

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - governmental fund types and account group	4
Combined statement of revenues, expenditures, and changes in fund balance - all governmental fund types	5-6
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual - general fund	7-8
Notes to financial statements	9-16
SUPPLEMENTAL INFORMATION	
SCHEDULES OF INDIVIDUAL FUNDS	
General Fund:	
Comparative balance sheet	20
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP Basis) and actual	21-22
Capital Projects Funds:	
Balance sheet	24
Statement of revenue, expenditures, and changes in fund balance	25
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	
	27-28
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	
	29

# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

1201 BRASHEAR AVENUE  
GUARANTY BANK BUILDING, SUITE 301  
P. O. BOX 2109  
MORGAN CITY, LOUISIANA 70381  
(504) 384-6264  
FAX (504) 384-8140

RETIRED  
Eugene H. Darnall, CPA 1990

E. Larry Sikes, CPA  
C. Burlon Kolder, CPA  
Danny P. Frederick, CPA  
Chris Rainey, CPA  
Clayton E. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Russell F. Champagne, CPA  
Victor R. Slaven, CPA  
Conrad O. Chapman, CPA

Lloyd F. Dore, Jr., CPA  
Paula D. Bihm, CPA  
Christine L. Cousin, CPA  
Stephanie M. Higginbotham, CPA  
Kathleen T. Darnall, CPA  
Jennifer S. Ziegler, CPA  
P. Troy Courville, CPA  
Stephen R. Dischler, MBA, CPA

## INDEPENDENT AUDITOR'S REPORT

Offices:

125 Rue Beauregard  
Lafayette, LA 70502  
(318) 232-3312

1231 E. Laurel Avenue  
Eunice, LA 70535  
(318) 457-4146

408 W. Cotton Street  
Ville Platte, LA 70586  
(318) 363-2792

113 East Bridge Street  
Breaux Bridge, LA 70517  
(318) 332-4020

404 Pere Mergat  
Abbeville, LA 70510  
(318) 893-5470

2011 MacArthur Drive  
Building 1  
Alexandria, LA 71301  
(318) 445-5564

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, 1996. 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, 1996 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 April 11, 1997 on our consideration of the Library's internal control structure and a report dated April 11, 1997 on its compliance with laws and regulations.

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, Kolder, Frederick & Rainey*  
(A Corporation of Certified Public Accountants)

Morgan City, Louisiana  
April 11, 1997

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

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

Federal deposit insurance	\$ 300,011
Pledged securities (Category 3)	<u>2,207,252</u>
Total	<u>\$2,507,263</u>

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, 1996 consisted of \$38,693 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, 1996, investments consisted of the following:

	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$51,000	\$50,314
	=====	=====

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, 1996 carrying amount of the securities which constitute the investments listed above are summarized as follows:

9075

RECEIVED  
LEGISLATIVE AUDITOR  
97 JUN 12 AM 9:24

OFFICIAL  
FILE COPY  
DO NOT SEND OUT  
Xerox necessary  
copies from this  
copy and PLACE  
BACK IN FILE

**ST. MARY PARISH LIBRARY**

**FINANCIAL REPORT**

Year Ended December 31, 1996

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 JUN 25 1997

ST. MARY PARISH LIBRARY  
 Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Year Ended December 31, 1996

Revenues:	
Intergovernmental - St. Mary Parish Council	\$2,200,000
Miscellaneous - Interest	<u>11,120</u>
Total revenues	<u>2,211,120</u>
Expenditures:	
Current - Supplies	145
Miscellaneous	218
Capital outlay - Books	9,078
Furniture and equipment	1,040
Construction in progress	<u>3,278</u>
Total expenditures	<u>13,759</u>
Excess of revenues over expenditures	2,198,161
Fund balance, beginning	<u>-</u>
Fund balance, ending	<u>\$2,198,161</u> =====

The accompanying notes are an integral part of this statement.



ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

For the year ended December 31, 1996, taxes of 5.42 mills were levied on property with net assessed valuations totaling \$174,679,910 and were dedicated to paying the administrative, operative and maintenance expenditures for the Library.

Total taxes levied during 1996 were \$946,766. Taxes receivable at December 31, 1996 of \$792,244 (1995 \$658,725) consists of \$812,599 of which 2.15 percent of taxes levied or \$20,355 is considered uncollectible.

