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ST. MARY PARISH LIBRARY

FINANCIAL REPORT

Year Ended December 31, 1998

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

Release Date JUN 23 1999

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Darnall, Sikes Frederick

(A Corporation of Certified Public Accountants)

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Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Jason H. Watson, CPA

INDEPENDENT AUDITOR'S REPORT

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, 1998. 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Other Locations:

125 Rue Beaupreard
Lafayette, LA 70508
318.232.3312

1231 E. Laurel Avenue
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Member of
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

The St. Mary Parish Library has omitted such disclosures. We do not provide assurance that the Library is or will be year 2000 ready, that the Library's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Library does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, 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, 1998 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 1999 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Morgan City, Louisiana
January 19, 1999

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

ST. MARY PARISH LIBRARY

Combined Balance Sheet - Governmental Fund Types and Account Group
December 31, 1998

	Governmental Fund Types		Account Group	Totals	
	General	Capital Projects	General Fixed Assets	(Memorandum Only)	
				1998	1997
ASSETS					
Cash	\$ 257,147	\$ -	\$ -	\$ 257,147	\$ 203,744
Interest - bearing deposits	206,126	691,281	-	897,407	2,133,982
Investments (net of discount)	-	-	-	-	35,000
Receivables (net of allowance for uncollectibles):					
Taxes	937,367	-	-	937,367	795,856
Accrued interest	-	5,665	-	5,665	6,958
Due from other governmental units	40,362	-	-	40,362	39,948
Due from other fund	101,295	-	-	101,295	-
Library materials, equipment and building improvements	-	-	3,953,138	3,953,138	2,423,282
Total assets	\$ 1,542,297	\$ 696,946	\$ 3,953,138	\$ 6,192,381	\$ 5,638,770
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 18,202	\$ 39,018	\$ -	\$ 57,220	\$ 157,562
Accrued payables	20,315	-	-	20,315	18,795
Retainage payable	-	115,540	-	115,540	15,265
Salaries payable	14,280	-	-	14,280	9,663
Due to other fund	-	101,295	-	101,295	-
Total liabilities	52,797	255,853	-	308,650	201,285
Fund equity:					
Investment in general fixed assets	-	-	3,953,138	3,953,138	2,423,282
Fund balances -					
Unreserved:					
Designated for subsequent years' expenditures	-	441,093	-	441,093	1,779,661
Undesignated	1,489,500	-	-	1,489,500	1,234,542
Total fund equity	1,489,500	441,093	3,953,138	5,883,731	5,437,485
Total liabilities and fund equity	\$ 1,542,297	\$ 696,946	\$ 3,953,138	\$ 6,192,381	\$ 5,638,770

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, 1998

	Governmental Fund Types		Totals (Memorandum Only)	
	General	Capital Projects	1998	1997
Revenues:				
Taxes	\$ 1,064,103	\$ -	\$ 1,064,103	\$ 910,879
Intergovernmental -				
State revenue sharing	60,544	-	60,544	61,116
Federal literacy grant	5,000	-	5,000	-
Miscellaneous -				
Interest	25,348	70,542	95,890	142,046
Other sources	<u>128,359</u>	<u>97,873</u>	<u>226,232</u>	<u>36,940</u>
Total revenues	<u>1,283,354</u>	<u>168,415</u>	<u>1,451,769</u>	<u>1,150,981</u>
Expenditures:				
Current -				
General government:				
Administrative				
Sheriff's fee	32,029	-	32,029	29,946
Culture and recreation:				
Salaries and wages	489,587	-	489,587	467,021
Retirement contributions	38,959	-	38,959	37,693
Group insurance	22,170	-	22,170	24,221
Utilities and telephone	97,909	-	97,909	70,528
Professional fees	11,961	-	11,961	7,955
Advertising, dues and subscriptions	4,206	-	4,206	1,741
Building rentals	6,000	-	6,000	6,000
Equipment rentals	15,993	-	15,993	13,301
General insurance	40,854	-	40,854	37,497
Unemployment	1,117	-	1,117	1,535
Travel	8,277	-	8,277	12,011
Supplies	58,954	1,258	60,212	44,415
Repairs and maintenance	85,429	-	85,429	77,232
Miscellaneous	29,976	-	29,976	29,402
Rental books and paperbacks	47,404	-	47,404	45,985
Uniforms	5,353	-	5,353	8,493
Bond election expense	-	-	-	4,885
Capital outlay -				
Books	-	151,682	151,682	185,812
Buildings	-	541,741	541,741	167,725
Furniture and equipment	24,755	346,578	371,333	120,692
Construction in progress	<u>-</u>	<u>465,724</u>	<u>465,724</u>	<u>73,710</u>
Total expenditures	<u>1,020,933</u>	<u>1,506,983</u>	<u>2,527,916</u>	<u>1,467,800</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, 1998

