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ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Annual Financial Statements
With Independent Auditors' Report

As of And For the Two Years Ended

December 31, 2004

With Supplemental Informational Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 7-13-05

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Annual Financial Statements
As of and for the Two Years Ended December 31, 2004

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INDEPENDENT AUDITORS' REPORT

Board of Control
St. Martin Parish Library
St. Martinville, Louisiana

We have audited the basic financial statements of the St. Martin Parish Library, a component unit of the St. Martin Parish Government, as of December 31, 2004 and for the two years then ended, as listed in the table of contents. These basic financial statements are the responsibility of the St. Martin Parish Library's management. Our responsibility is to express an opinion on these basic financial statements based upon our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of the St. Martin Parish Library as of December 31, 2004, and the respective changes in financial position thereof for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the library has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as of December 31, 2004.

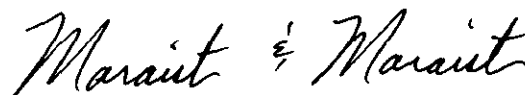
In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2005 on our consideration of the St. Martin Parish Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and

grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on page 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the other required supplementary information. However, we did not audit the information and express no opinion on it.

The St. Martin Parish Library has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the St. Martin Parish Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.



MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
June 30, 2005

BASIC FINANCIAL STATEMENTS

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement A)

STATEMENT OF NET ASSETS

December 31, 2004

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash and interest bearing deposits	\$1,677,287	\$1,614,303
Receivables	1,152,495	1,012,265
Capital assets(not depreciated)	7,050	7,050
Capital assets(net of accumulated depreciation)	770,088	671,476
	-----	-----
TOTAL ASSETS	\$3,606,920	\$3,305,094
	=====	=====
<u>LIABILITIES</u>		
Accounts payable	\$ 37,179	\$ 37,916
Compensated absences payable	35,029	25,545
Other liabilities	40,121	39,178
	-----	-----
TOTAL LIABILITIES	\$ 112,329	\$ 102,639
	=====	=====
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	\$ 777,138	\$ 678,526
Unrestricted	2,717,453	2,523,929
	-----	-----
TOTAL NET ASSETS	\$3,494,591	\$3,202,455
	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement B)

STATEMENT OF ACTIVITIES

For the Two Years Ended December 31, 2004

	Year Ended December 31, <u>2004</u>	Year Ended December 31, <u>2003</u>
Culture and recreation:		
Personal services	\$ 567,577	\$ 530,172
Operating services	152,670	134,342
Materials and supplies	31,685	18,931
Travel and other charges	9,174	42,424
Depreciation expense	108,114	85,660
	-----	-----
Total Program Expenses	\$ 869,220	\$ 811,529
	-----	-----
Program revenues:		
Fees and charges for library services	\$ 13,009	\$ 15,719
Fines and forfeitures	11,224	11,476
Miscellaneous fees	54	710
	-----	-----
Total Program Revenues	\$ 24,287	\$ 27,905
	-----	-----
Net Program Expenses	\$ 844,933	\$ 783,624
	-----	-----
General revenues:		
Taxes-ad valorem	\$1,029,990	\$ 937,542
Intergovernmental:		
State revenue sharing	75,202	72,194
Other state grants	17,272	216
Interest earned	14,605	10,592
	-----	-----
Total General Revenues	\$1,137,069	\$1,020,544
	-----	-----
Change in Net Assets	\$ 292,136	\$ 236,920
Net Assets-Beginning of Year	3,202,455	2,965,535
	-----	-----
Net Assets-End of Year	\$3,494,591	\$3,202,455
	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement C)

GOVERNMENTAL FUNDS-BALANCE SHEET

December 31, 2004

	2004 General Fund	2003 General Fund
<u>ASSETS</u>		
Cash and interest bearing deposits	\$1,677,287	\$1,614,303
Receivables	1,152,495	1,012,265
	-----	-----
TOTAL ASSETS	\$2,829,782	\$2,626,568
	=====	=====
<u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 37,179	\$ 37,916
Other liabilities	40,121	39,178
	-----	-----
TOTAL LIABILITIES	\$ 77,300	\$ 77,094
	-----	-----
<u>FUND EQUITY</u> -fund balances- unreserved-undesignated	\$2,752,482	\$2,549,474
	-----	-----
TOTAL LIABILITIES AND FUND EQUITY	\$2,829,782	\$2,626,568
	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement D)

