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**ST. MARTIN PARISH GOVERNMENT
ST. MARTINVILLE, LOUISIANA**

FINANCIAL REPORT

As of and for the Year Ended

DECEMBER 31, 2007

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

7/9/08

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

FINANCIAL REPORT

As of and For the Year Ended December 31, 2007

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INDEPENDENT AUDITORS' REPORT

To Guy Cormier, Parish President
and the Members of the St. Martin
Parish Council
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Martin Parish Government as of December 31, 2007 and for the year then ended, which collectively comprise the basic financial statements of the St. Martin Parish Government's primary government as listed in the preceding table of contents. These financial statements are the responsibility of the management of the St. Martin Parish Government. Our responsibility is to express an opinion on these 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 primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

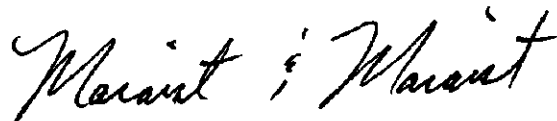
The financial statements referred to above include only the primary government of the St. Martin Parish Government, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the St. Martin Parish Government's legal entity. The financial statements do not include financial data for the St. Martin Parish Government's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the St. Martin Parish Government's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the St. Martin Parish Government as of December 31, 2007 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the primary government financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of the St. Martin Parish Government as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2008 on our consideration of the St. Martin Parish Government'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 Management's Discussion and Analysis and budgetary comparison information on pages 4 through 14 and 54 through 60, respectively, are not a required part of the basic financial statements of the St. Martin Parish Government but are 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 required supplementary information. However, we did not audit the information, and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the St. Martin Parish Government. The accompanying information listed as other supplemental information in the table of contents, including the schedule of expenditures of federal awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the St. Martin Parish Government. Such supplemental information has been subjected to the auditing procedures applied in the examination of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



MARAIST AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
June 24, 2008

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis (MD & A)

ST. MARTIN PARISH GOVERNMENT

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The discussion and analysis of St. Martin Parish Government's financial performance provide an overview of the Parish's financial activities for the fiscal year ended December 31, 2007, in an easily readable analysis. Please read it in conjunction with the Parish's financial statements that follow.

HIGHLIGHTS

Financial Highlights

Assets of the Parish exceeded its liabilities at the close of the fiscal year by \$43,711,451 of this amount, \$14,041,173 was invested in capital assets, net of related debt; \$2,351,755 was reserved for debt retirement; \$8,044,359 was reserved for incomplete projects; and \$19,274,164 was unrestricted. The unrestricted portion may be used to meet the Parish's ongoing obligations to citizens and creditors in accordance with the Parish's fund designation and fiscal policies.

Total expenses of governmental activities for all our programs were \$12,895,168 for the year. Of this amount, \$841,372 was provided by program revenues from charges for services; \$2,363,206 from operating grants and contributions; and \$1,146,847 from capital grants and contributions. Based on the governmental activities of 2007, net assets increased \$5,736,763.

As of the close of the fiscal year, the Parish's governmental funds reported combined ending fund balances of \$29,506,415. The General Fund accounted for \$2,476,399 of the total with all \$2,476,399 being unreserved and undesignated. Governmental activities reported an overall increase in fund balances of \$1,190,752. Approximately 64.8% of the total governmental fund balance, or \$19.1 million, is available for spending at the Parish's discretion.

At December 31, 2007, unreserved fund balance for the General Fund was \$2.4 million, or 110% of total 2007 General Fund expenditures and other financing sources and uses.

Parish Highlights

SMEDA Business Park

The SMEDA Business Park was a cooperative effort of the U.S. Department of Commerce/Economic Development Administration, the State of Louisiana, USDA Rural Development, and St. Martin Parish Government with the primary goal of providing jobs to the residents of St. Martin Parish in the aftermath of the Martin Mills/Fruit of the Loom closure that took place in May 2000. A total of 180 acres of property was developed, complete with water, sewer, and road infrastructure. To date, the SMEDA Business Park is SOLD OUT, with a total of

32 businesses that have chosen St. Martin Parish as their location to do business. Total 2007 ad valorem tax collections for the park are \$278,090, with total investment dollars well over \$18,400,000. The estimated annual payroll is \$7.9 million dollars, with an average annual salary of \$45,000. By year end, the SMEDA Business Park is expected to generate well over 300 new jobs for our area.

Commercial Park East

The Commercial Park East Development is a public/private partnership wherein St. Martin Parish Government, with the cooperative effort of local and state dollars, has been able to not only create jobs for the City of Breaux Bridge, but for St. Martin Parish as a whole. With the substantial growth that has taken place along the I-10 Corridor, St. Martin Parish Government recognized the opportunity to partner with the private development community to establish a mixed-use retail business park. Total number of jobs is expected to be 108, with \$2,500,000 in annual payroll. The Total Economic Impact for St. Martin Parish is estimated at well over \$15.3 million dollars. The subject site is comprised of approximately 38 acres. According to the developer, the physical nature and adjacencies of the site will allow for it to be subdivided in order to accommodate a variety of commercial developments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements (see Statements A and B) are designed to provide readers with a broad overview of the Parish's finances, in a manner similar to a private-sector business. These statements combine governmental funds' current financial resources with capital assets and long-term obligations. (The prior period infrastructure acquisitions will be included in the future.)

The Parish's government-wide financial statements include a Statement of Net Assets (Statement A) and a Statement of Activities (Statement B), which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the Statement of Net Assets is to report all of the assets held and liabilities owed by the Parish using the full accrual basis of accounting. The Parish reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the Parish's total assets and total liabilities is reported as net assets in the Statement of Net Assets. This difference, the net assets, is similar to the total owners' equity presented by a commercial enterprise. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the Parish is improving or deteriorating. However, the Parish's goal is to provide services to the citizens of St. Martin Parish, Louisiana, not to generate profits as commercial enterprises do. Therefore, other nonfinancial factors, such as the quality of health and welfare services provided to the parish citizens and the condition of roads and bridges, must be considered to assess the overall health of the Parish.

The Statement of Activities (Statement B), presents information showing how the Parish's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, uncollected taxes and earned but unused vacation leave results in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities that are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities and component units.

Both of the government-wide financial statements distinguish functions of the St. Martin Parish Government that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reflect the Parish's basic services including public safety (fire), general government (executive, legislative, judicial, finance, administrative services), streets and drainage, culture and recreation, health and welfare, economic development, and urban redevelopment and housing. These services are financed primarily with taxes. The business-type activities reflect private sector type operations where the fee for service typically covers all or most of the cost of operations including depreciation. The Parish currently has two private sector type activities to report (enterprise funds).

The government-wide financial statements can be found on page 16 thru 18 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The St. Martin Parish Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus is now on major funds, rather than generic fund types. All of the funds of the St. Martin Parish Government can be divided into three categories: governmental funds, enterprise funds, and agency funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major funds (see Statement C through F) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on how money flows in and out of those funds; the balances that are left at year end; and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash, near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal

year. Such information may be useful in evaluating a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The St. Martin Parish Government maintains thirty-one individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the District #1 Sales Tax Revenue, the Fire Protection Maintenance Fund, the Construction Fund, the Capital Outlay Fund, the District #1 Sales Tax Sinking Fund, the Public Works fund, the Video Poker Fund, District #2 Sales Tax Revenue Fund, the LCDBG Projects Fund, and the Section 8 Housing Fund, all of which are considered to be major funds. Data from the other 20 Governmental funds are combined into a single, aggregated presentation in one column, titled nonmajor governmental funds. Combining financial statements of the non-major funds can be found in the other supplementary information section which follows the basic financial statements.

Infrastructure Assets

General capital assets include land, land improvements, buildings, vehicles, equipment and machinery, infrastructure, and all other assets of a tangible nature that are used in operations and that exceeds the Parish's capitalization threshold. All projects completed and acquisitions occurring in the fiscal year ended December 31, 2007 have been capitalized. The Parish has capitalized all purchased capital assets and all donated non-infrastructure general capital assets with the exception of the drainage infrastructure. Donated infrastructure assets (those placed into service through contributions from private development) have not been capitalized in this financial presentation for the years 1980 through 2003.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found on pages 37 through 52 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, the budgetary comparison schedules. St. Martin Parish Government adopts an annual appropriated budget for all of its governmental funds. During the

course of the year, this budget is amended to take into consideration changes that have occurred affecting revenues and expenditures. A statement showing original and final budget compared with actual operating results is provided in the required supplementary information section for the General Fund and each major special revenue fund to demonstrate compliance with this budget. Required supplementary information can be found in Schedules 1 through 4 of this report.

The other supplementary information section referred to earlier in connection with the non-major governmental funds is presented immediately following the required supplementary information in Schedules 5 through 10.

Also included in the report is the Office of Management and Budget A-133 Single Audit Auditor reports, findings and schedules, including the OMB Data Collection Form. This information can be found under the Single Audit section.

Certain supplementary financial information can be found in Statements 11 and 12 of this report. The supplementary section is included for additional information and analysis and does not constitute a part of the audited financial statements.