	Fund Types		Totals (Memorandum Only)	
	General	Capital Projects	1998	1997
Excess (deficiency) of revenues over expenditures	262,421	(1,338,568)	(1,076,147)	(316,819)
Other financing uses:				
Loss on sale of securities	<u>7,463</u>	<u>-</u>	<u>7,463</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing uses	254,958	(1,338,568)	(1,083,610)	(316,819)
Fund balance, beginning	<u>1,234,542</u>	<u>1,779,661</u>	<u>3,014,203</u>	<u>3,331,022</u>
Fund balance, ending	<u>\$ 1,489,500</u>	<u>\$ 441,093</u>	<u>\$ 1,930,593</u>	<u>\$ 3,014,203</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, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$ 910,879	\$ 1,064,103	\$ 153,224	\$ 910,879
Intergovernmental -				
State revenue sharing	61,116	60,544	(572)	61,116
Federal literacy grant	-	5,000	5,000	-
Miscellaneous -				
Interest	38,000	25,348	(12,652)	32,455
Other sources	<u>119,818</u>	<u>128,359</u>	<u>8,541</u>	<u>36,940</u>
Total revenues	<u>1,129,813</u>	<u>1,283,354</u>	<u>153,541</u>	<u>1,041,390</u>
Expenditures:				
Current -				
General government:				
Administrative Sheriff's fee	27,356	32,029	(4,673)	29,946
Culture and recreation:				
Salaries and wages	485,727	489,587	(3,860)	467,021
Retirement contribution	42,205	38,959	3,246	37,693
Group insurance	23,150	22,170	980	24,221
Utilities and telephone	89,000	97,909	(8,909)	70,528
Professional fees	7,700	11,961	(4,261)	7,955
Advertising, dues and subscriptions	4,081	4,206	(125)	1,741
Building rentals	6,000	6,000	-	6,000
Equipment rentals	13,700	15,993	(2,293)	13,301
General insurance	42,963	40,854	2,109	37,497
Unemployment	900	1,117	(217)	1,535
Travel	9,000	8,277	723	12,011
Supplies	49,050	58,954	(9,904)	44,393
Repairs and maintenance	84,036	85,429	(1,393)	77,232
Miscellaneous	42,844	29,976	12,868	29,402
Rental books and paperbacks	48,808	47,404	1,404	45,985
Uniforms	7,000	5,353	1,647	8,493
Bond election expense	-	-	-	4,885
Capital outlay -				
Buildings	-	-	-	15,079
Furniture and equipment	<u>103,159</u>	<u>24,755</u>	<u>78,404</u>	<u>4,791</u>
Total expenditures	<u>1,086,679</u>	<u>1,020,933</u>	<u>65,746</u>	<u>939,709</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, 1998
 With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Excess of revenues over expenditures	43,134	262,421	219,287	101,681
Other financing uses:				
Loss on sale of securities	-	7,463	(7,463)	-
Excess of revenues over expenditures and other financing uses	43,134	254,958	211,824	101,681
Fund balance, beginning	<u>1,234,542</u>	<u>1,234,542</u>	<u>-</u>	<u>1,132,861</u>
Fund balance, ending	<u>\$ 1,277,676</u>	<u>\$ 1,489,500</u>	<u>\$ 211,824</u>	<u>\$ 1,234,542</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH LIBRARY

Notes to Financial Statements

NOTE 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.

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

ST. MARY PARISH LIBRARY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 City 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 governmental funds 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, 1998.

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.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 government considers all revenues available if they are collected within 60 days after year end. Ad valorem taxes and the related revenue sharing (which are based on population and homesteads in the parish) are recognized as revenue in the year in which they are billed and collected. Fees and nontax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. 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.

ST. MARY PARISH LIBRARY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

ST. MARY PARISH LIBRARY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 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.

ST. MARY PARISH LIBRARY

Notes to Financial Statements

NOTE 2 AD VALOREM TAXES (CONTINUED)

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, 1998, taxes of 5.42 mills were levied on property with net assessed valuations totaling \$197,471,862 and were dedicated to paying the administrative, operative and maintenance expenditures for the Library.

