1,234,542</u> =====	<u>\$1,779,661</u> =====	<u>\$3,014,203</u> =====	<u>\$3,331,022</u> =====

The accompanying notes are an integral part of this statement.

ST. MARY PARISH LIBRARY

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget
(GAAP Basis) and Actual - General Fund
Year Ended December 31, 1997
With Comparative Actual Amounts for Year Ended December 31, 1996

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$ 846,345	\$ 910,879	\$ 64,534	\$ 923,806
Intergovernmental -				
State revenue sharing	58,202	61,116	2,914	58,039
Miscellaneous -				
Interest	39,000	32,455	(6,545)	23,034
Other sources	<u>11,040</u>	<u>36,940</u>	<u>25,900</u>	<u>14,644</u>
Total revenues	<u>954,587</u>	<u>1,041,390</u>	<u>86,803</u>	<u>1,019,523</u>
Expenditures:				
Current -				
General government:				
Administrative				
Sheriff's fee	27,356	29,946	(2,590)	29,958
Culture and recreation:				
Salaries and wages	466,000	467,021	(1,021)	463,854
Retirement contribution	37,205	37,693	(488)	35,080
Group insurance	24,900	24,221	679	22,395
Utilities and telephone	69,885	70,528	(643)	62,794
Professional fees	8,250	7,955	295	32,710
Advertising, dues and				
subscriptions	2,400	1,741	659	2,756
Building rentals	6,000	6,000	-	6,000
Equipment rentals	10,300	13,301	(3,001)	13,613
General insurance	37,915	37,497	418	35,398
Unemployment	1,900	1,535	365	828
Travel	12,200	12,011	189	8,119
Supplies	44,165	44,393	(228)	42,134
Repairs and maintenance	75,591	77,232	(1,641)	75,501
Miscellaneous	29,175	29,402	(227)	23,730
Rental books and				
paperbacks	45,800	45,985	(185)	35,073
Uniforms	5,300	8,493	(3,193)	9,176
Bond election expense	-	4,885	(4,885)	22,153
Capital outlay -				
Books	-	-	-	90,747
Buildings	15,080	15,079	1	-
Furniture and				
equipment	<u>4,500</u>	<u>4,791</u>	<u>(291)</u>	<u>34,372</u>
Total expenditures	<u>923,922</u>	<u>939,709</u>	<u>(15,787)</u>	<u>1,046,391</u>

(Continued)

ST. MARY PARISH LIBRARY

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget
(GAAP Basis) and Actual - General Fund (Continued)

Year Ended December 31, 1997

With Comparative Actual Amounts for Year Ended December 31, 1996

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	30,665	101,681	71,016	(26,868)
Fund balance, beginning	<u>1,132,861</u>	<u>1,132,861</u>	<u>-</u>	<u>1,159,729</u>
Fund balance, ending	<u>\$1,163,526</u> =====	<u>\$1,234,542</u> =====	<u>\$ 71,016</u> =====	<u>\$1,132,861</u> =====

The accompanying notes are an integral part of this statement.

ST. MARY PARISH LIBRARY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The St. Mary Parish Library, which is a component unit of the St. Mary Parish Council, was created under Louisiana Revised Statute 25:211. The Library operates under a Board of Control. The purpose of the Library is to provide library facilities to residents within its boundaries.

The accounting and reporting policies of the St. Mary Parish Library conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes the funds and account group which are controlled by or dependent on the Library's executive and legislative branches (the Board of Control). Control by or dependence on the Library was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.

The Library is a component unit of the St. Mary Parish Council.

B. Fund Accounting

The accounts of the Library are organized into two funds and an account group, each of which is considered a separate accounting entity. The operation of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types as follows:

Governmental Funds -

General Fund

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

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for acquiring, constructing and improving public library buildings in the parish, and acquiring necessary equipment, library books and furnishings. Revenues are dedicated first to paying the cost of constructing two (2) new branch libraries in the Town of Baldwin and the Bayou Vista Community and constructing additions to the existing library buildings in the Town of Berwick, the Town of Patterson and the Amelia Community.

C. Fixed Assets and Long-Term Liabilities

The fixed assets used in the governmental fund type operations are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the General Fund when purchased. No depreciation has been provided on general fixed assets. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Differences between estimated and actual amounts are immaterial in relation to total fixed assets.

The account group is not a "fund". It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

There are no long-term liabilities at December 31, 1997.

D. Basis of Accounting

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

The governmental funds in the accompanying financial statements are reported on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The following practices are utilized:

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

Revenues -

Ad valorem taxes and the related State revenue sharing (which are based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December, January, and February of each fiscal year. Interest on time deposits is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures -

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that accumulated unpaid vacation and sick pay are not accrued.

E. Budgetary Practices

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library's Director prepares a proposed budget and presents it to the Board of Control prior to ninety days before the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Board of Control.
5. No later than the last regular meeting of the fiscal year, the Board of Control enacts an ordinance to adopt the annual operating budget for the ensuing fiscal year.
6. The Library Director, under the direction of the Board of Control, has the authority to alter budget amounts.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. Budget appropriations lapse at year end.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

F. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

G. Compensated Absences

Employees earn annual vacation and sick leave at varying rates depending upon length of service. No liability has been accrued for compensated absences on the Library's financial statements due to immateriality.