(3) General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance January 1, 1996	Additions	Deletions	Balance December 31, 1996
Books	\$1,158,112	\$ 99,825	\$175,267	\$1,082,670
Building improvements	217,918	-	-	217,918
Furniture & Equipment	574,537	35,412	22,522	587,427
Construction in progress	-	3,278	-	3,278
<b>Total</b>	<b>\$1,950,567</b>	<b>\$138,515</b>	<b>\$197,789</b>	<b>\$1,891,293</b>

(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:

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, 1996, 1995 and 1994 were \$26,092, \$26,078 and \$27,721, 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.



ST. MARY PARISH LIBRARY

Combined Balance Sheet - Governmental Fund Types and Account Group  
December 31, 1996

	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Capital Projects	General Fixed Assets	1996	1995
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 44,447
Interest - bearing deposits	318,128	2,189,124	-	2,507,252	402,340
Investments (net of discount)	50,835	-	-	50,835	49,798
Receivables (net of allowance for uncollectibles):					
Taxes	792,244	-	-	792,244	658,725
Accrued interest	93	9,037	-	9,130	585
Due from other governmental units	38,693	-	-	38,693	38,856
Library materials, equipment and building improvements	-	-	1,891,293	1,891,293	1,950,567
<b>Total assets</b>	<b>\$1,199,993</b>	<b>\$2,198,161</b>	<b>\$1,891,293</b>	<b>\$5,289,447</b>	<b>\$3,145,318</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 35,414	\$ -	\$ -	\$ 35,414	\$ 13,380
Accrued payables	17,517	-	-	17,517	16,667
Bank overdraft	4,831	-	-	4,831	-
Salaries payable	9,370	-	-	9,370	4,975
<b>Total liabilities</b>	<b>67,132</b>	<b>-</b>	<b>-</b>	<b>67,132</b>	<b>35,022</b>
<b>Fund equity:</b>					
Investment in general fixed assets	-	-	1,891,293	1,891,293	1,950,567
Fund balance					
Unreserved:					
Designated for subsequent years' expenditures	-	2,198,161	-	2,198,161	-
Undesignated	1,132,861	-	-	1,132,861	1,159,726
<b>Total fund equity</b>	<b>1,132,861</b>	<b>2,198,161</b>	<b>1,891,293</b>	<b>5,222,315</b>	<b>3,110,296</b>
<b>Total liabilities and fund equity</b>	<b>\$1,199,993</b>	<b>\$2,198,161</b>	<b>\$1,891,293</b>	<b>\$5,289,447</b>	<b>\$3,145,318</b>

The accompanying notes are an integral part of this statement.

# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

RETIRED  
Eugene H. Darnall, CPA 1990

1201 BRASHEAR AVENUE  
GUARANTY BANK BUILDING, SUITE 301  
P. O. BOX 2109  
MORGAN CITY, LOUISIANA 70381  
(504) 384-6264  
FAX (504) 384-8140

E. Larry Sikes, CPA  
C. Burton Kolder, CPA  
Danny P. Frederick, CPA  
Chris Rainey, CPA  
Clayton E. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Russell F. Champagne, CPA  
Victor R. Slaven, CPA  
Conrad O. Chapman, CPA

Lloyd F. Dore, Jr., CPA  
Paula D. Bihm, CPA  
Christine L. Cousin, CPA  
Stephanie M. Higginbotham, CPA  
Kathleen T. Darnall, CPA  
Jennifer S. Ziegler, CPA  
P. Troy Courville, CPA  
Stephen R. Dischler, MBA, CPA

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Offices:

125 Rue Beaugard  
Lafayette, LA 70502  
(318) 232-3312

1231 E. Laurel Avenue  
Eunice, LA 70535  
(318) 457-4146

408 W. Cotton Street  
Ville Platte, LA 70586  
(318) 363-2792

113 East Bridge Street  
Breaux Bridge, LA 70517  
(318) 332-4020

404 Pere Megret  
Abbeville, LA 70510  
(318) 893-5470

2011 MarArthur Drive  
Building 1  
Alexandria, LA 71301  
(318) 445-5564

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, 1996, and have issued our report thereon dated April 11, 1997.

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.

