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ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

**COMPONENT UNIT FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

As of and for the Two Years 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 JUL 3 4 1998

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Component Unit Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended December 31, 1998

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditor's Report		2
Component Unit Financial Statements:		3
Combined Balance Sheet, December 31, 1998 - All Fund Types and Account Groups	A	4
For the Year Ended December 31, 1998 Governmental Fund Type:		
Combined Statement of Revenues, Expenditures and Changes in Fund Balance	B	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non- GAAP Basis) and Actual:		
General Fund	C	6
For the Year Ended December 31, 1997 Governmental Fund Type:		
Combined Statement of Revenues, Expenditures and Changes in Fund Balance	D	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non- GAAP Basis) and Actual:		
General Fund	E	8
Notes to the Financial Statements		9
Internal Control and Compliance:		17
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit Performed in Accordance with <u>Government Auditing Standards</u>		18
Schedule of Prior and Current Audit Findings		20

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(A PARTNERSHIP OF PROFESSIONAL ACCOUNTING CORPORATIONS)

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INDEPENDENT AUDITORS' REPORT

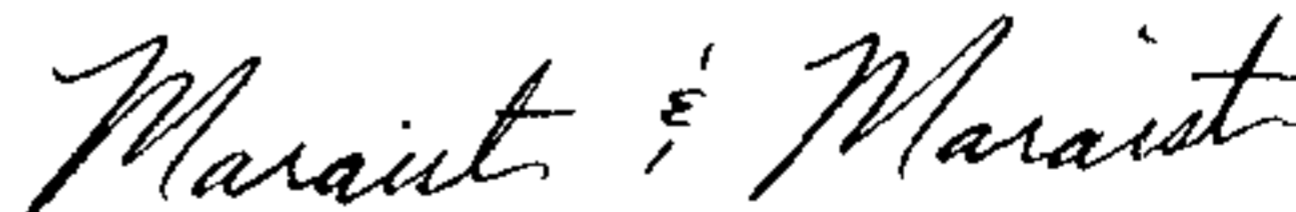
Board of Control
St. Martin Parish Library
St. Martinville, Louisiana

We have audited the accompanying component unit financial statements of the St. Martin Parish Library as of December 31, 1998 and for the two years then ended. These component unit financial statements are the responsibility of the management of the St. Martin Parish Library. Our responsibility is to express an opinion on these component unit financial statements based upon our audit.

We 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the St. Martin Parish Library as of December 31, 1998, and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 25, 1999 on our consideration of the St. Martin Parish Library's internal control over financial reporting and our tests of its compliance with certain laws and regulations.



MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
June 25, 1999

**COMPONENT UNIT FINANCIAL STATEMENTS
(OVERVIEW)**

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

(Statement A)

Combined Balance Sheet
December 31, 1998

	<u>GOVERNMENTAL FUND TYPE</u>		<u>ACCOUNT GROUPS</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM OBLIGATIONS</u>	
<u>ASSETS AND OTHER DEBITS</u>					
Cash and interest bearing deposits	\$ 946,378	\$ 53,379			\$ 999,757
Receivables	753,951	-0-			753,951
Land, buildings, furniture, equipment, books, etc.			\$ 533,736		533,736
Amount to be provided for retirement of general long-term obligations				\$28,427	28,427
	-----	-----	-----	-----	-----
TOTAL ASSETS	\$1,700,329	\$ 53,379	\$ 533,736	\$28,427	\$2,315,871
	=====	=====	=====	=====	=====
<u>LIABILITIES AND FUND EQUITY</u>					
LIABILITIES:					
Accounts payable	\$ 10,746	\$ 13,810			\$ 24,556
Compensated absences payable				\$28,427	28,427
Other liabilities	33,479				33,479
	-----	-----	-----	-----	-----
Total Liabilities	\$ 44,225	\$ 13,810	NONE	\$28,427	\$ 86,462
	-----	-----	-----	-----	-----
FUND EQUITY:					
Investment in general fixed assets			\$ 533,736		\$ 533,736
Fund Balances:					
Unreserved-undesignated	\$1,656,104	\$ 39,569			1,695,673
	-----	-----	-----	-----	-----
Total Fund Equity	\$1,656,104	\$ 39,569	\$ 533,736	NONE	\$2,229,409
	-----	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND EQUITY	\$1,700,329	\$ 53,379	\$ 533,736	\$28,427	\$2,315,871
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