Our auditor has provided assurance in the independent auditors' report, located immediately preceding this *Management's Discussion and Analysis*, that the financial statements of the St. Martin Parish Government's primary government are fairly stated. However, because of the omission of all component units, the primary government financial statements do not purport to, and do not present fairly the financial data of the reporting entity of the St. Martin Parish Government in conformity with accounting principles generally accepted in the United States of America. Varying degrees of assurance are being provided by the auditor regarding the required and other supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the financial section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed statement of net assets for 2007, with comparative figures from 2006:

Table 1
ST. MARTIN PARISH GOVERNMENT
Condensed Statement of Net Assets
December 31, 2007 and 2006

	Government		Activities		Business Type		Activities		Total			
	2007		2006		2007		2006		2007		2006	
Current assets	\$	30,746,400	\$	30,029,045	\$	5,353			\$	30,751,753	\$	30,029,045
Capital Assets		42,557,745		40,035,888		-----				42,557,745		40,035,888
TOTAL ASSETS	\$	73,304,145	\$	70,064,933	\$	5,353			\$	73,309,498	\$	70,064,933
Current Liabilities		3,274,605		3,618,465		15,282				3,289,887		3,618,465
Non-current Liabilities		26,318,089		28,306,216		-----				26,318,089		28,306,216
TOTAL LIABILITIES	\$	29,592,694	\$	31,924,681	\$	15,282			\$	29,607,976	\$	31,924,681
Net assets invested in capital assets, net of related debt	\$	14,041,173	\$	9,466,243					\$	14,041,173	\$	9,466,243
Restricted:												
Capital Projects		8,044,359		9,288,329						8,044,359		9,288,329
Debt Service		2,351,755		2,162,503						2,351,755		2,162,503
Unrestricted net assets	\$	19,274,164	\$	17,223,177	\$	9,929			\$	19,264,235	\$	17,223,177
TOTAL NET ASSETS	\$	43,711,451	\$	38,140,252	\$	9,929			\$	43,701,522	\$	38,140,252

For more detailed information see Statement A, the Statement of Net Assets.

The Parish's combined net assets at year end totaled \$ 38.1 million. Approximately 24.8% (\$ 9.4 million) of the Parish's net assets as of Dec. 31, 2007 reflects the Parish's investment in capital assets (land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets that is still outstanding. The Parish uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 30.00% of the Parish's net assets are subject to external restrictions on how they may be used such as debt service sinking funds and reservations for outstanding capital project contracts. The remaining 45.2% (\$ 17.2 million) of net assets, referred to as *unrestricted*, may be used to meet the ongoing obligations of the Parish to citizens and creditors.

Capital assets, net of accumulated depreciation, account for \$ 42,557,745 or 58% of the total assets. This is reflective of the investment in new and improved facilities funded by a series of bond issues in recent years. This is further highlighted by the fact that \$26,318,089 or 88.9% of the Parish's liabilities, represents long-term debt.

Table 2 below provides a summary of the changes in net assets for the year ended December 31, 2007, with comparative figures from 2006:

Table 2
ST. MARTIN PARISH GOVERNMENT
Condensed Statement of Changes in Governmental Net Assets
For the Years Ended December 31, 2007 and 2006

	Governmental Activities In Total 2007	Governmental Activities In Total 2006
Revenues:		
Program Revenues:		
Fees, fines, and charges for services	\$ 841,372	\$ 972,072
Operating grants and contributions	2,363,206	2,210,983
Capital grants and contributions	1,146,847	908,278
General revenues:		
Property taxes	5,432,957	5,246,746
Sales taxes	3,391,792	2,978,832
Severance taxes	853,433	773,929
Licenses & permits	397,699	567,369
Grants and contributions not restricted to specific programs	1,225,571	1,255,006
Other	2,979,054	2,566,253
Total revenues	\$ 18,631,931	\$ 17,479,468
Expenses:		
General Government	\$ 2,966,881	\$ 2,645,863
Public Safety	1,139,754	1,626,321
Public Works	4,556,635	3,973,294
Culture and recreation	239,982	187,410
Health and welfare	2,010,148	2,111,105
Economic development and assistance	780,263	822,504
Interest on long-term debt	1,201,505	1,132,748
Total expenses	\$ 12,895,168	\$ 12,519,245
Increase (decrease) in net assets before transfers	\$ 5,736,763	\$ 4,960,223
Transfers	0	-165,564
Increase in governmental net assets	\$ 5,736,763	\$ 4,794,659
Net assets, January 1	37,974,688	33,180,029
Net assets, December 31	\$ 43,711,451	\$ 37,974,688

The Parish's total revenues were \$ 18.6 million and the total cost of all programs and services was \$ 12.9 million. Therefore, net assets increased \$5.7 million for the year. Our analysis below more concisely describes the operations of governmental activities.

Governmental Activities net assets increased by \$5.5 million in 2007. The cost of all governmental activities this year was \$12.9 million. As shown in the Statement of Activities in Exhibit B, the amount that our taxpayers financed was \$8.5 million because some of the cost was paid by those who directly benefited from the programs (\$.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$3.5 million). Program revenues only covered 34% of total costs. The remainder was paid with taxes and other revenues, such as investment earnings and unrestricted grants and contributions.

The Parish's largest program in governmental activities is public works, with more than \$ 4.5 million of resources applied thereto. Following that are general government, health and welfare and public safety.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Parish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Parish's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Parish's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the Parish's governmental funds reported combined ending fund balances of \$ 29.5 million, an increase of \$1.1 million in comparison with the prior year. Approximately 64.7% of this total amount (\$19.1 million) constitutes unreserved fund balance, which is available for spending at the Parish's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to: (1) payment of debt service (\$ 2.4 million), (2) construction contracts (\$8.0 million).

The General Fund is the chief operating fund of the St. Martin Parish Government. At the end of the fiscal year, total fund balance of the General Fund was \$ 2.5 million, all of which was unreserved. Compared with total fund balance of \$ 2.4 million at the end of 2006, fund balance increased approximately \$.1 million during 2007.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Parish's budget is prepared according to Louisiana law. During the course of the year, the Parish amended its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if anticipated revenues are less than budgetary goals by five percent (5%) or more or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more.

A budgetary comparison schedule showing the Parish's originally adopted budget and the final amended budget compared with actual results for all major funds is provided in the report that follows. The Parish's year end actual results were better than budgeted, as conservative budgetary practices are customary. Revenues are forecasted conservatively and expenditures are budgeted in anticipation of all possible costs and projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The St. Martin Parish Government's investment in capital assets for its governmental and activities as of December 31, 2007 amounts to \$ 42.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and roads and highways.

Table 3

ST. MARTIN PARISH GOVERNMENT
Capital Assets
(Net of Depreciation)
December 31, 2007 and 2006

	2007	2006
Land	\$ 1,774,215	\$ 1,688,465
Buildings and Improvement	9,342,500	9,186,024
Equipment	4,893,135	4,792,117
Infrastructure	23,473,652	19,503,749
Construction in progress	3,074,243	4,865,533
Total	\$ 42,557,745	\$ 40,035,888

During the year \$4.5 million of capital assets were added. Depreciation for the year ended December 31, 2007, was \$2,090,603. Construction and renovation projects will continue during the 2008 fiscal year which will be funded by the sales taxes and bonds approved by the voters. Major capital asset events during the current fiscal year included the completion of major segments of the ongoing road construction project, and renovations to the parish courthouse. Construction in process at this time includes expenditures incurred for the parishwide road improvement project, and the Cade Community Center project.

Long-term Debt: At the end of the current fiscal year, the Parish had total bonded debt outstanding of \$27.6 million. The following table details the total outstanding governmental debt of the Parish.

Table 4

ST. MARTIN PARISH GOVERNMENT
 Summary of Outstanding Debt at Year-end
 December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Capital Lease Obligations	\$ 710,049	\$ 1,042,631
Compensated Absences	47,568	47,486
General Obligation Bonds	26,542,000	28,003,000
Certificates of Indebtedness	1,054,167	1,224,167
Intergovernmental payables	<u>--</u>	<u>--</u>
Total all notes and bonds	<u>\$ 28,353,784</u>	<u>\$ 30,317,284</u>

The St. Martin Parish Government's total bonded debt decreased during the year by \$1.6 million.

As of December 31, 2007, Parish bonds are rated by Standard and Poors as BBB+.

Computation of the legal debt margin for general obligation bonds is as follows:

<u>Ad Valorem Taxes:</u>	
Assessed Valuation	<u>\$ 241,153,060</u>
Debt Limit: 35% of Assessed Valuation	
(for any one purpose)	\$ 84,403,571
Debt Outstanding by purpose:	
Road Improvements	\$ 15,979,000
Economic Development	\$ 229,167
General Government	\$ 7,800,000
Culture & Recreation	\$ 3,435,000
Public Safety	\$ 153,000

The Louisiana Revised Statutes limit the Parish's bonded debt for any one purpose to 10% of the assessed valuation of the taxable property and 35% for all purposes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered when preparing the fiscal year 2008 budget:

The Parish's ad valorem tax levies are the major revenue sources, making up approximately 30% of total revenues. The historical trend for the Parish ad valorem tax has continued to be positive. Sales tax levies are anticipated to make up approximately 18% of next year's total revenues budgeted. Next year's budget reflects anticipated collections from sales tax levies in the amount of \$1.9 million for the District #1 sales tax and \$ 0.6 million for the District #2 sales tax.

These indicators were taken into account when adopting the General Fund budget for 2008. Amounts available for appropriation in the General Fund budget are \$ 2.5 million, an increase of \$ 0.1 million over the final 2007 budget, which is virtually unchanged from 2006 levels.