Compliance with laws, regulations, contracts, and grants applicable to the St. Mary Parish Library is the responsibility of the Library Director. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Library's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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, Kolder, Frederick & Rainey*

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana  
April 11, 1997

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

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 reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 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 condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the St. Mary Parish Library for the year ended December 31, 1996.

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, Kolder, Frederick & Rainey*

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana  
April 11, 1997

INTERNAL CONTROL AND  
COMPLIANCE

ST. MARY PARISH LIBRARY  
Capital Projects Fund

Balance Sheet  
December 31, 1996

ASSETS	
Interest - bearing deposits	\$2,189,124
Receivables - accrued interest	<u>9,037</u>
Total assets	<u>\$2,198,161</u>
LIABILITIES AND FUND BALANCE	
Liabilities	\$ <u>          -</u>
Fund balance - unreserved, designated	<u>2,198,161</u>
Total liabilities and fund balance	<u>\$2,198,161</u>

The accompanying notes are an integral part of this statement.

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, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	<u>1996</u>		Variance - Favorable (Unfavorable)	<u>1995 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Excess (deficiency) of revenues over expenditures	(43,620)	(26,868)	16,752	(6,078)
Fund balance, beginning	<u>1,159,729</u>	<u>1,159,729</u>	-	<u>1,165,807</u>
Fund balance, ending	<u>\$1,116,109</u>	<u>\$1,132,861</u>	\$ 16,752	<u>\$1,159,729</u>

The accompanying notes are an integral part of this statement.



ST. MARY PARISH LIBRARY  
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget  
(GAAP Basis) and Actual  
Year Ended December 31, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$ 879,192	\$ 923,806	\$ 44,614	\$ 846,345
Intergovernmental - State revenue sharing	58,283	58,039	(244)	58,283
Miscellaneous - Interest	37,636	23,034	(14,602)	29,236
Other sources	19,682	14,644	(5,038)	19,682
Total revenues	<u>994,793</u>	<u>1,019,523</u>	<u>24,730</u>	<u>953,546</u>
Expenditures:				
Current -				
General government:				
Administrative				
Sheriff's fee	28,400	29,958	(1,558)	27,156
Culture and recreation:				
Salaries and wages	449,000	463,854	(14,854)	403,791
Retirement contributions	38,732	35,080	3,652	32,924
Group insurance	22,000	22,395	(395)	22,318
Utilities and telephone	67,892	62,794	5,098	59,346
Professional fees	30,650	32,710	(2,060)	6,318
Advertising, dues and subscriptions	2,670	2,756	(86)	1,413
Building rentals	6,000	6,000	-	6,000
Equipment rentals	9,500	13,613	(4,113)	12,991
General insurance	34,555	35,398	(843)	37,445
Unemployment	1,000	828	172	800
Travel	8,500	8,119	381	9,564
Supplies	37,200	42,134	(4,934)	31,916
Repairs and maintenance	75,300	75,501	(201)	56,104
Miscellaneous	24,214	23,730	484	19,649
Rental books and paperbacks	32,224	35,073	(2,849)	34,449
Uniforms	4,126	9,176	(5,050)	-
Bond election expense	29,800	22,153	7,647	-
Capital outlay -				
Books	102,400	90,747	11,653	89,224
Buildings	350	-	350	24,376
Furniture and equipment	33,900	34,372	(472)	83,840
Total expenditures	<u>1,038,413</u>	<u>1,046,391</u>	<u>(7,978)</u>	<u>959,624</u>

(Continued)



ST. MARY PARISH LIBRARY  
General Fund

Comparative Balance Sheet  
December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<b>ASSETS</b>		
Cash	\$ -	\$ 44,447
Interest - bearing deposits	318,128	402,340
Investments (net of discount)	50,835	49,798
Receivables (net of allowance for uncollectibles):		
Taxes	792,244	658,725
Accrued interest	93	585
Due from other governmental units	<u>38,693</u>	<u>38,856</u>
Total assets	<u>\$1,199,993</u>	<u>\$1,194,751</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 35,414	\$ 13,380
Accrued payables	17,517	16,667
Bank overdraft	4,831	-
Salaries payable	<u>9,370</u>	<u>4,975</u>
Total liabilities	67,132	35,022
Fund balance - unreserved, undesignated	<u>1,132,861</u>	<u>1,159,729</u>
Total liabilities and fund balance	<u>\$1,199,993</u>	<u>\$1,194,751</u>