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Library as an extension of formal budgetary integration in the funds.

I. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Library's financial position and operations.

J. Memorandum Only - Total Columns

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

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and are billed to the taxpayers by the Assessor in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

Taxes are budgeted and the revenue recognized in the year they are billed.

The taxes are based on assessed values determined by the Tax Assessor of St. Mary Parish and are collected by the Sheriff. The taxes are remitted to the St. Mary Parish Library net of deductions for Pension Fund Contributions.

For the year ended December 31, 1997, taxes of 5.42 mills were levied on property with net assessed valuations totaling \$179,186,963 and were dedicated to paying the administrative, operative and maintenance expenditures for the Library.

Total taxes levied during 1997 were \$971,193. Taxes receivable at December 31, 1997 of \$795,856 (1996 \$792,244) consists of \$816,737 of which 2.15 percent of taxes levied or \$20,881 is considered uncollectible.

(3) General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>01/01/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/97</u>
Books	\$1,082,670	\$185,812	\$15,950	\$1,252,532
Building improvements	217,918	167,725	-	385,643
Furniture & Equipment	587,427	120,692	-	708,119
Construction in progress	<u>3,278</u>	<u>73,710</u>	<u>-</u>	<u>76,988</u>
Total	\$1,891,293 =====	\$547,939 =====	\$15,950 =====	\$2,423,282 =====

(4) Retirement Commitments

Substantially all full-time employees of the St. Mary Parish Library participate in the Parochial Employees' Retirement System of Louisiana (Plan A). This system is a multiple-employer public retirement system (PERS) and is controlled and administered by a separate board of trustees. Pertinent information relative to this plan follows:

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

Parochial Employees' Retirement System

Plan members are required to contribute 9.25 percent of their annual covered salary to the system while the Library is required to contribute the statutory rate of 7.25 percent of the total annual covered salary. The Library's contributions to the system for the years ended December 31, 1997, 1996 and 1995 were \$27,049, \$26,092 and \$26,078, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619.

(5) Board of Control

Non-commissioned members of the St. Mary Parish Library Board of Control at December 31, 1997 are as follows:

Mary Biggs
Peter Lipari
Glenna Kramer
Don T. Caffery, Jr.
Karla Vappie
H. A. "Neg" Louviere
Renee Vanover
Roger Busbice

(6) Litigation and Claims

There were no litigation or claims pending against the St. Mary Parish Library at December 31, 1997.

(7) Cash and Interest-Bearing Deposits

Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1997, the Library has cash and interest-bearing deposits (book balances) totaling \$2,337,726, as follows:

Demand deposits	\$ 203,744
Money market accounts	199,362
Certificates of deposit	<u>1,934,620</u>
	\$2,337,726
	=====

ST. MARY PARISH LIBRARY

Notes to 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 bank. Deposit balances (bank balances) at December 31, 1997, are secured as follows:

Bank balances	\$2,344,138
	=====
Federal deposit insurance	\$ 200,000
Pledged securities (Category 3)	<u>2,144,138</u>
 Total	 \$2,344,138
	=====

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Library's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

(8) Due From Other Governmental Units

The amount due from other governmental units at December 31, 1997 consisted of \$39,948 of State Revenue Sharing due from the State of Louisiana.

(9) Investments

The carrying value of investments in marketable non-equity securities is at cost, less amortized premium, or cost plus accreted discount.

At December 31, 1997, investments consisted of the following:

	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$35,000	\$27,554
	=====	=====

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

The Library's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Library or its agent in the Library's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department agent in the Library's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Library's name.

The December 31, 1997 carrying amount of the securities which constitute the investments listed above are summarized as follows:

	<u>Carrying Amounts</u>	<u>Category</u>
U. S. Government Agency Securities	\$35,000 =====	2

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. MARY PARISH LIBRARY
General Fund

Comparative Balance Sheet
December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash	\$ 203,744	\$ -
Interest - bearing deposits	199,362	318,128
Investments (net of discount)	35,000	50,835
Receivables (net of allowance for uncollectibles):		
Taxes	795,856	792,244
Accrued interest	100	93
Due from other governmental units	<u>39,948</u>	<u>38,693</u>
Total assets	<u>\$1,274,010</u>	<u>\$1,199,993</u>
	=====	=====
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 11,010	\$ 35,414
Accrued payables	18,795	17,517
Bank overdraft	-	4,831
Salaries payable	<u>9,663</u>	<u>9,370</u>
Total liabilities	39,468	67,132
Fund balance:		
unreserved, undesignated	<u>1,234,542</u>	<u>1,132,861</u>
Total liabilities and fund balance	<u>\$1,274,010</u>	<u>\$1,199,993</u>
	=====	=====

ST. MARY PARISH LIBRARY
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget
(GAAP Basis) and Actual
Year Ended December 31, 1997
With Comparative Actual Amounts for Year Ended December 31, 1996