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Two Years Ended December 31, 2004

	2004	2003
Total Fund Balances-Governmental Funds (Statement C)	\$2,752,482	\$2,549,474
Cost of capital assets	\$1,457,608	\$1,250,882
Less: Accumulated depreciation	(680,470)	(572,356)
	777,138	678,526
Long-term liabilities-compensated absences payable	(35,029)	(25,545)
	\$3,494,591	\$3,202,455
Net Assets		

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana
GOVERNMENTAL FUNDS

(Statement E)

Statement of Revenues, Expenditures,
and Changes in Fund Balance

For the Two Years Ended December 31, 2004

	2004 General Fund	2003 General Fund
<u>REVENUES</u>		
Taxes-ad valorem	\$1,029,990	\$ 937,542
Intergovernmental revenues:		
State revenue sharing	75,202	72,194
Other state grants	17,272	216
Fees and charges for library services	13,009	15,719
Fines and forfeitures	11,224	11,476
Use of money and property-interest earnings	14,605	10,592
Other revenues	54	710
	-----	-----
TOTAL REVENUES	\$1,161,356	\$1,048,449
	-----	-----
<u>EXPENDITURES</u>		
Culture and recreation:		
Personal services and related benefits	\$ 558,093	\$ 556,581
Operating services	152,670	134,342
Materials and supplies	31,685	18,931
Travel and other charges	9,174	42,424
Capital Outlay	206,726	201,113
	-----	-----
TOTAL EXPENDITURES	\$ 958,348	\$ 953,391
	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 203,008	\$ 95,058
	-----	-----
<u>OTHER FINANCING SOURCES</u>	NONE	NONE
	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ 203,008	\$ 95,058
	-----	-----
FUND BALANCES AT BEGINNING OF YEAR	2,549,474	2,454,416
	-----	-----
FUND BALANCES AT END OF YEAR	\$2,752,482	\$2,549,474
	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

(Statement F)

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

For the Two Years Ended December 31, 2004

	<u>2004</u>	<u>2003</u>
Total net change in fund balances- Governmental funds(Statement E)	\$ 203,008	\$ 95,058
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	98,612	115,453
In the Statement of Activities, certain operating expenses-compensated absences-are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used(essentially, the amounts actually paid).	(9,484)	26,409
Change in net assets of governmental activities(Statement B)	\$ 292,136 =====	\$ 236,920 =====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Martin Parish Library was established by the St. Martin Parish Government, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films. The library is governed by a board of control which is appointed by the parish government in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation.

The accompanying financial statements of the St. Martin Parish Library have been prepared in conformity with United States generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement include the following:

For the first time the statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Library's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Library's activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criterion for determining which component units should be considered part of the St. Martin Parish Government for financial reporting purposes. The basic criteria for including a potential component unit

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements(Continued)

within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Because the parish government created the library, appoints members of the library's governing body, and has the ability to impose its will on the library, the library was determined to be a component unit of the St. Martin Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. BASIC FINANCIAL STATEMENTS-
GOVERNMENT-WIDE STATEMENTS**

The library's basic financial statements include both government-wide (reporting the library as a whole) and fund financial statements(reporting the library's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the library are classified as governmental. The Statement of Net Assets(Statement A) and the Statement of Activities(Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the library.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets;

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements(Continued)

and unrestricted net assets. The library first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs(regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues-Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the library's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the library's general revenues.

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

C. BASIC FINANCIAL STATEMENT-FUND FINANCIAL STATEMENTS

The financial transactions of the library are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The daily accounts and operations of the Library continue to be organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Fund financial statements report detailed information about the library. The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The focus of governmental fund financial

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements(Continued)

statements is now on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The library maintains a single governmental fund, the General Fund, which is used to account for the general operations, and all financial resources of the library system. The General Fund is always a major fund, as defined by (GASB). No other funds are maintained or required to be maintained by the library.

D. BASIS OF ACCOUNTING

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

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources(i.e., revenues and other financing sources) and uses(i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The library uses

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana
Notes to the Financial Statements (Continued)

the following practices in recognizing and reporting revenues and expenditures within its governmental fund(s):

Revenues - Ad Valorem taxes and the related State Revenue Sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees, fines, and forfeitures are recorded when the library is entitled to the funds.