GENERAL FUND

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

SCHEDULES OF INDIVIDUAL FUNDS

**SUPPLEMENTAL INFORMATION**

ST. MARY PARISH LIBRARY

Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balance (Continued)  
 All Governmental Fund Types  
 Year Ended December 31, 1996

	<u>Governmental Fund Types</u>		<u>Totals</u>	
	<u>General</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u> <u>1996</u>	<u>1995</u>
Excess (deficiency) of revenues over expenditures	(26,868)	2,198,161	2,171,293	(6,078)
Fund balance, beginning	<u>1,159,729</u>	<u>-</u>	<u>1,159,729</u>	<u>1,165,807</u>
Fund balance, ending	<u>\$1,132,861</u>	<u>\$2,198,161</u>	<u>\$3,331,022</u>	<u>\$1,159,729</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

	<u>Carrying Amounts</u>	<u>Category</u>
U. S. Government Agency Securities	\$51,000 -----	2

(10) Bond Proceeds Received from the St. Mary Parish Council

The Parish of St. Mary, State of Louisiana, incurred \$2,200,000 of debt by issuing bonds. The Parish Council remitted the entire \$2,200,000 to the Library during 1996. These proceeds are to be used for constructing, acquiring and improving public library buildings in the Parish, and acquiring the 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

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance  
All Governmental Fund Types  
Year Ended December 31, 1996

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General</u>	<u>Capital Projects</u>	<u>1996</u>	<u>1995</u>
<b>Revenues:</b>				
Taxes - ad valorem	\$ 923,806	\$ -	\$ 923,806	\$ 846,345
Intergovernmental -				
St. Mary Parish Council	-	2,200,000	2,200,000	-
State revenue sharing	58,039	-	58,039	58,283
Miscellaneous -				
Interest	23,034	11,920	34,954	29,236
Other sources	<u>14,644</u>	<u>-</u>	<u>14,644</u>	<u>19,682</u>
Total revenues	<u>1,019,523</u>	<u>2,211,920</u>	<u>3,231,443</u>	<u>953,546</u>
<b>Expenditures:</b>				
Current -				
General government:				
Administrative				
Sheriff's fee	29,958	-	29,958	27,156
Culture and recreation				
Salaries and wages	463,854	-	463,854	403,791
Retirement contributions	35,080	-	35,080	32,924
Group insurance	22,395	-	22,395	22,318
Utilities and telephone	62,794	-	62,794	59,346
Professional fees	32,710	-	32,710	6,318
Advertising, dues and				
subscriptions	2,756	-	2,756	1,413
Building rentals	6,000	-	6,000	6,000
Equipment rentals	13,613	-	13,613	12,991
General insurance	35,398	-	35,398	37,445
Unemployment	828	-	828	800
Travel	8,119	-	8,119	9,564
Supplies	42,134	145	42,279	31,916
Repairs and maintenance	75,501	-	75,501	56,104
Miscellaneous	23,730	218	23,948	19,649
Rental books and				
paperbacks	35,073	-	35,073	34,449
Uniforms	9,176	-	9,176	-
Bond election expense	22,153	-	22,153	-
Capital outlay -				
Books	90,747	9,078	99,825	89,224
Buildings	-	-	-	24,376
Furniture and				
equipment	34,372	1,040	35,412	83,840
Construction in progress	-	3,278	3,278	-
Total expenditures	<u>1,046,391</u>	<u>13,759</u>	<u>1,060,150</u>	<u>959,624</u>

(Continued)



ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

(5) Board of Control

Non-commissioned members of the St. Mary Parish Library Board of Control at December 31, 1996 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, 1996.

(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, 1996, the Library has cash and interest-bearing deposits (book balances) totaling \$2,502,421, as follows:

Bank overdraft	\$ (4,831)
Money market accounts	407,252
Certificates of deposit	<u>2,100,000</u>
	<u>\$2,502,421</u>
	=====

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. Deposit balances (bank balances) at December 31, 1996, are secured as follows:

• Bank balances	<u>\$2,507,263</u>
	=====

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

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. Adoption of GASB Statement 27

During the year ended December 31, 1996, the St. Mary Parish Library adopted GASB Statement 27, Accounting for Pensions by State and Local Government Employees. Although this statement is effective for periods beginning after June 15, 1997, the Governmental Accounting Standards Board is encouraging early implementation.