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

(Statement B)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 1998

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 735,379	\$ -0-	\$ 735,379
State funds:			
State revenue sharing	63,590	-0-	63,590
Grants received	70,701	27,920	98,621
Fees and charges for library services	10,334	-0-	10,334
Fines and forfeitures	13,238	-0-	13,238
Use of money and property- interest earnings	48,944	5,131	54,075
Other revenues	10,285	-0-	10,285
	-----	-----	-----
TOTAL REVENUES	\$ 952,471	\$ 33,051	\$ 985,522
	-----	-----	-----
<u>EXPENDITURES</u>			
Culture and recreation:			
Personal services and related benefits	\$ 420,661	\$ -0-	\$ 420,661
Operating services	114,587	-0-	114,587
Materials and supplies	24,861	-0-	24,861
Travel and other charges	14,632	-0-	14,632
Capital Outlay	213,347	163,117	376,464
	-----	-----	-----
TOTAL EXPENDITURES	\$ 788,088	\$ 163,117	\$ 951,205
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 164,383	\$(130,066)	\$ 34,317
	-----	-----	-----
<u>OTHER FINANCING SOURCES</u>	NONE	NONE	NONE
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ 164,383	\$(130,066)	\$ 34,317
	-----	-----	-----
FUND BALANCES AT BEGINNING OF YEAR	1,491,721	169,635	1,661,356
	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$1,656,104	\$ 39,569	\$1,695,673
	=====	=====	=====

The accompanying notes are an integral part of this statement.

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

(Statement C)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 667,022	\$ 754,650	\$ 87,628
State funds:			
State revenue sharing	73,615	79,541	5,926
Grants received	-0-	50,537	50,537
Fees and charges for library services	11,500	10,334	(1,166)
Fines and forfeitures	-0-	13,238	13,238
Use of money and property- interest earnings	6,000	48,944	42,944
Other revenues	-0-	10,188	10,188
	-----	-----	-----
TOTAL REVENUES	\$ 758,137	\$ 967,432	\$ 209,295
	-----	-----	-----
<u>EXPENDITURES</u>			
Culture and recreation:			
Personal services and related benefits	\$ 417,655	\$ 398,120	\$ 19,535
Operating services	126,000	109,873	16,127
Materials and supplies	30,500	21,977	8,523
Travel and other charges	17,400	16,296	1,104
Capital Outlay	166,582	214,692	(48,110)
	-----	-----	-----
TOTAL EXPENDITURES	\$ 758,137	\$ 760,958	\$ (2,821)
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ -0-	\$ 206,474	\$ 206,474
	-----	-----	-----
<u>OTHER FINANCING SOURCES</u>	NONE	NONE	NONE
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -0-	\$ 206,474	\$ 206,474
	-----	-----	-----
FUND BALANCES AT BEGINNING OF YEAR	739,905	739,905	-0-
	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$ 739,905	\$ 946,379	\$ 206,474
	=====	=====	=====

The accompanying notes are an integral part of this statement.