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

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Substantially all other revenues are recorded when received. Based on the above criteria, ad valorem taxes, and state revenue sharing have been treated as susceptible to accrual.

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

E. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. BUDGETARY PRACTICES

The Library utilizes the following budgetary practices:

Annually, the administrative librarian prepares a comprehensive operating budget for the General Fund on a basis consistent with generally accepted accounting principles (GAAP). The proposed budget is published in the official journal at least ten days prior to holding a public budget hearing. The budget hearing is held at least fifteen days prior to the beginning of each fiscal year for public participation. The budget is then

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements(Continued)

legally adopted by the board of control and amended during the year as necessary. All budgetary appropriations lapse at the end of each fiscal year.

Formal budgetary integration and interim budget reporting practices are not employed by the Library. Budgeted amounts reported in the accompanying financial statements include original budget amounts and all subsequent amendments.

G. CASH AND INTEREST BEARING DEPOSITS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 30 days or less. Investments are stated at cost, which approximates market value. These investments consist wholly of time certificates of deposit which are fully secured through the pledge of bank-owned securities or federal deposit insurance. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The carrying amount of cash and interest bearing deposits are displayed on the combined balance sheet at December 31, 2004 as follows:

	<u>Book Balance</u>
Demand Deposits	\$ 368,287
Investments, at cost(Time Deposits)	1,309,000

	\$1,677,287
	=====

Deposits with banks are categorized to give an indication of the level of risk at December 31, 2004 as follows:

	<u>Bank Balance</u>
Federal insurance(FDIC)	\$ 154,121
Pledged Securities(Category 3)	2,650,000

	\$2,804,121
	=====

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the Library, they are considered uncollateralized(Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent bank has failed to pay deposited funds upon demand. Further,

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana

Notes to the Financial Statements(Continued)

LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Library's name.

The Library may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of the Louisiana and national banks having their principal office in the State of Louisiana, an investment as stipulated in LSA-R.S. 39-1271, or any other federally insured investment. The monies which statutes permit the Library to invest are monies in any general fund or special fund of the Library which the Library determines to be available for investment and which are not specifically exempted or prohibited from investment under existing federal or state statutes.

H. ACCOUNTS RECEIVABLE

The financial statements of the Library contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the General Fund.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more, except for the library collection, for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements as fixed depreciable assets. In the fund financial statements, capital assets used in governmental fund operations are accounted for as a capital outlay expenditure of the governmental fund upon acquisition. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Library, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Building and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years
Books	5 years

ST. MARTIN PARISH LIBRARY
 St. Martinville, Louisiana
 Notes to the Financial Statements(Continued)

J. COMPENSATED ABSENCES

Employees of the Library accrue unlimited amounts of annual and sick leave at varying rates according to years of service. Upon termination or resignation, unused annual leave up to a maximum of 30 days is paid to the employee at the employee's current rate of pay; however, all unused sick leave is forfeited. Upon retirement, all unused annual leave and a portion of unused sick leave (per formula of the Parochial Employees Retirement System) are used in the retirement benefit computation as earned service.

At December 31, 2004, employees of the Library had accumulated \$35,029 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a long-term obligation in the government-wide financial statements.

2. LEVIED TAXES

The ad valorem tax millage levied by the Library was 8.04 for the years ended December 31, 2003 and 2004, respectively.

Details of the parish's tax calendar are as follows:

Lien Date:	June 1, (Subsequent Year)
Levy Date:	August 5, (Current Year)
Due Date:	December 1, (Current Year)
Collection Date:	On or prior to December 1, (Current Year)

Total taxes levied were \$964,135 for 2003, and 1,077,290 for 2004.