(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.

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.

ST. MARY PARISH LIBRARY

Notes to Financial Statements (Continued)

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.

F. Interest-Bearing Deposits

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

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, 1996.

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:

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



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.

# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

RETIRED  
Eugene H. Darnall, CPA 1990

1201 BRASHEAR AVENUE  
GUARANTY BANK BUILDING, SUITE 301  
P. O. BOX 2109  
MORGAN CITY, LOUISIANA 70381  
(504) 384-6264  
FAX (504) 384-8140

E. Larry Sikes, CPA  
C. Burton Kolder, CPA  
Danny P. Frederick, CPA  
Chris Rainey, CPA  
Clayton E. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Russell F. Champagne, CPA  
Victor R. Slaven, CPA  
Conrad O. Chapman, CPA

Lloyd F. Dore, Jr., CPA  
Paula D. Bihm, CPA  
Christine L. Cousin, CPA  
Stephanie M. Higginbotham, CPA  
Kathleen T. Darnall, CPA  
Jennifer S. Ziegler, CPA  
P. Troy Courville, CPA  
Stephen R. Dischler, MBA, CPA

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Offices:

125 Rue Beauregard  
Lafayette, LA 70502  
(318) 232-3312

1231 E. Laurel Avenue  
Eunice, LA 70535  
(318) 457-4146

408 W. Cotton Street  
Ville Platte, LA 70586  
(318) 363-2792

113 East Bridge Street  
Breaux Bridge, LA 70517  
(318) 332-4020

404 Pere Megret  
Abbeville, LA 70510  
(318) 893-5470

2011 MacArthur Drive  
Building 1  
Alexandria, LA 71301  
(318) 445-5564

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, 1996, and have issued our report thereon dated April 11, 1997.

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.

The management of the St. Mary Parish Library is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the St. Mary Parish Library, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

MEMBERS OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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, 1996  
 With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	(43,620)	(26,868)	16,752	(6,078)
Fund balance, beginning	<u>1,159,729</u>	<u>1,159,729</u>	<u>-</u>	<u>1,165,807</u>
Fund balance, ending	<u>\$1,116,109</u>	<u>\$1,132,861</u>	<u>\$ 16,752</u>	<u>\$1,159,729</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, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$ 879,192	\$ 923,806	\$ 44,614	\$ 846,345
Intergovernmental - State revenue sharing	58,283	58,039	(244)	58,283
Miscellaneous - Interest	37,636	23,034	(14,602)	29,236
Other sources	19,682	14,644	(5,038)	19,682
Total revenues	<u>994,793</u>	<u>1,019,523</u>	<u>24,730</u>	<u>953,546</u>
Expenditures:				
Current -				
General government:				
Administrative				
Sheriff's fee	28,400	29,958	(1,558)	27,156
Culture and recreation:				
Salaries and wages	449,000	463,854	(14,854)	403,791
Retirement contributions	38,732	35,080	3,652	32,924
Group insurance	22,000	22,395	(395)	22,318
Utilities and telephone	67,892	62,794	5,098	59,346
Professional fees	30,650	32,710	(2,060)	6,318
Advertising, dues and subscriptions	2,670	2,756	(86)	1,413
Building rentals	6,000	6,000	-	6,000
Equipment rentals	9,500	13,613	(4,113)	12,991
General insurance	34,555	35,398	(843)	37,445
Unemployment	1,000	828	172	800
Travel	8,500	8,119	381	9,564
Supplies	37,200	42,134	(4,934)	31,916
Repairs and maintenance	75,300	75,501	(201)	56,104
Miscellaneous	24,214	23,730	484	19,649
Rental books and paperbacks	32,224	35,073	(2,849)	34,449
Uniforms	4,126	9,176	(5,050)	-
Bond election expense	29,800	22,153	7,647	-
Capital outlay -				
Books	102,400	90,747	11,653	89,224
Buildings	350	-	350	24,376
Furniture and equipment	33,900	34,372	(472)	83,840
Total expenditures	<u>1,038,413</u>	<u>1,046,391</u>	<u>(7,978)</u>	<u>959,624</u>

(Continued)