Total taxes levied during 1998 were \$1,070,299. Taxes receivable at December 31, 1998 of \$937,367 (1997 \$795,856) consists of \$960,378 of which 2.15 percent of taxes levied or \$23,011 is considered uncollectible.

NOTE 3. GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 01/01/1998	Additions	Deletions	Balance 12/31/1998
Books	\$ 1,252,532	\$ 151,682	\$ -	\$ 1,404,214
Building improvements	217,918	656,728	-	874,646
Furniture and equipment	723,199	370,709	-	1,093,908
Construction in progress	<u>229,633</u>	<u>465,724</u>	<u>114,987</u>	<u>580,370</u>
Total	<u>\$ 2,423,282</u>	<u>\$ 1,644,843</u>	<u>\$ 114,987</u>	<u>\$ 3,953,138</u>

NOTE 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, 1998, 1997 and 1996 were \$28,751, \$27,049 and \$26,092, respectively, equal to the required contribution for each year.

ST. MARY PARISH LIBRARY

Notes to Financial Statements

NOTE 4 RETIREMENT COMMITMENTS (CONTINUED)

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.

NOTE 5 BOARD OF CONTROL

Non-commissioned members of the St. Mary Parish Library Board of Control at December 31, 1998 are as follows:

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

NOTE 6 LITIGATION AND CLAIMS

There were no litigation or claims pending against the St. Mary Parish Library at December 31, 1998.

NOTE 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, 1998, the Library has cash and interest-bearing deposits (book balances) totaling \$1,154,554, as follows:

Demand deposits	\$ 257,147
Money market accounts	597,407
Certificates of deposits	<u>300,000</u>
	<u>\$ 1,154,554</u>

ST. MARY PARISH LIBRARY

Notes to Financial Statements

NOTE 7 CASH AND INTEREST-BEARING DEPOSITS (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, 1998, are secured as follows:

Bank balances	<u>\$ 1,079,979</u>
Federal deposit insurance	\$ 200,000
Pledged securities (Category 3)	<u>879,979</u>
	<u>\$ 1,079,979</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.

NOTE 8 DUE FROM OTHER GOVERNMENTAL UNITS

The amount due from other governmental units at December 31, 1998 consisted of \$40,362 of State Revenue Sharing due from the State of Louisiana.

NOTE 9 OPERATING LEASES

The library leases office equipment under noncancelable operating leases. Total costs for such leases were \$13,749 for the year ended December 31, 1998. The future minimum lease payments for these leases are as follows:

Year Ending December 31,

1999	\$ 12,951
2000	12,758
2001	5,098
2002	2,438
2003	<u>2,438</u>
	<u>\$ 35,683</u>

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, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$ 257,147	\$ 203,774
Interest - bearing deposits	206,126	199,362
Investments (net of discount)	-	35,000
Receivables (net of allowance for uncollectibles):		
Taxes	937,367	795,856
Accrued interest	-	100
Due from capital projects fund	101,295	
Due from other governmental units	40,362	39,948
 Total assets	 \$ 1,542,297	 \$ 1,274,040
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 18,202	\$ 11,010
Accrued payables	20,315	18,795
Salaries payable	14,280	9,663
Total liabilities	52,797	39,468
Fund balance:		
Unreserved, undesignated	1,489,500	1,234,542
 Total liabilities and fund balance	 \$ 1,542,297	 \$ 1,274,010