If budget estimates are met, the Parish's budgetary General Fund balance is expected to increase by \$ 140 thousand by the close of 2008.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the St. Martin Parish Government's finances and to demonstrate accountability for monies received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the St. Martin Parish Government, Office of the Director of Finance, Post Office 9, St. Martinville, Louisiana 70582, (337) 394-2200.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

Statement A

STATEMENT OF NET ASSETS

December 31, 2007

Primary Government

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Cash and interest bearing deposits	\$23,612,094		\$23,612,094
Receivables	6,585,018	\$ 5,353	6,590,371
Internal balances	11,824	-	11,824
Prepaid items	5,000	-	5,000
Capital assets, net of accumulated depreciation	42,557,745	-	42,557,745
Bond issue costs, net of accumulated amortization	211,431	-	211,431
Due from other governments	321,033	-	321,033
	-----	-----	-----
TOTAL ASSETS	\$73,304,145	\$ 5,353	\$73,309,498
	=====	=====	=====
 <u>LIABILITIES</u>			
Accounts payable	\$ 542,962	\$ 3,458	\$ 546,420
Internal balances	-	11,824	11,824
Accrued interest payable	210,356	-	210,356
Deferred revenues	97,597	-	97,597
Other liabilities	387,995	-	387,995
Long-term liabilities:			
Bonds payable, due within one year	1,679,000	-	1,679,000
Bonds payable, due after one year	25,917,167	-	25,917,167
Capital leases due within one year	309,127	-	309,127
Capital leases due after one year	400,922	-	400,922
Compensated absences payable	47,568	-	47,568
	-----	-----	-----
TOTAL LIABILITIES	\$29,592,694	\$ 15,282	\$29,607,976
	-----	-----	-----
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$14,041,173		\$14,041,173
Reserved for debt retirement	2,351,755		2,351,755
Reserved for incomplete contracts	8,044,359		8,044,359
Unreserved-undesignated	19,274,164	\$ (9,929)	19,264,235
	-----	-----	-----
TOTAL NET ASSETS	\$43,711,451	\$ (9,929)	\$43,701,522
	-----	-----	-----
TOTAL LIABILITIES AND NET ASSETS	\$73,304,145	\$ 5,353	\$73,309,498
	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
St. Martin Parish, Louisiana
STATEMENT OF ACTIVITIES
DECEMBER 31, 2007

STATEMENT B

PROGRAM REVENUES

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>FEEES, FINES AND CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Primary Government--							
Governmental Activities:							
General Government	\$ 2,966,881	\$ 667,621	\$ 607,399	\$ 50,000	\$ (1,641,861)		(1,641,861)
Public safety	1,139,754	---	170,103	103,763	(865,888)		(865,888)
Public works	4,556,635	65,468	32,051	801,550	(3,657,566)		(3,657,566)
Economic development	780,263	46,521	64,357	---	(669,385)		(669,385)
Health and welfare	2,010,148	45,926	1,411,584	---	(552,638)		(552,638)
Culture and recreation	239,982	15,836	77,712	191,534	45,100		45,100
Interest and fiscal charges on long term debt	1,201,505	---	---	---	(1,201,505)		(1,201,505)
Total governmental activities	\$ 12,895,168	\$ 841,372	\$ 2,363,206	\$ 1,146,847	\$ (8,543,743)		(8,543,743)
Business-type activities:							
Expenses	62,948					65,315	
Total Business-Type Activities	62,948					65,315	
TOTAL PRIMARY GOVERNMENT	12,958,116	841,372	2,363,206	1,146,847	(8,543,743)	65,315	

General Revenue							
Taxes:							
Property taxes					\$ 5,432,957		5,432,957
Sales taxes					3,391,792		3,391,792
Severance taxes					853,433		853,433
Transportation funds					487,188		487,188
Video poker fees					1,225,571		1,225,571
State revenue sharing					418,131		418,131
Licenses and permits					397,699		397,699
Investment income					1,056,166		1,056,166
Miscellaneous					1,017,569		1,017,569
Total general revenue and transfers					\$ 14,280,506		14,280,506
Changes in net assets					\$ 5,736,763	\$ 2,367	5,739,130
Net assets - 12/31/06					37,974,688	(12,296)	37,962,392
Net assets - 12/31/07					43,711,451	(9,929)	43,701,522

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
 ALL GOVERNMENTAL FUNDS

Statement C

BALANCE SHEET

December 31, 2007

	<u>GENERAL</u> <u>FUND</u>	DIST. #1 SALES TAX <u>REVENUE</u> <u>FUND</u>	FIRE PROTECTION <u>MAINTENANCE</u> <u>FUND</u>	CONSTRUCTION <u>FUND</u>
<u>ASSETS</u>				
Cash and interest bearing deposits	\$4,573,610	\$4,051,135	\$1,750,000	\$7,511,079
Receivables	510,014	221,067	878,214	307,019
Prepaid expenses	5,000	-	-	-
Due from other funds	2,303,287	-	98,351	426,724
Due from other governments	321,033	-	-	-
TOTAL ASSETS	\$7,712,944	\$4,272,202	\$2,726,565	\$8,244,822
<u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable	\$ 81,984		\$ 37,625	\$ 200,463
Accrued liabilities	16,079		2,907	-
Due to other governments	96,606		-	-
Due to other funds	5,017,782	\$ 761,122	-	-
Other liabilities	16,717	-	33,151	-
Deferred revenues	7,377	-	15,473	-
Total liabilities	\$5,236,545	\$ 761,122	\$ 89,156	\$ 200,463
<u>FUND BALANCES</u>				
Reserved for debt service				
Reserved for incomplete contracts				\$8,044,359
Unreserved-undesignated	\$2,476,399	\$3,511,080	\$2,637,409	-
Total fund balances	\$2,476,399	\$3,511,080	\$2,637,409	\$8,044,359
TOTAL LIABILITIES & FUND BALANCES	\$7,712,944	\$4,272,202	\$2,726,565	\$8,244,822

The accompanying notes are an integral part of these financial statements.

Statement C

CAPITAL OUTLAY <u>FUND</u>	SALES TAX #1 SINKING <u>FUND</u>	PUBLIC WORKS <u>FUND</u>	VIDEO POKER <u>FUND</u>	DISTRICT #2 SALES TAX REVENUE <u>FUND</u>	LCDBG PROJECTS <u>FUND</u>
\$ 23,864		\$ 1,049,696	\$ 88,700	\$1,417,576	\$ 101,191
-		2,277,863	128,543	70,358	3,278
-	\$ 523,983	-	-	-	-
-	-	-	1,594,902	-	-
-----	-----	-----	-----	-----	-----
\$ 23,864	\$ 523,983	\$ 3,327,559	\$1,812,145	\$1,487,934	\$ 104,469
=====	=====	=====	=====	=====	=====
\$ 47,796		\$ 51,221	\$ 3,216	\$ 10,728	\$ 6,795
-		36,075	1,642	-	-
-		-	-	-	-
15,327		688,299	-	289,003	100,058
-		81,861	-	-	-
-		35,150	-	-	-
-----	-----	-----	-----	-----	-----
\$ 63,123	NONE	\$ 892,606	\$ 4,858	\$ 299,731	\$ 106,853
-----	-----	-----	-----	-----	-----
	\$ 523,983				
\$ (39,259)		\$ 2,434,953	\$1,807,287	\$1,188,203	\$ (2,384)
-----	-----	-----	-----	-----	-----
\$ (39,259)	\$ 523,983	\$ 2,434,953	\$1,807,287	\$1,188,203	\$ (2,384)
-----	-----	-----	-----	-----	-----
\$ 23,864	\$ 523,983	\$ 3,327,559	\$1,812,145	\$1,487,934	\$ 104,469
=====	=====	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
 ALL GOVERNMENTAL FUNDS

Statement C

BALANCE SHEET

December 31, 2007

	<u>SECTION 8 HOUSING FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash and interest bearing deposits	\$ 563,536	\$2,505,571	\$23,612,094
Receivables		2,185,841	6,585,018
Prepaid expenses		-	5,000
Due from other funds		2,373,822	7,321,069
Due from other governments		-	321,033
	-----	-----	-----
TOTAL ASSETS	\$ 563,536	\$7,065,234	\$37,844,214
	=====	=====	=====
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable	\$ 865	\$ 102,269	\$ 542,962
Accrued liabilities	3,447	21,781	81,931
Due to other governments	-	-	96,606
Due to other funds	165,592	272,062	7,309,245
Other liabilities	-	77,729	209,458
Deferred revenues	-	39,597	97,597
	-----	-----	-----
Total liabilities	\$ 169,904	\$ 513,438	\$ 8,337,799
	-----	-----	-----
<u>FUND BALANCES</u>			
Reserved for debt service		\$1,827,772	\$ 2,351,755
Reserved for incomplete contracts			\$ 8,044,359
Unreserved-undesignated	\$ 393,632	\$4,724,024	19,110,301
	-----	-----	-----
Total fund balances	\$ 393,632	\$6,551,796	\$ 29,506,415
	-----	-----	-----
TOTAL LIABILITIES & FUND BALANCES	\$ 563,536	\$7,065,234	\$ 37,844,214
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

Statement D

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
December 31, 2007

Total fund balances-governmental funds		\$29,506,415
<p>The cost of capital assets(land, buildings, furniture and equipment, and infrastructure) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Assets includes these capital assets among the assets of the Parish Government as a whole. The cost of these capital assets is allocated over their estimated useful lives(as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Cost of capital assets	\$55,693,062	
Accumulated depreciation	<u>(13,135,317)</u>	
Net capital assets		42,557,745
<p>Bond issue costs which are reported as expenditures in the year incurred in the governmental funds are deferred and amortized in the Statement of Activities. Bond issue costs, net of accumulated amortization at year-end total \$211,431.</p>		
		211,431
<p>Long-term liabilities applicable to the Parish Government's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities-both current and long term-are reported in the Statement of Net Assets.</p>		
Bonds payable	\$(27,596,167)	
Accrued interest payable	(210,356)	
Compensated absences payable	(47,568)	
Capital leases payable	<u>(710,049)</u>	
Total long-term liabilities		<u>(28,564,140)</u>
Net assets of governmental activities		\$43,711,451 =====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
 ALL GOVERNMENTAL FUNDS