3. RECEIVABLES

The general fund receivables at December 31, 2004 are as follows:

<u>Class of Receivables</u>	
Taxes - ad valorem	\$1,077,291
Intergovernmental revenues - state grants - state revenue sharing (net)	75,204

Total	\$1,152,495
	=====

ST. MARTIN PARISH LIBRARY
 St. Martinville, Louisiana
 Notes to the Financial Statements (Continued)

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets being depreciated follows:

	Balance <u>Jan. 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31</u>
2003:				
Building and improvements	\$ 197,181	\$ 11,585		\$ 208,766
Furniture and equipment	230,098	4,308	\$ -	234,406
Vehicles	29,514	-	-	29,514
Library materials	585,926	185,220	-	771,146
	-----	-----	-----	-----
Total	\$1,042,719	\$201,113	\$ -	\$1,243,832
Less accumulated depreciation	(486,696)	(85,660)	-	(572,356)
	-----	-----	-----	-----
Net capital assets-2003	\$ 556,023	\$115,453	\$ -	\$ 671,476
	=====	=====	=====	=====
2004:				
Building and improvements	\$ 208,766	\$ -	\$ -	\$ 208,766
Furniture and equipment	234,406	9,141	-	243,547
Vehicles	29,514	-	-	29,514
Library materials	771,146	197,585	-	968,731
	-----	-----	-----	-----
Total	\$1,243,832	\$206,726		\$1,450,558
Less accumulated depreciation	(572,356)	(108,114)	\$ -	(680,470)
	-----	-----	-----	-----
Net capital assets-2004	\$ 671,476	\$ 98,612	\$ -	\$ 770,088
	=====	=====	=====	=====

Capital assets not being depreciated consist of land with an original historical cost of \$7,050.

5. OTHER LIABILITIES

Other liabilities at December 31, 2004 consisted of employee payroll withholdings.

ST. MARTIN PARISH LIBRARY

St. Martinville, Louisiana
Notes to the Financial Statements(Continued)

6. PENSION PLAN

All permanent employees of the Library who work at least 28 hours per week and are under the age of 60 at the time of employment are members of the Parochial Employees Retirement System of Louisiana. Members of the plan may retire with thirty years creditable service at any age, or at age 55 with twenty-five years of creditable service, or at age 60 with ten years creditable service. The retirement allowance is equal to 3% of the member's final average compensation, multiplied by his years of creditable service.

Covered employees are required to contribute 9.5% of their earnings to the plan, and the Library contributes at a rate which is actuarially determined annually, according to statutory process, and which is currently 11.75%. In addition to employee payroll deductions and Library contributions, the ex officio tax collector of the parish deducts one fourth of one percent of the aggregate amount of the tax shown to be collected for the parish, and remits the money to the retirement system on an annual basis. These remittances by the ex officio tax collector, and the Library's matching contributions are recorded as expenditures. Aggregate pension costs for the years ended December 31, 2004 and December 31, 2003 totaled approximately \$57,807 and \$61,737 respectively.

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, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619.

7. LITIGATION AND CLAIMS

At December 31, 2004 the St. Martin Parish Library is not involved in any litigation, nor is it aware of any unasserted claims.

8. RISK MANAGEMENT

The Library is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current and previous fiscal years. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

9. COMPENSATION OF BOARD MEMBERS

No compensation was paid to members of the Library Board of Control for the years ended December 31, 2003 and 2004.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE-GENERAL FUND

(Schedule 1)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Ad valorem taxes	\$ 950,000	\$ 950,000	\$1,029,990	\$ 79,990
State funds:				
State revenue sharing	72,000	72,000	75,202	3,202
Grants received	-0-	-0-	17,272	17,272
Fees and charges for				
library services	15,000	15,000	13,009	(1,991)
Fines and forfeitures	10,000	10,000	11,224	1,224
Use of money and property-				
interest earnings	10,000	10,000	14,605	4,605
Other revenues	-0-	-0-	54	54
	-----	-----	-----	-----
TOTAL REVENUES	\$1,057,000	\$1,057,000	\$1,161,356	\$ 104,356
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
Culture and recreation:				
Personal services and				
related benefits	\$ 575,924	\$ 575,924	\$ 558,093	\$ 17,831
Operating services	161,100	161,100	152,670	8,430
Materials and supplies	25,000	25,000	31,685	(6,685)
Travel and other charges	12,900	12,900	9,174	3,726
Capital Outlay	221,000	221,000	206,726	14,274
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$ 995,924	\$ 995,924	\$ 958,348	\$ 37,576
	-----	-----	-----	-----
EXCESS/(Deficiency) OF				
REVENUES OVER EXPEND.	\$ 61,076	\$ 61,076	\$ 203,008	\$ 141,932
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES</u>	NONE	NONE	NONE	NONE
	-----	-----	-----	-----
EXCESS/(Deficiency) OF				
REVENUES AND OTHER SOURCES				
OVER EXPENDITURES	\$ 61,076	\$ 61,076	\$ 203,008	\$ 141,932
	-----	-----	-----	-----
FUND BALANCES-BEGINNING				
OF YEAR	2,549,474	2,549,474	2,549,474	-0-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$2,610,550	\$2,610,550	\$2,752,482	\$ 141,932
	-----	-----	-----	-----