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$ 846,345	\$ 910,879	\$ 64,534	\$ 923,806
Intergovernmental -				
State revenue sharing	58,202	61,116	2,914	58,039
Miscellaneous -				
Interest	39,000	32,455	(6,545)	23,034
Other sources	11,040	36,940	25,900	14,644
Total revenues	<u>954,587</u>	<u>1,041,390</u>	<u>86,803</u>	<u>1,019,523</u>
Expenditures:				
Current -				
General government:				
Administrative				
Sheriff's fee	27,356	29,946	(2,590)	29,958
Culture and recreation:				
Salaries and wages	466,000	467,021	(1,021)	463,854
Retirement contribution	37,205	37,693	(488)	35,080
Group insurance	24,900	24,221	679	22,395
Utilities and telephone	69,885	70,528	(643)	62,794
Professional fees	8,250	7,955	295	32,710
Advertising, dues and				
subscriptions	2,400	1,741	659	2,756
Building rentals	6,000	6,000	-	6,000
Equipment rentals	10,300	13,301	(3,001)	13,613
General insurance	37,915	37,497	418	35,398
Unemployment	1,900	1,535	365	828
Travel	12,200	12,011	189	8,119
Supplies	44,165	44,393	(228)	42,134
Repairs and maintenance	75,591	77,232	(1,641)	75,501
Miscellaneous	29,175	29,402	(227)	23,730
Rental books and				
paperbacks	45,800	45,985	(185)	35,073
Uniforms	5,300	8,493	(3,193)	9,176
Bond election expense	-	4,885	(4,885)	22,153
Capital outlay -				
Books	-	-	-	90,747
Buildings	15,080	15,079	1	-
Furniture and				
equipment	4,500	4,791	(291)	34,372
Total expenditures	<u>923,922</u>	<u>939,709</u>	<u>(15,787)</u>	<u>1,046,391</u>

(Continued)

ST. MARY PARISH LIBRARY
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget
(GAAP Basis) and Actual (Continued)
Year Ended December 31, 1997
With Comparative Actual Amounts for Year Ended December 31, 1996

	<u>1997</u>		Variance - Favorable (Unfavorable)	<u>1996 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Excess (deficiency) of revenues over expenditures	30,665	101,681	71,016	(26,868)
Fund balance, beginning	<u>1,132,861</u>	<u>1,132,861</u>	<u>-</u>	<u>1,159,729</u>
Fund balance, ending	\$1,163,526 =====	\$1,234,542 =====	\$ 71,016 =====	\$1,132,861 =====

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUND

To account for financial resources to be used for acquiring, constructing and improving public library buildings in the parish, and acquiring necessary equipment, library books and furnishings, with the proceeds to be dedicated first to paying the cost of constructing two (2) new branch libraries in the Town of Baldwin and the Bayou Vista community and constructing additions to the existing library buildings in the Town of Berwick, the Town of Patterson and the Amelia Community.

ST. MARY PARISH LIBRARY
Capital Projects Fund

Comparative Balance Sheet
December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Interest - bearing deposits	\$1,934,620	\$2,189,124
Receivables - accrued interest	<u>6,858</u>	<u>9,037</u>
Total assets	\$1,941,478 =====	\$2,198,161 =====
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 146,552	\$ -
Retainage payable	<u>15,265</u>	<u>-</u>
Total liabilities	161,817	-
Fund balance:		
unreserved, designated	<u>1,779,661</u>	<u>2,198,161</u>
Total liabilities and fund balance	\$1,941,478 =====	\$2,198,161 =====

The accompanying notes are an integral part of this statement.

ST. MARY PARISH LIBRARY
Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 1997
With Comparative Totals for Year Ended December 31, 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Intergovernmental -		
St. Mary Parish Council	\$ -	\$2,200,000
Miscellaneous -		
Interest	<u>109,591</u>	<u>11,120</u>
Total revenues	<u>109,591</u>	<u>2,211,120</u>
Expenditures:		
Current -		
Supplies	22	145
Miscellaneous	-	218
Capital outlay -		
Books	185,812	9,078
Buildings	152,646	-
Furniture and equipment	115,901	1,040
Construction in progress	<u>73,710</u>	<u>3,278</u>
Total expenditures	<u>528,091</u>	<u>13,759</u>
Excess (deficiency) of revenues over expenditures	(418,500)	2,198,161
Fund balance, beginning	<u>2,198,161</u>	<u>-</u>
Fund balance, ending	<u>\$1,779,661</u> =====	<u>\$2,198,161</u> =====

The accompanying notes are an integral part of this statement.

**INTERNAL CONTROL AND
COMPLIANCE**



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA
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Steven G. Moosa, CPA
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Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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Board of Control
St. Mary Parish Library
Franklin, Louisiana

We have audited the general purpose financial statements of the St. Mary Parish Library, as of and for the year ended December 31, 1997, and have issued our report thereon dated February 2, 1998. We have conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Parish Library's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Mary Parish Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the St. Mary Parish Library's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
February 2, 1998