Statement E

**STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES**

Year Ended December 31, 2007

	<u>GENERAL FUND</u>	<u>DIST. #1 SALES TAX REVENUE FUND</u>	<u>FIRE PROTECTION MAINTENANCE FUND</u>	<u>CONSTRUCTION FUND</u>
<u>REVENUES</u>				
Taxes - ad valorem	\$ 359,804		\$ 868,035	
Sales taxes/Hotel taxes		\$2,476,625		
Licenses and permits	397,699			
Intergovernmental revenues:				
<u>Federal funds:</u>				
Federal grants	23,683		103,763	
<u>State funds:</u>				
Parish transportation funds				
State revenue sharing	90,837		70,449	
Parish royalty funds	127,686			
Other state funds	963,443		170,103	\$ 27,561
Fees, charges, commissions for svc.	379,193			
Use of money and property	153,993	123,067	75,576	365,130
Other revenues	289,427		500	
	-----	-----	-----	-----
Total Revenues	\$2,785,765	\$2,599,692	\$1,288,426	\$ 392,691
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
General government:				
Legislative	\$ 263,634			
Judicial	43,552			
Elections	66,243			
Finance and administrative	699,944		\$ 35,343	
Other general government	47,648		33,151	
Public safety	652,359		362,450	
Public works	-	\$ 43,317	-	
Health and welfare	15,068	-	-	
Culture and recreation	-	-	-	
Economic development and assistance	114,040	-	-	
Capital Outlay	85,750	-	690,425	\$2,035,092
Debt Service	32,980	-	-	-
Other expenditures	185,614	-	-	8,258
	-----	-----	-----	-----
Total Expenditures	\$2,206,832	\$ 43,317	\$1,121,369	\$2,043,350
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES				
OVER EXPENDITURES	\$ 578,933	\$2,556,375	\$ 167,057	(1,650,659)
	-----	-----	-----	-----

The accompanying notes are an integral part of these financial statements.

Statement E

<u>CAPITAL OUTLAY FUND</u>	<u>SALES TAX #1 SINKING FUND</u>	<u>PUBLIC WORKS FUND</u>	<u>VIDEO POKER FUND</u>	<u>DISTRICT #2 SALES TAX REVENUE FUND</u>	<u>LCDBG PROJECTS FUND</u>
		\$ 2,153,930		\$ 847,242	
		-		-	
		-			\$ 801,550
		487,188		-	-
		152,580		-	-
		-		-	-
\$ 163,973		32,051	\$1,225,571	-	-
-		65,468	-	-	-
978		65,053	43,760	81,172	-
-		34,648	91,433	-	-
-----	-----	-----	-----	-----	-----
\$ 164,951	NONE	\$ 2,990,918	\$1,360,764	\$ 928,414	\$ 801,550
-----	-----	-----	-----	-----	-----
		\$ 70,823			
		81,861			
		-	\$ 1,600		
		2,630,286	126,523		
		-	38,019		
		-	-		
		-	84,886	\$ 62,488	
\$ 582,485		-	-	-	1,023,451
-	\$ 1,374,284	-	-	-	-
-		-	-	-	-
-----	-----	-----	-----	-----	-----
\$ 582,485	\$ 1,374,284	\$ 2,782,970	\$ 251,028	\$ 62,488	\$1,023,451
-----	-----	-----	-----	-----	-----
\$ (417,534)	\$ (1,374,284)	\$ 207,948	\$1,109,736	\$ 865,926	\$ (221,901)
-----	-----	-----	-----	-----	-----

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
 ALL GOVERNMENTAL FUNDS

Statement E

**STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES**

Year Ended December 31, 2007

	<u>SECTION 8 HOUSING FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>			
Taxes - ad valorem		\$ 2,051,188	\$ 5,432,957
Sales taxes/Hotel taxes		67,925	3,391,792
Licenses and permits			397,699
Intergovernmental revenues:			
<u>Federal funds:</u>			
Federal grants	\$1,194,853	591,733	2,715,582
<u>State funds:</u>			
Parish transportation funds			487,188
State revenue sharing	-	104,265	418,131
Parish royalty funds	-		127,686
Other state funds	-	163,087	2,745,789
Fees, charges, commissions for svc.	-	396,711	841,372
Use of money and property	-	147,437	1,056,166
Other revenues	296,748	190,453	903,209
	-----	-----	-----
Total Revenues	\$1,491,601	\$ 3,712,799	\$18,517,571
	-----	-----	-----
<u>EXPENDITURES</u>			
General government:			
Legislative			\$ 263,634
Judicial		\$ 768,575	812,127
Elections		-	66,243
Finance and administrative	\$ 5,000	65,880	876,990
Other general government	-	522,283	684,943
Public safety	-	-	1,016,409
Public works	-	402	2,800,528
Health and welfare	1,084,508	799,383	1,936,978
Culture and recreation	-	200,261	200,261
Economic development and assistance	-	489,579	750,993
Capital Outlay	-	329,149	4,746,352
Debt Service	-	1,818,477	3,225,741
Other expenditures	-	-	193,872
	-----	-----	-----
Total Expenditures	\$1,089,508	\$ 4,993,989	\$17,575,071
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 402,093	\$(1,281,190)	\$ 942,500
	-----	-----	-----

The accompanying notes are an integral part of these financial statements.

ST. MARTIN PARISH GOVERNMENT

St. Martinville, Louisiana

ALL GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances, 2007

Statement E
(Continued)

	<u>GENERAL</u> <u>FUND</u>	DIST. #1 SALES TAX REVENUE <u>FUND</u>	FIRE PROTECTION MAINTENANCE <u>FUND</u>	CONSTRUCTION <u>FUND</u>
<u>OTHER FINANCING SOURCES/(Uses)</u>				
Operating transfers in	\$ 376,983			\$1,572,141
Operating transfers out	(798,752)	\$(1,643,775)	\$ (178,229)	-
Proceeds from capital leases	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Bond issue costs	-	-	-	-
Transfers to/from other gov't. units	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources/(Uses)	\$ (421,769)	\$(1,643,775)	\$ (178,229)	\$1,572,141
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES & OTHER SOURCES OVER EXPENDIT. & OTHER USES	\$ 157,164	\$ 912,600	\$ (11,172)	\$ (78,518)
FUND BALANCES AT BEGINNING OF YEAR	2,319,235	2,598,480	2,648,581	8,122,877
	-----	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$2,476,399	\$ 3,511,080	\$2,637,409	\$8,044,359
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Statement E
(Continued)

CAPITAL OUTLAY <u>FUND</u>	SALES TAX #1 SINKING <u>FUND</u>	PUBLIC WORKS <u>FUND</u>	VIDEO POKER <u>FUND</u>	DISTRICT #2 SALES TAX REVENUE <u>FUND</u>	LCDBG PROJECTS <u>FUND</u>
\$ 402,186	\$ 1,556,820	\$ 254,420	\$ 78,214	\$ 4,000	\$ 288,247
	-	(985,560)	(747,885)	(1,375,949)	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
-----	-----	-----	-----	-----	-----
\$ 402,186	\$ 1,556,820	\$ (731,140)	\$ (669,671)	(1,371,949)	\$ 288,247
-----	-----	-----	-----	-----	-----
\$ (15,348)	\$ 182,536	\$ (523,192)	\$ 440,065	\$ (506,023)	\$ 66,346
(23,911)	341,447	2,958,145	1,367,222	1,694,226	(68,730)
-----	-----	-----	-----	-----	-----
\$ (39,259)	\$ 523,983	\$ 2,434,953	\$ 1,807,287	\$1,188,203	\$ (2,384)
=====	=====	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
ALL GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances, 2007

Statement E
 (Continued)

	SECTION 8 HOUSING <u>FUND</u>	NONMAJOR GOVERNMENTAL <u>FUNDS</u>	TOTAL GOVERNMENTAL <u>FUNDS</u>
<u>OTHER FINANCING SOURCES/(Uses)</u>			
Operating transfers in		\$ 1,481,078	\$ 6,014,089
Operating transfers out	\$ (8,461)	(275,478)	(6,014,089)
Proceeds from capital leases	-	-	
Proceeds from sale of fixed assets	-	215,000	215,000
Proceeds from issuance of debt	-	-	
Bond issue costs	-	-	
Transfers to/from other gov't. units	-	33,252	33,252
	-----	-----	-----
Total Other Financing Sources/(Uses)	\$ (8,461)	\$ 1,453,852	\$ 248,252
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES & OTHER SOURCES OVER EXPENDIT. & OTHER USES	\$ 393,632	\$ 172,662	\$ 1,190,752
FUND BALANCES AT BEGINNING OF YEAR	-	6,379,134	28,336,706
	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$ 393,632	\$ 6,551,796	\$29,527,458
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana

Statement F

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year ended December 31, 2007

Net change in fund balances-total governmental funds \$ 1,190,752

Governmental funds report capital outlays as expenditures, However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense in the current period.

Capital outlay expenditures	\$ 4,746,352	
Depreciation expense	<u>(2,090,603)</u>	
Excess of capital outlays over depreciation		2,655,749

Governmental funds report gross proceeds from sales of assets as revenues. However, in the Statement of Activities, gross assets sales proceeds are reduced by the depreciated value of net capital assets sold. This is the amount by which gross sales proceeds exceeded gain on depreciated value of assets sold. (133,892)

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). In the current year, vacation and sick time earned exceeded the amounts used by \$82. (82)

In the Statement of Activities some expenses do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

The prior year accrued interest payable amount of \$(299,847) exceeded the current year payable amount of \$(210,356) by \$89,491. 89,491

The amount of bond issue cost amortization expense recorded in the Statement of Activities \$(28,837) was more than the amount of bond issue costs for the current year recognized as expenditures in the governmental funds(\$-0-)by \$28,837. (28,837)

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

Statement F
(Continued)

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year ended December 31, 2007
(Continued)

Bond proceeds and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal and capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which repayments exceeded proceeds.