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE-GENERAL FUND

(Schedule 2)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2003

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Ad valorem taxes	\$ 922,000	\$ 922,000	\$ 912,542	\$ (9,458)
State funds:				
State revenue sharing	71,000	71,000	72,194	1,194
Grants received	-0-	-0-	216	216
Fees and charges for				
library services	9,000	9,000	15,719	6,719
Fines and forfeitures	10,000	10,000	11,476	1,476
Use of money and property-				
interest earnings	15,000	15,000	10,543	(4,457)
Other revenues	-0-	-0-	210	210
	-----	-----	-----	-----
TOTAL REVENUES	\$1,027,000	\$1,027,000	\$1,022,900	\$ (4,100)
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
Culture and recreation:				
Personal services and				
related benefits	\$ 585,950	\$ 585,950	\$ 556,581	\$ 29,369
Operating services	133,700	133,700	134,342	(642)
Materials and supplies	17,700	17,700	18,931	(1,231)
Travel and other charges	44,600	44,600	42,424	2,176
Capital Outlay	183,500	183,500	189,528	(6,028)
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$ 965,450	\$ 965,450	\$ 941,806	\$ 23,644
	-----	-----	-----	-----
EXCESS/(Deficiency) OF				
REVENUES OVER EXPEND.	\$ 61,550	\$ 61,550	\$ 81,094	\$ 19,544
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES</u>	NONE	NONE	NONE	NONE
	-----	-----	-----	-----
EXCESS/(Deficiency) OF				
REVENUES AND OTHER SOURCES				
OVER EXPENDITURES	\$ 61,550	\$ 61,550	\$ 81,094	\$ 19,544
	-----	-----	-----	-----
FUND BALANCES-BEGINNING				
OF YEAR	2,453,360	2,453,360	2,453,360	-0-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$2,514,910	\$2,514,910	\$2,534,454	\$ 19,544
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

SUPPLEMENTARY INFORMATION

MARAIST & MARAIST

CERTIFIED PUBLIC ACCOUNTANTS

(A PARTNERSHIP OF PROFESSIONAL ACCOUNTING CORPORATIONS)

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CHARLES M. MARAIST, CPA *

REGINA B. MARAIST, CPA *

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Control
St. Martin Parish Library
St. Martinville, Louisiana

We have audited the basic financial statements of the St. Martin Parish Library, a component unit of the St. Martin Parish Government, as of December 31, 2004 and for the two years then ended, and have issued our report thereon dated June 30, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Martin Parish Library's 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 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. Martin Parish Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected by employees in the normal course of performing their assigned

functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the St. Martin Parish Library, management, and the Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Maraist & Maraist

MARAIST AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
June 30, 2005

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Schedule of Finding and Questioned Costs
For the Two Years Ended December 31, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the St. Martin Parish Library.
2. No instances of noncompliance material to the financial statements of the St. Martin Parish Library were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FEDERAL AWARD FINDINGS

St. Martin Parish Library did not receive federal awards during the years ended December 31, 2003 and December 31, 2004.

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Summary Schedule of Prior Audit Findings
Two Years Ended December 31, 2004

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE BASIC
FINANCIAL STATEMENTS**

Item 02/1-Budget Violations

We recommended that the Library's budget should be reviewed periodically throughout the year, and amended as situations warrant.

STATUS

The St. Martin Parish Library has restored compliance with LSA-R.S. 39:1309-1310 for fiscal years 2003 and 2004.

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

The St. Martin Parish Library did not receive federal awards during the two years ended December 31, 2002.

C. MANAGEMENT LETTER

A management letter was not issued in connection with the audit for the two years ended December 31, 2002.