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

(Statement D)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 1997

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECT</u> <u>FUND</u>	<u>TOTAL</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 736,880	\$ -0-	\$ 736,880
State funds:			
State revenue sharing	68,240	-0-	68,240
Grants received	15,941	-0-	15,941
Fees and charges for library services	11,309	-0-	11,309
Fines and forfeitures	12,757	-0-	12,757
Use of money and property- interest earnings	42,899	8,279	51,178
Other revenues	3,905	-0-	3,905
	-----	-----	-----
TOTAL REVENUES	\$ 891,931	\$ 8,279	\$ 900,210
	-----	-----	-----
<u>EXPENDITURES</u>			
Culture and recreation:			
Personal services and related benefits	\$ 438,892	\$ -0-	\$ 438,892
Operating services	105,472	-0-	105,472
Materials and supplies	25,052	-0-	25,052
Travel and other charges	11,695	-0-	11,695
Capital Outlay	135,997	8,624	144,621
	-----	-----	-----
TOTAL EXPENDITURES	\$ 717,108	\$ 8,624	\$ 725,732
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 174,823	\$ (345)	\$ 174,478
	-----	-----	-----
<u>OTHER FINANCING SOURCES</u>	NONE	NONE	NONE
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ 174,823	\$ (345)	\$ 174,478
	-----	-----	-----
FUND BALANCES AT BEGINNING OF YEAR	1,316,898	169,980	1,486,878
	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$1,491,721	\$169,635	\$1,661,356
	=====	=====	=====

The accompanying notes are an integral part of this statement.

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

(Statement E)

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 For the Year Ended December 31, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 629,667	\$ 697,272	\$ 67,605
State funds:			
State revenue sharing	63,000	68,248	5,248
Grants received	-0-	12,486	12,486
Fees and charges for library services	9,500	11,309	1,809
Fines and forfeitures	-0-	12,757	12,757
Use of money and property- interest earnings	6,000	42,899	36,899
Other revenues	-0-	3,905	3,905
	-----	-----	-----
TOTAL REVENUES	\$ 708,167	\$ 848,876	\$ 140,709
	-----	-----	-----
<u>EXPENDITURES</u>			
Culture and recreation:			
Personal services and related benefits	\$ 401,131	\$ 402,812	\$ (1,681)
Operating services	105,206	105,204	2
Materials and supplies	21,512	21,512	-0-
Travel and other charges	11,707	11,707	-0-
Capital Outlay	138,282	138,318	(36)
	-----	-----	-----
TOTAL EXPENDITURES	\$ 677,838	679,553	\$ (1,715)
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 30,329	\$ 169,323	\$ 138,994
	-----	-----	-----
<u>OTHER FINANCING SOURCES</u>	NONE	NONE	NONE
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ 30,329	\$ 169,323	\$ 138,994
	-----	-----	-----
FUND BALANCES AT BEGINNING OF YEAR	570,582	570,582	-0-
	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$ 600,911	\$ 739,905	\$ 138,994
	=====	=====	=====

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, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Martin Parish Library was established by the St. Martin Parish Police Jury, 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 police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation.

A. REPORTING ENTITY

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

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

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

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

Because the police jury 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 Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The library uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity 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.

Funds are classified into three categories; governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The library's current operations require only the use of governmental funds (General Fund, Capital Project Fund). Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund. Revenues of the Capital Project Fund consist of interest earnings. Additions and improvements to library facilities are paid from this fund.

**C. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets are valued at historical cost where available, or at estimated historical cost. No depreciation

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

has been provided on general fixed assets. Fixed assets acquired prior to 1995, have been reported in the financial statements of the St. Martin Parish Police Jury, under whose primary government financial statements the operations of the St. Martin Parish Library were reported prior to calendar year 1995.

Long-term obligations, such as compensated absences, that portion of which is expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental funds types. 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 uses the following practices in recognizing and reporting revenues and expenditures:

Revenues - Ad Valorem taxes and the related State Revenue Sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, 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.