Principal repayments	1,631,000	
Capital lease repayments	<u>332,582</u>	
Excess of repayments over proceeds		<u>1,963,582</u>
Change in net assets of governmental activities		\$ 5,736,763 =====

The accompanying notes are an integral part of these financial statements.

AGENCY FUNDS

Deferred Compensation Fund

The Deferred Compensation Fund accounts for the contributions and withdrawals by parish employees who participate in the deferred compensation plan created and organized in accordance with Internal Revenue Service Code Section 457. The plan is administered by a third party-Nationwide Retirement Solutions. The plan, which is available to all employees, permits employees to defer the income tax on a portion of their salaries until future years.

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
AGENCY FUND

Statement G

Statement of Assets and Liabilities
 December 31, 2007

<u>ASSETS</u>	DEFERRED COMPENSATION <u>FUND</u>
Cash and interest bearing deposits	
Restricted Assets:	
Property and Rights Held Under Deferred Compensation Plan	\$ 817,508 -----
TOTAL ASSETS AND OTHER DEBITS	\$ 817,508 =====
<u>LIABILITIES AND FUND BALANCES</u>	
Obligations to Employees Under Deferred Compensation Plan	\$ 817,508 -----
Total Liabilities	\$ 817,508 -----
FUND BALANCES	NONE -----
TOTAL LIABILITIES AND FUND BALANCES	\$ 817,508 =====

The accompanying notes are an integral part of these financial statements.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

STATEMENT H

Statement of Net Assets
Enterprise Funds
December 31, 2007

	WASTEWATER FUND	MOSQUITO CONTROL FUND	<u>TOTALS</u>
<u>ASSETS</u>			
Current Assets:			
Accounts Receivable	\$ -	\$ 5,353	\$ 5,353
	-----	-----	-----
TOTAL ASSETS	\$ -	\$ 5,353	\$ 5,353
	=====	=====	=====
 <u>LIABILITIES AND RETAINED EARNINGS</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 325	\$ 3,133	\$ 3,458
Due to other funds	9,823	2,001	11,824
	-----	-----	-----
TOTAL LIABILITIES	\$ 10,148	\$ 5,134	\$15,282
 <u>RETAINED EARNINGS</u>			
	(10,148)	219	(9,929)
	-----	-----	-----
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ -	\$ 5,353	\$ 5,353
	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

STATEMENT I

Statement of Revenues, Expenses and
Changes in Fund Net Assets-Enterprise Funds
For the Year Ended December 31, 2007

<u>REVENUES</u>	<u>WASTEWATER FUND</u>	<u>MOSQUITO CONTROL FUND</u>	<u>TOTALS</u>
Fees and charges for services	\$ 8,710	\$36,422	\$ 45,132
Interest income	-	18	18
	-----	-----	-----
Total Revenues	\$ 8,710	\$36,440	\$ 45,150
	-----	-----	-----
<u>EXPENSES</u>			
Contractual services		\$34,073	\$ 34,073
Sewer maintenance costs	\$ 28,875	-	28,875
	-----	-----	-----
Total Expenses	\$ 28,875	\$34,073	\$ 62,948
	-----	-----	-----
NET OPERATING INCOME/(LOSS)	\$(20,165)	\$ 2,367	\$(17,798)
<u>OPERATING TRANSFERS-GENERAL FUND</u>	20,165	-	20,165
	-----	-----	-----
NET INCOME/(LOSS)	\$ -	\$ 2,367	\$ 2,367
RETAINED EARNINGS-BEGINNING	(10,148)	(2,148)	(12,296)
	-----	-----	-----
RETAINED EARNINGS-ENDING	\$(10,148)	\$ 219	\$ (9,929)
	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

STATEMENT J

Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	\$ 44,619
Payments to suppliers	(65,962)
Transfers from other funds	17,976
Interest income	18

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (3,349)

NET CHANGE IN CASH	\$ (3,349)
BALANCES-BEGINNING OF YEAR	3,349

BALANCES-END OF YEAR	\$ -
	=====

RECONCILIATION OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Net income	\$ 2,367
Adjustments to reconcile operating income to net cash provided by operating activities	
Due to other funds decrease	(2,189)
Accounts receivable increase	(513)
Accounts payable decrease	(3,014)

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (3,349)
	=====

The accompanying notes are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

**ST. MARTIN PARISH GOVERNMENT
ST. MARTINVILLE LOUISIANA**

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Martin Parish Government is the governing authority for St. Martin Parish and is a political subdivision of the State of Louisiana. The Parish Government is comprised of a parish president and a parish council made up of nine (9) members who represent the various districts within the parish. The parish councilmen serve four-year terms that expire in January of 2008.

Louisiana Revised Statute 33:1236 gives the Parish Government various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the Parish Government also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, library facilities and healthcare facilities. Except for the omission of all component units from the financial statements, as more fully described below, the accompanying financial statement of the Parish Government have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Parish Government are described below:

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 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the St. Martin Parish Government for financial reporting purposes. The basic criterion 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. The 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 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.

Based on the previous criteria, the Parish Government has determined that the following component units are part of the reporting entity:

Component Unit	Fiscal Year Ended	Criteria Used
St. Martin Parish Library	December 31	1 and 3
St. Martin Parish Water and Sewerage Commission No. 1	December 31	1 and 3
St. Martin Parish Hospital Service District No. 2	December 31	1 and 3
St. Martin Parish Water and Sewerage District No. 3	December 31	1 and 3
St. Martin Parish Waterworks District No. 4	June 30	1 and 3
St. Martin Parish Waterworks District No. 5	December 31	1 and 3
St. Martin Parish Economic Development Authority	June 30	1 and 3

The Parish government has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units are included in the accompanying statements. Separate financial statements for each of these component units can be obtained by contacting the component unit.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity, but rather are intended to reflect only the financial statements of the primary government (Parish Government).

Considered in the determination of component units of the reporting entity were the St. Martin Parish Sheriff, the St. Martin Parish Assessor, the St. Martin Parish Clerk of Court, the St. Martin Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the St. Martin Parish Government reporting entity because they have separately elected governing bodies, are legally separate and are fiscally independent of the St. Martin Parish Government.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

C. FUND ACCOUNTING

The Parish Government uses funds 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. The minimum number of funds maintained by the Parish Government is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, 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 restrictions, if any, on the spending activities.

The basic financial statements of the St. Martin Parish Government include both government-wide (reporting the primary government of the Parish Government as a whole) and fund financial statements (reporting the Parish Government's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Parish Government's public safety, culture and recreation, public works, and general administrative services are classified as governmental activities. The Parish Government also maintains two business-type activity (enterprise) funds.

D. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government wide financial statements include a Statement of Net Assets and Statement of Activities. These statements report financial information about the primary government of the Parish. In the process of aggregating data for the Statement of Net Assets and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivable and payables were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column. In the Statement of Net Assets the governmental type activities column (1) is presented on a consolidated basis by column, and (2) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Parish Government's net assets are reported in three parts: (1) invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) restricted net assets—consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) unrestricted net assets—all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt". The Parish Government first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports the expenses of a given function offset by program revenues, directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the Parish Government's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

The Parish Government reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. An administrative service fee is charged by the General Fund to the other operating funds to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.). An elimination is made to remove the service fee transactions from the reported revenue and expense.

This government-wide focus is more on the sustainability of the Parish Government as an entity and the change in the Parish Government's net assets resulting from the current year's activities.

E. FUND FINANCIAL STATEMENTS

Fund financial statements are provided for governmental funds. The emphasis of fund financial statements is on major individual governmental funds, each reported in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Parish Government reports the following major governmental funds:

General Fund – used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

District No. 1- Sales Tax Revenue Fund – accounts for the receipt and expenditure of tax monies derived from the Parish Government's 1% sales and use tax assessed within the unincorporated areas of St. Martin Parish, excluding those areas located within the confines of District 2 of St. Martin Parish, Louisiana.

Fire Maintenance Protection Fund—used to account for the maintenance and operation of fire protection stations, which are centrally located across the parish, to provide fire protection services to residents of the parish. Major means of financing is provided by ad valorem taxes, state revenue sharing, and the state's remittance of a portion of fire insurance premiums paid within the state.

Construction Fund – used to account for costs associated with capital building projects within the parish.

Capital Outlay Fund—accounts for capital expenditures for state and federally assisted projects, and parish financed projects of limited scope and duration.

District No. 1 Sales Tax Sinking Fund – used to account for funds set aside to pay the semi-annual debt service on the Series 2003, Series 2004 and Series 2005 parish road improvement bonds.

Public Works Fund -- used to account for the maintenance of existing roads, bridges and roadside areas within the parish, and the operation and maintenance of all off-road drainage projects. Financing is provided principally by the State of Louisiana Transportation Fund, and by ad valorem taxes and state revenue sharing funds.

Video Poker Fund – used to account for the collection and expenditure of the parish's share of revenues from video poker licensees located within St. Martin Parish.

District No. 2 Sales Tax Revenue Fund – used to account for the receipt and expenditure of tax monies derived from the Parish Government's 1% sales and use tax assessed within the unincorporated areas of District No. 2 of St. Martin Parish, Louisiana.

Louisiana Community Development Block Grant (LCDBG) Fund – The LCDBG Fund accounts for grants received from the State of Louisiana under the Department of Housing and Urban Development block grant program for community improvements.

Section 8 Housing Fund – The Section 8 Housing Fund accounts for grants received from the United State Department of Housing and Urban Development for a housing assistance program for low income persons.