ST. MARY PARISH LIBRARY
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget
(GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$ 910,879	\$ 1,064,103	\$ 153,224	\$ 910,879
Intergovernmental -				
State revenue sharing	61,116	60,544	(572)	61,116
Federal literacy grant	-	5,000	5,000	-
Miscellaneous -				
Interest	38,000	25,348	(12,652)	32,455
Other sources	<u>119,818</u>	<u>128,359</u>	<u>8,541</u>	<u>36,940</u>
Total revenues	<u>1,129,813</u>	<u>1,283,354</u>	<u>153,541</u>	<u>1,041,390</u>
Expenditures:				
Current -				
General government:				
Administrative Sheriff's fee	27,356	32,029	(4,673)	29,946
Culture and recreation:				
Salaries and wages	485,727	489,587	(3,860)	467,021
Retirement contribution	42,205	38,959	3,246	37,693
Group insurance	23,150	22,170	980	24,221
Utilities and telephone	89,000	97,909	(8,909)	70,528
Professional fees	7,700	11,961	(4,261)	7,955
Advertising, dues and subscriptions	4,081	4,206	(125)	1,741
Building rentals	6,000	6,000	-	6,000
Equipment rentals	13,700	15,993	(2,293)	13,301
General insurance	42,963	40,854	2,109	37,497
Unemployment	900	1,117	(217)	1,535
Travel	9,000	8,277	723	12,011
Supplies	49,050	58,954	(9,904)	44,393
Repairs and maintenance	84,036	85,429	(1,393)	77,232
Miscellaneous	42,844	29,976	12,868	29,402
Rental books and paperbacks	48,808	47,404	1,404	45,985
Uniforms	7,000	5,353	1,647	8,493
Bond election expense	-	-	-	4,885
Capital outlay -				
Buildings	-	-	-	15,079
Furniture and equipment	<u>103,159</u>	<u>24,755</u>	<u>78,404</u>	<u>4,791</u>
Total expenditures	<u>1,086,679</u>	<u>1,020,933</u>	<u>65,746</u>	<u>939,709</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, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Excess of revenues over expenditures	43,134	262,421	219,287	101,681
Other financing uses:				
Loss on sale of securities	-	7,463	(7,463)	-
Excess of revenues over expenditures and other financing uses	43,134	254,958	211,824	101,681
Fund balance, beginning	<u>1,234,542</u>	<u>1,234,542</u>	-	<u>1,132,861</u>
Fund balance, ending	<u>\$ 1,277,676</u>	<u>\$ 1,489,500</u>	<u>\$ 211,824</u>	<u>\$ 1,234,542</u>

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 City of Patterson and the Amelia Community.

ST. MARY PARISH LIBRARY
Capital Projects Fund

Comparative Balance Sheet
December 31, 1998 and 1997

	1998	1997
ASSETS		
Interest - bearing deposits	\$ 691,281	\$ 1,934,620
Receivables - accrued interest	<u>5,665</u>	<u>6,858</u>
Total assets	<u>\$ 696,946</u>	<u>\$ 1,941,478</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 39,018	\$ 146,552
Retainage payable	115,540	15,265
Due to general fund	<u>101,295</u>	<u>-</u>
Total liabilities	255,853	161,817
Fund balance:		
Designated for subsequent years' expenditures	<u>441,093</u>	<u>1,779,661</u>
Total liabilities and fund balance	<u>\$ 696,946</u>	<u>\$ 1,941,478</u>

ST. MARY PARISH LIBRARY
Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Miscellaneous -		
Interest	\$ 70,542	\$ 109,591
Other sources	<u>97,873</u>	<u>-</u>
Total revenues	<u>168,415</u>	<u>109,591</u>
Expenditures:		
Current -		
Supplies	1,258	22
Capital outlay -		
Books	151,682	185,812
Buildings	541,741	152,646
Furniture and equipment	346,578	115,901
Construction in progress	<u>465,724</u>	<u>73,710</u>
Total expenditures	<u>1,506,983</u>	<u>528,091</u>
Deficiency of revenues over expenditures	(1,338,568)	(418,500)
Fund balance, beginning	<u>1,779,661</u>	<u>2,198,161</u>
Fund balance, ending	<u>\$ 441,093</u>	<u>\$ 1,779,661</u>

**INTERNAL CONTROL AND
COMPLIANCE**

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Darnall, Sikes Frederick

(A Corporation of Certified Public Accountants)

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

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, 1998, and have issued our report thereon dated January 19, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical bulletin 98-1, *Disclosures about Year 2000 Issues*. 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. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

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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 as 98-1 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.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Morgan City, Louisiana
January 19, 1999

OTHER SUPPLEMENTARY INFORMATION

ST. MARY PARISH LIBRARY

Summary Schedule of Prior Year Findings
Year Ended December 31, 1998

97-1 Finding: Inadequate Segregation of Accounting Functions
Status: This finding is unresolved. See current year finding 98-1.

ST. MARY PARISH LIBRARY

Schedule of Findings and Questioned Costs
Year Ended December 31, 1998

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

A qualified opinion has been issued on the St. Mary Parish Library's financial statements as of and for the year ended December 31, 1998.

Reportable Condition – Financial Reporting

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 98-1 in Part 2 and is considered a material weakness.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended December 31, 1998.

Part 2: Findings Relating to an Audit in Accordance with Governmental Auditing Standards

98-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Library did not have 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.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At December 31, 1998, the St. Mary Parish Library, did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

ST. MARY PARISH LIBRARY

**Management's Corrective Action Plan For Current Year Findings
Year Ended December 31, 1998**

Response to Finding 98-1:

No response is considered necessary.