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

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. BUDGETARY PRACTICES

The Library utilizes the following budgetary practices:

Annually, the administrative librarian prepares a comprehensive operating budget for the General Fund on the cash basis of accounting. A budget hearing is held at least fifteen days prior to the beginning of each fiscal year for public participation. The budget is then 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. Budgets were not prepared and adopted for the capital project fund. Capital project funds are excluded from the requirements of the Louisiana Local Government Budget Act, Louisiana Revised Statutes 39:1301-1314.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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 cash equivalents are displayed on the combined balance sheet as follows:

	<u>Book Balance</u>
Demand Deposits	\$ 199,557
Investments, at cost(Time Deposits)	800,000

	\$ 999,557
	=====

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

Deposits with banks are categorized to give an indication of the level of risk at December 31, 1998 as follows:

Federal insurance(FDIC)	\$ 153,380
Pledged Securities(Category 3)	846,177

	\$ 999,557
	=====

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.

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.

G. 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, 1998, employees of the Library had accumulated \$28,427 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a general long-term obligation in the accompanying financial statements.

N. TOTAL COLUMNS ON COMBINED STATEMENTS

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, results of operations, or changes in financial position in conformity with

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

generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Levied Taxes

The ad valorem tax millage levied by the library was 8.04 for the year ended December 31, 1997, and also 8.04 for the year ended December 31, 1998. 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 \$753,998 and \$750,749 for 1997 and 1998 respectively.

3. Receivables

The general fund receivables at December 31, 1998 are as follows:

Class of <u>Receivables</u>		
Taxes - ad valorem		\$710,344
Intergovernmental revenues - state grants - state revenue sharing (net)		43,607

Total		\$753,951
		=====

4. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture, Books, and Equipment</u>	<u>Total</u>
Balance at 1/1/96	\$ 7,050	\$ 9,245	\$ 230,618	\$ 246,913
Additions-1997	-0-	5,142	139,479	144,621
Deletions-1997	-0-	-0-	(111,541)	(111,541)
	-----	-----	-----	-----
Balance at 12/31/97	\$ 7,050	\$ 14,387	\$ 258,556	\$ 279,993
Additions-1998	-0-	151,065	225,339	376,404
Deletions-1998	-0-	-0-	(122,661)	(122,661)
	-----	-----	-----	-----
Balance at 12/31/98	\$ 7,050	\$ 165,452	\$ 361,234	\$ 533,736
	=====	=====	=====	=====

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

5. 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 7.75%. 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, 1997 and December 31, 1998 totaled approximately \$44,997 and \$39,605 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.

6. Litigation and Claims

At December 31, 1998 the St. Martin Parish Library is not involved in any litigation, nor is it aware of any unasserted claims.

7. 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.

8. Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Library's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

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

The Library is utilizing both internal and external resources to identify and test the systems for Year 2000 compliance. To date, a preliminary assessment of the impact of this issue has not been completed. Consequently, management has not assessed the Year 2000 compliance expense and related potential effect on the Library's expenditures.

INTERNAL CONTROL AND COMPLIANCE

The following independent auditors' report on compliance with laws and regulations and on internal controls is presented in compliance with the requirements of Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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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 accompanying component unit financial statements of the St. Martin Parish Library as of December 31, 1998 and for the two years then ended, and have issued our report thereon dated June 25, 1999. We 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. 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 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 component unit 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Maraist & Maraist

MARAIST AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
June 25, 1999

ST. MARTIN PARISH LIBRARY
St. Martinville, Louisiana

Schedule of Prior and Current Audit Findings
Two Years Ended December 31, 1998

Compliance

There were no instances of non-compliance at
December 31, 1996.

There were no instances of non-compliance at
December 31, 1998.

Internal Control Over Financial Reporting

There were no material weaknesses reported at
December 31, 1996:

There were no material weaknesses reported at
December 31, 1998.

Management Letter Items

Items included in the management letter of December 31,
1996 were resolved and no longer apply at December 31, 1998.
There are no management letter items at December 31, 1998.
The December 31, 1996 management letter items were as
follows:

- (1) Fixed asset records not adequately detailed,
cataloged or inventoried to insure sufficient
control over general fixed assets.
- (2) Non-compliance with governmental audit provisions
as to time periods covered by audit requirements
and timely submission of audit reports relating to
same.