F. CASH AND INTEREST BEARING DEPOSITS

The Parish Government's cash and interest bearing deposits are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Parish Government's investment policy allow the Parish Government to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the Parish Government, are reported at cost, which approximates fair market value.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. CAPITAL ASSETS AND DEPRECIATION

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements:

The Parish Government's property, equipment, and infrastructure with useful lives of more than one year are stated at historical costs and comprehensively reported in the government-wide financial statements as capital assets. The Parish Government maintains a threshold level of \$5,000 or more for capitalizing capital assets. Donated assets are stated at fair value at the date donated. The Parish Government has no donated assets. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Description	Estimated Lives
Roads, bridges, and infrastructure	20-50 years
Land improvements	20-30 years
Buildings and building improvements	10-40 years
Furniture and fixtures	5-15 years
Vehicles	5-15 years
Equipment	5-15 years

Fund financial statements:

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the government fund upon acquisition.

J. COMPENSATED ABSENCES

Employees of the parish government 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 \$ 800 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.

In the government-wide financial statements, the Parish Government accrues accumulated unpaid annual and sick leave and associated related costs when earned (or estimated to be earned) by the employee. At December 31, 2007, employees of the Parish Government have accumulated and vested \$ 47,568 of compensated absence benefits, which are recorded as a current liability in the government-wide financial statements. In accordance with GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, no compensated absences liability is recorded in the governmental fund financial statements.

K. DEFERRED REVENUES

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met the liability for deferred revenues is removed and the revenues are recognized. Deferred revenues reflected in the current financial statements consist principally of ad valorem taxes paid under protest by taxpaying entities within the parish.

L. LONG TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. INTERFUND TRANSFERS

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Legally authorized interfund transactions, except quasi-external transactions and reimbursements, are treated as operating transfers and are included in the results of operations.

O. ESTIMATES

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

P. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget is employed as a management control device during the year that assists its users in financial activity analysis. All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final amended budget. Actual amounts may not vary more than 5% from the final amended budget at the individual fund level.

NOTE 2-SALES AND USE TAXES

The St. Martin Parish Government is authorized and has levied the following sales and use taxes:

May 1, 1999 – 1%

District #2 Sales and Use Tax-To be used for the maintenance of roads, bridges, drainage and recreation facilities within District #2 of St. Martin Parish, Louisiana.

October 1, 2002 – 1%

District #1 Sales and Use Tax-To be used for the maintenance of roads, bridges and drainage facilities in all unincorporated areas of St. Martin Parish, Louisiana, exclusive of District #2.

NOTE 3-PROPERTY TAXES

The following is a summary of ad valorem taxes levied for the year 2007:

	2007 Levied Millage
Parish-wide taxes:	
Parish	3.84
Road Maintenance	4.26
Courthouse	2.05
Drainage	6.05
Recreation & Operation	1.20
Fire Protection	5.60
Health Unit	3.07
Industrial Park	1.78
Bond Sinking Fund	4.50
District taxes:	
Sub-Road Dist. No. 1 of Road Dist. No. 1 Maintenance	6.27
Sub-Road Dist. No. 3 of Road Dist. No. 1 Maintenance	5.19
Road Dist. No. 2 Maintenance	13.00
Recreation Dist. No. 1: Maintenance	2.50
Recreation Dist. No. 1: Bonds	4.00

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

Lien Date:	January 1, (Subsequent Year)
Levy Date:	September 1, (Current Year)
Due Date:	December 31, (Current Year)
Collection Date:	On or prior to December 31, (Current Year)

Total taxes levied for 2007 were \$ 5,844,367. Ad valorem tax receivables as of December 31, 2007 were \$ 5,203,790. The financial statements of the St. Martin Parish Government contain an allowance for uncollectible ad valorem tax accounts equivalent to 6.4% of the gross ad valorem tax billed for the current calendar year. The total provision for uncollectible ad valorem taxes for fiscal year ended December 31, 2007 is \$373,633.

NOTE 4-CASH AND CASH EQUIVALENTS

At December 31, 2007, the Parish Government has cash and cash equivalents (book balances) totaling \$ 23,612,155 as follows:

Demand deposits	\$ 9,428,101
Time deposits	<u>14,184,054</u>
Total	<u>\$ 23,612,155</u>

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

At December 31, 2007, the Parish Government has \$ 27,757,198 in deposits (collected bank balances). These deposits are secured from risk by \$ 400,000 of federal deposit insurance and \$ 28,357,946 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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 Parish Government that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5-RECEIVABLES

The following is a summary of receivables at December 31, 2007.

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Taxes-ad valorem	\$ 339,532	\$ 4,196,259	\$ 667,999			\$ 5,203,790
Taxes-sales/hotel	--	296,611	--			296,611
Grants:						
Federal	--	--	--	27,142		27,142
State	80,216	293,069	--	27,561		400,846
Other Receivables	<u>69,223</u>	<u>307,948</u>	<u>--</u>	<u>\$ 279,458</u>	<u>\$ 5,353</u>	<u>661,982</u>
Total	<u>\$ 488,971</u>	<u>\$ 5,093,887</u>	<u>\$ 667,999</u>	<u>\$ 334,161</u>	<u>\$ 5,353</u>	<u>\$ 6,590,371</u>

NOTE 6-CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2007, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,688,465	\$ 85,750	\$ -	\$ 1,774,215
Construction in progress	4,865,533	3,074,243	4,865,533	3,074,243
Total capital assets, not being depreciated	<u>\$ 6,553,998</u>	<u>\$ 3,159,993</u>	<u>\$ 4,865,533</u>	<u>\$ 4,848,458</u>
Capital assets being depreciated				
Buildings and Improvements	\$ 12,803,159	\$ --	\$ -	\$ 12,803,159
Machinery and equipment	10,522,020	865,869	281,880	11,106,009
Improvements, other than buildings	512,070	582,485	-	1,094,555
Roads and bridges	20,837,343	5,003,538	-	25,840,881
Total capital assets being depreciated	<u>\$ 44,674,592</u>	<u>\$ 6,451,892</u>	<u>\$ 281,880</u>	<u>\$ 50,844,604</u>
Less accumulated depreciation for:				
Buildings	\$ 4,093,951	\$ 320,079	\$ -	\$ 4,414,030
Machinery and equipment	5,729,903	630,959	147,988	6,212,874
Improvements, other than buildings	35,254	105,930	-	141,184
Roads and bridges	1,333,594	1,033,635	-	2,367,229
Total accumulated depreciation	<u>\$ 11,192,702</u>	<u>\$ 2,090,603</u>	<u>\$ 147,988</u>	<u>\$ 13,135,317</u>
Total capital assets being depreciated, net	<u>\$ 33,481,890</u>	<u>\$ 4,361,289</u>	<u>\$ 133,892</u>	<u>\$ 37,709,287</u>
Government activities capital assets, net	<u>\$ 40,035,888</u>	<u>\$ 7,521,282</u>	<u>\$ 4,999,425</u>	<u>\$ 42,557,745</u>

Depreciation expense of \$ 2,090,603 for the year ended December 31, 2007, was charged to the following governmental functions:

General Government	\$ 68,990
Public Safety	123,345
Public Works	1,756,107
Economic development and assistance	29,270
Health and welfare	73,170
Culture and recreation	39,721
Total Depreciation Expense	<u>\$ 2,090,603</u>

NOTE 7-CAPITAL LEASES

The Parish Government records items under capital leases as an asset and an obligation in the accompanying financial statements. The Parish entered into numerous capital lease agreements for public works equipment with varying lease terms and amounts.

The future minimum lease payments under capital lease obligations outstanding at December 31, 2007 are as follows:

<u>Year End:</u>	<u>Principal/ (Present Value)</u>	<u>Interest</u>	<u>Total Obligation</u>
2008	\$ 309,127	\$ 22,940	\$ 332,067
2009	227,943	11,445	239,388
2010	105,822	5,156	110,978
2011	67,157	1,451	68,608
2012	--	--	--
Total minimum Lease payments	\$ 710,049	\$ 40,992	\$ 751,041

Assets under capital leases reported in the governmental activities of the Parish Government total \$1,328,127 at December 31, 2007. Depreciation of leased capital assets reported under the governmental activities of the Parish Government totaled \$166,553 for the fiscal year then ended.

NOTE 8-LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2007:

	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>Long-Term Bonded Debt</u>	<u>Total</u>
Long-term obligations at January 1, 2007	\$ 47,486	\$ 1,042,631	\$ 29,227,167	\$ 30,317,284
Additions-2007	82	--	--	82
Reductions-2007	--	(332,582)	(1,631,000)	(1,963,582)
Long-term obligations at December 31, 2007	<u>\$ 47,568</u>	<u>\$ 710,049</u>	<u>\$ 27,596,167</u>	<u>\$ 28,353,784</u>

Compensated absences payable consists of the portion of accumulated sick leave of the governmental funds that is not expected to require current resources. The liability for compensated absences is computed only at the end of the fiscal year. The increase of \$82 reflected above as an addition to compensated absences is the net of leave benefits paid and accrued.

The parishwide general obligation bonds are payable from the Parishwide Bond Sinking Fund (debt service fund), while the road district general obligation refunding bonds are payable from the respective road district debt service funds.

Long-term bonded debt is comprised of the following individual issues at December 31, 2007.

Parishwide bonds:	
General obligation refunding bonds-\$904,000 issue of February 1, 2002, due in annual installments of \$ 72,000 to \$ 153,000 through August 1, 2008; interest at 3.625 per cent	\$ 153,000
Certificates of Indebtedness-\$1,000,000 issue of June 1, 2003 , due in annual installments of \$ 70,000 to \$ 125,000 through March 1, 2013; interest at 3.25 per cent	660,000
Certificates of Indebtedness-\$ 450,000 issue of July 29, 2002 , due in annual installments of \$ 50,000 through July 20, 2012; interest at 0.00 per cent	229,167
Certificates of Indebtedness-\$ 250,000 issue of March 1, 2004 , due in annual installments of \$ 20,000 to \$ 30,000 through August 1, 2013; interest at 2.20 per cent to 4.72 per cent.	165,000
General obligation refunding bonds-\$640,000 issue of May 1, 2004, due in annual installments of \$ 80,000 to \$ 105,000 through March 1, 2011; interest at 2.80 per cent	385,000
General obligation courthouse renovation bonds-\$7,900,000 issue of March 1, 2007, due in annual installments of \$265,000 to \$360,000, through March 1, 2016; interest at 4.90 per cent to 4.50 per cent.	7,635,000
District general obligation bonds:	
Road District No. 5- \$ 272,000 issue of March 1, 1995 due in annual installments of \$ 9,000 to \$ 27,000 through March 1, 2010; interest at 8.00 per cent	76,000
Sub-Road District No. 1 of Road District No. 1- Refunding Bonds \$ 373,000 issue of August 23, 2006 due in annual installments of \$ 71,000 to \$ 77,000 through February 1, 2010; interest at 3.45 per cent	228,000
Recreation District No. 1- \$ 520,000 issue of November 1, 2003 due in annual installments of \$ 10,000 to \$ 40,000 through March 1, 2023; interest at 4.00 per cent to 7.00 per cent	460,000
District public improvement sales tax bonds:	
Sales Tax District No. 1- \$ 10,000,000 issue of April 1, 2003 due in annual installments of \$ 325,000 to \$ 790,000 through October 1, 2022; interest at 3.80 per cent to 4.80 per cent	8,590,000
Sales Tax District No. 2- \$ 2,000,000 issue of January 1, 2003 due in annual installments of \$ 60,000 to \$ 155,000 through January 1, 2023; interest at 4.70 per cent to 5.70 per cent	1,675,000
Sales District No. 1- \$ 5,400,000 issue of April 1, 2004 due in annual installments of \$ 115,000 to \$ 375,000 through October 1, 2022; interest at 4.00 per cent to 5.00 per cent	4,625,000
Sales District No. 2- \$ 1,000,000 issue of March 1, 2006 due in annual installments of \$ 20,000 to \$ 75,000 through January 1, 2025; interest at 4.00 per cent to 6.00 per cent	915,000
Sales District No. 1- \$ 2,000,000 issue of December 1, 2006 due in annual installments of \$ 100,000 to \$ 180,000 through August 1, 2020; interest at 4.45 per cent	1,800,000
Total Bonded Debt	<u><u>\$ 27,596,167</u></u>

The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 2007, are as follows:

<u>Year End</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2008	\$ 1,679,000	\$ 1,147,679	2,826,679
2009	1,584,000	1,076,406	2,660,406
2010	1,659,000	1,007,775	2,666,775
2011	1,715,000	941,411	2,656,411
2012	1,519,166	876,662	2,395,828
2013-2025	<u>19,440,001</u>	<u>5,271,187</u>	<u>24,711,188</u>
Total	<u>\$ 27,596,167</u>	<u>\$ 10,321,120</u>	<u>\$ 37,917,287</u>

General obligation bonds are secured by an annual ad valorem tax levy. The Parish Government is in compliance with the requirements of Louisiana Revised Statute 39:562 relating to the legal restrictions on incurring long-term bonded debt in relation to the assessed value of taxable property in the parish.

NOTE 9-RETIREMENT SYSTEMS

Plan Description: Substantially all employees of the Parish Government are members of the Parochial Employees’ Retirement System of Louisiana (the “System”), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Parish Government are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part by the Parish Government and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final compensation multiplied by the employee’s years of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% of final compensation, plus \$24, for each year of service credited prior to January 1, 1980, and 3% of final compensation for each year of service credited after January 1, 1980. Final compensation is the employee’s monthly earnings during the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by State statute.

The Parochial Employees’ Retirement System issues a publicly available report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees’ Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding Policy: Contributions to the System include ¼ to 1% of the amount of the tax shown to be collectible by the tax roll of St. Martin Parish. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each Plan.

Under Plan A, members are required by State statute to contribute 9.5% of their annual covered salary and the Parish Government is required to contribute at an actuarially determined rate. The current employer contribution rate is 13.25% of annual covered payroll. The contribution requirements of Plan members and the Parish Government are established and may be amended by the System’s Board of Trustees. The Parish Government’s contributions to the System under Plan A for the years ended December 31, 2007, 2006, and 2005, were approximately \$265,214, \$252,616, and \$ 235,387, respectively, equal to the required contributions for each year.

NOTE 10-CHANGES IN AGENCY FUNDS

The Parish offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. A third party, Nationwide Retirement Solutions, administers the plan. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The deferred compensation liability and asset are equal to the total cash balances for each participant's account as of December 31, 2007. The Parish has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Parish intends to honor its moral obligation to the participants implicit in the program. Investments under the plan total \$817,508. The plan is accounted for by the Parish as an agency fund.

A summary of changes in agency fund assets and liabilities for the year ended December 31, 2007 is as follows:

<u>Description</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Assets:				
Cash	\$ --	\$ --	\$ --	\$ --
Investments	<u>848,000</u>	<u>1,453</u>	<u>(31,945)</u>	<u>817,508</u>
Total Assets	<u>\$ 848,000</u>	<u>\$ 1,453</u>	<u>\$ (31,945)</u>	<u>817,508</u>
Liabilities:				
Deposits Due Others	\$ 848,000	\$ 1,453	\$ (31,945)	\$ 817,508
Other liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>\$ 848,000</u>	<u>\$ 1,453</u>	<u>\$ (31,945)</u>	<u>\$ 817,508</u>

NOTE 11-INTERFUND TRANSFERS

The following is a summary of interfund transfers during 2007:

Fund	Operating Transfers In	Operating Transfers Out
Major Funds:		
General Fund	\$ 376,983	\$ 798,752
Capital Outlay Fund	402,186	
Construction Fund	1,572,141	
LCDBG Projects Fund	288,247	
Section 8 Housing Fund		8,461
Dist. #1 Sales Tax Revenue		1,643,775
Sales Tax Dist. #1 Sinking Fund	1,556,820	
Dist. #2 Sales Tax Revenue	4,000	1,375,949
Public Works Fund	254,420	985,560
Video Poker Fund	78,214	747,885
Fire Protection Maintenance		178,229
Total major funds interfund transfers	\$ 4,533,011	\$ 5,738,611
Nonmajor Funds:		
Recreation Dist. #1 Revenue	5,000	41,195
Recreation Maintenance	10,000	39,378
Health Unit Maintenance		106,840
Judicial Fund	196,352	
Parish Road Construction	215,522	83,078
Certificates of Indebtedness 1991 Sinking	157,915	
Dist. #2 Sales Tax Bond Sinking	236,176	
Recreation Dist. # 1 Bond Sinking	41,195	
Equipment Technology	350,000	
Cecilia Tech Center	12,241	
Road Districts Sinking	256,677	
Industrial Park		4,987
Total nonmajor funds interfund transfers	\$ 1,481,078	\$ 275,478
Total Interfund transfers	\$ 6,014,089	\$ 6,014,089

NOTE 12-INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2007 consisted of the following individual fund receivables and payables:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General Fund	\$ 2,303,287	\$ 5,017,782
Dist. #1 Sales Tax Revenue		761,122
Dist. #2 Sales Tax Revenue Fund		289,003
Dist. #1 Sales Tax Sinking Fund	523,983	
Public Works Fund		688,299
Video Poker Revenue Fund	1,594,902	
LCDBG Projects Fund		100,058
Section 8 Housing Fund		165,592
Fire Protection Maintenance	98,351	
Dist. #2 Sales Tax – Construction	109,560	
Capital Outlay		15,327
Courthouse Renovation	317,164	
Total major funds interfund balances	\$ 4,947,247	\$ 7,037,183
Nonmajor Funds:		
Recreation District #1	\$ 187,410	\$ 15,076
Equipment Technology	50,283	
Courthouse Maintenance		158,122
Drug Court		15,584
Recreation Maintenance	117,010	
Health Unit Maintenance	22,684	
Judicial Fund	301,437	
Summer Nutrition		39,451
Industrial Park Water/Waste	279,975	
Disaster Relief	88,378	
LCDBG Cecilia Technology	5,170	
Wastewater Fund		9,823
Mosquito Control		2,001
1991 Cert. of Indebt. Sinking		129
Parishwide Bond Sinking	119,393	
Dist. #2 Sales Tax Sinking	446	42,460
Hwy. 90 Industrial Park Sinking	131,397	
Road Districts Sinking Fund		303
Tourist Commission	346,117	
Recreation Dist. #1 Sinking	15,076	937
Recreation Dist. #1 Construction	219,156	
Parish Road Construction Fund	489,890	
Total nonmajor funds interfund balances	\$ 2,373,822	\$ 283,886
Total interfund balances	\$ 7,321,069	\$ 7,321,069

All interfund balances resulted from the time lag between the dates that reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

NOTE 13-RISK MANAGEMENT

The Parish Government is exposed to risks of loss in the areas of health care, workers' compensation, general and auto liability, and property hazards. These risks are handled by purchasing commercial insurance. There have been no significant reductions in these insurance coverages during the current fiscal year, nor have settlements exceeded insurance coverage for the current or prior two fiscal years.

NOTE 14-PENDING LITIGATION AND CONTINGENT LIABILITIES

At December 31, 2007, the Parish Government is involved as a defendant in several lawsuits. In the opinion of management and legal counsel for the Parish Government, there is adequate insurance coverage on all cases where monetary damages are sought, and that these suits will not have an adverse material effect on the Parish Government's financial position. Due to the uncertain nature of these claims, in the opinion of legal counsel, no accurate estimate of the possible aggregate loss to be born by the parish government is possible. Claims and litigation cost of \$47,263 were incurred in the current year, and have been recorded as a current expenditure in the general fund.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Parish Government expects such amounts, if any, to be immaterial

OTHER REQUIRED SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH GOVERNMENT
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, 2007

	<u>BUDGETED AMOUNTS</u>			<u>FAVORABLE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$1,169,800	\$ 325,300	\$ 359,804	\$ 34,504
Licenses and permits	386,500	430,300	397,699	(32,601)
Intergovernmental revenues:				
Federal grants	90,000	6,500	23,683	17,183
State Funds:				
State revenue sharing	35,000	86,000	90,837	4,837
Parish royalty funds	-	100,000	127,686	27,686
Other state funds	-	787,000	963,443	176,443
Fees, charges for services	132,050	121,050	379,193	258,143
Use of money and property	-	150,000	153,993	3,993
Other revenues	283,500	380,000	289,427	(90,573)
	-----	-----	-----	-----
TOTAL REVENUES	\$2,096,850	\$2,386,150	\$2,785,765	\$ 399,615
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
General government	\$1,093,140	\$1,113,528	\$1,121,021	\$ (7,493)
Public safety	528,160	724,860	652,359	72,501
Health and welfare	90,000	12,812	15,068	(2,256)
Economic development/assistance	92,969	120,210	114,040	6,170
Debt service	28,566	28,566	32,980	(4,414)
Other expenditures	11,146	363,436	271,364	92,072
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$1,843,981	\$2,363,412	\$2,206,832	\$ 156,580
	-----	-----	-----	-----
EXCESS/(Deficiency) OF				
REVENUES OVER EXPENDITURES	\$ 252,869	\$ 22,738	\$ 578,933	\$ 556,195
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers (net)	\$ 150,000	\$ (287,257)	\$ (421,769)	\$ (134,512)
Proceeds from issuance of debt	-	-	-	-
Transfers to other gov't units	-	-	-	-
	-----	-----	-----	-----
TOTAL OTHER SOURCES/USES	\$ 150,000	\$ (287,257)	\$ (421,769)	\$ (134,512)
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES				
AND OTHER SOURCES OVER				
EXPENDITURES AND OTHER USES	\$ 402,869	\$ (264,519)	\$ 157,164	\$ 421,683
FUND BALANCES-BEGINNING OF YEAR	2,319,235	2,319,235	2,319,235	-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$2,722,104	\$2,054,716	\$2,476,399	\$ 421,683
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE-DISTRICT NO. 1
SALES TAX REVENUE FUND

(Schedule 2)

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Sales taxes	\$1,850,000	\$1,850,000	\$2,476,625	\$ 626,625
Use of money and property	41,500	90,000	123,067	33,067
Other revenues	-0-	-0-	-	-
	-----	-----	-----	-----
TOTAL REVENUES	\$1,891,500	\$1,940,000	\$2,599,692	\$ 659,692
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
General government	\$ 1,000			
Public works	75,000	\$ 108,000	\$ 43,317	\$ 64,683
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$ 76,000	\$ 108,000	\$ 43,417	\$ 64,683
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$1,815,500	\$1,832,000	\$2,556,375	\$ 724,375
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers out	(2,078,699)	(2,078,699)	(1,643,775)	\$ 434,924
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (263,199)	\$ (246,699)	\$ 912,600	1,159,299
	-----	-----	-----	-----
FUND BALANCES-BEGINNING OF YEAR	2,598,480	2,598,480	2,598,480	-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$2,335,281	\$2,351,781	\$3,511,080	1,159,299
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE
FIRE PROTECTION MAINTENANCE FUND

(Schedule 2a)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 799,000	\$ 799,000	\$ 868,035	\$ 69,035
Federal/State funds	197,200	329,187	344,315	15,128
Use of money and property	25,000	45,000	75,576	30,576
Other revenues	-	-	500	500
	-----	-----	-----	-----
TOTAL REVENUES	\$1,021,200	\$1,173,187	\$1,288,426	\$115,239
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
Public safety	\$ 774,879	\$ 844,539	\$ 430,944	\$413,595
Capital outlay	250,000	399,762	690,425	(290,663)
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$1,024,879	\$1,244,301	\$1,121,369	\$122,932
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (3,679)	\$ (71,114)	\$ 167,057	\$238,171
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers out	\$ (557,510)	\$ (340,843)	\$ (178,229)	\$162,614
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (561,189)	\$ (411,957)	\$ (11,172)	\$400,785
	-----	-----	-----	-----
FUND BALANCES-BEGINNING OF YEAR	2,648,581	2,648,581	2,648,581	-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$2,087,392	\$2,236,624	\$2,637,409	\$400,785
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE-DISTRICT NO. 2
SALES TAX REVENUE FUND

(Schedule 2b)

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Sales taxes	\$ 300,000	\$ 600,000	\$ 847,242	\$ 247,242
Use of money and property	8,500	57,000	81,172	24,172
Other revenues	-0-	-0-	-	-
	-----	-----	-----	-----
TOTAL REVENUES	\$ 308,500	\$ 657,000	\$ 928,414	\$ 271,414
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
Economic development/assistance		\$ 56,655	\$ 62,488	\$ (5,833)
	-----	-----	-----	-----
TOTAL EXPENDITURES	NONE	\$ 56,655	\$ 62,488	\$ (5,833)
	-----	-----	-----	-----
EXCESS/(Deficiency) OF				
REVENUES OVER EXPENDITURES	\$ 308,500	\$ 600,345	\$ 865,926	\$ 265,581
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers out	\$ (825,287)	(1,600,841)	(1,371,949)	\$ 228,892
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES				
AND OTHER SOURCES OVER				
EXPENDITURES AND OTHER USES	\$ (516,787)	(1,000,496)	\$ (506,023)	\$ 494,473
	-----	-----	-----	-----
FUND BALANCES-BEGINNING OF YEAR	1,694,226	1,694,226	1,694,226	-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$1,177,439	\$ 693,730	\$1,188,203	\$ 494,473
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE
PUBLIC WORKS FUND

(Schedule 2c)

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>		VARIANCE	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$1,771,504	\$2,015,697	\$2,153,930	\$138,233
Federal/State funds	580,800	595,800	671,819	76,019
Fees, charges for services	69,800	99,000	65,468	(33,532)
Use of money and property	27,150	32,800	65,053	32,253
Other revenues	28,750	20,500	34,648	14,148
	-----	-----	-----	-----
TOTAL REVENUES	\$2,478,004	\$2,763,797	\$2,990,918	\$227,121
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
Finance & administrative		\$ 65,823	\$ 70,823	\$ (5,000)
General government	\$ 2,092	75,477	81,861	(6,384)
Public works	2,361,520	2,889,425	2,630,286	259,139
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$2,363,612	\$3,030,725	\$2,782,970	\$247,755
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 114,392	\$ (266,928)	\$ 207,948	\$474,876
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers out	\$ (418,657)	(1,028,680)	\$ (731,140)	\$297,540
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (304,265)	(1,295,608)	\$ (523,192)	\$772,416
	-----	-----	-----	-----
FUND BALANCES-BEGINNING OF YEAR	2,958,145	2,958,145	2,958,145	-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$2,653,880	\$1,662,537	\$2,434,953	\$772,416
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
 GOVERNMENTAL FUND TYPE
 VIDEO POKER FUND

(Schedule 2d)

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
State funds	\$ 990,000	\$1,140,000	\$1,225,571	\$ 85,571
Use of money and property	14,000	34,000	43,760	9,760
Other revenues	96,739	104,630	91,433	(13,197)
	-----	-----	-----	-----
TOTAL REVENUES	\$1,158,630	\$1,278,630	\$1,360,764	\$ 82,134
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
Finance & administrative	\$ 900			
Public works	172,750	\$ 173,500	\$ 126,523	\$ 46,977
Health & welfare	44,479	48,327	39,619	8,708
Economic development	18,152	18,152	84,886	(66,734)
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$ 236,281	\$ 239,979	\$ 251,028	\$ (11,049)
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 922,349	\$1,038,651	\$1,109,736	\$ 71,085
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers out	\$ (952,381)	\$ (953,248)	\$ (669,671)	\$ 283,577
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (30,032)	\$ 85,403	\$ 440,065	\$ 354,662
	-----	-----	-----	-----
FUND BALANCES-BEGINNING OF YEAR	1,367,222	1,367,222	1,367,222	-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$1,337,190	\$1,452,625	\$1,807,287	\$ 354,662
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
GOVERNMENTAL FUND TYPE
SECTION 8 HOUSING FUND

(Schedule 2e)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Federal grants	\$1,079,618	\$1,077,798	\$1,194,853	\$ 117,055
Use of money and property	-	-	-	-
Other revenues	7,000	7,000	296,748	289,748
	-----	-----	-----	-----
TOTAL REVENUES	\$1,086,618	\$1,084,798	\$1,491,601	\$ 406,803
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
Finance & administrative	\$ 4,348	\$ 4,348	\$ 5,000	\$ (652)
Health and welfare	1,066,989	1,066,989	1,084,508	(17,519)
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$1,071,337	\$1,071,337	\$1,089,508	\$ (18,171)
	-----	-----	-----	-----
<u>EXCESS/(Deficiency) OF</u>				
REVENUES OVER EXPENDITURES	\$ 15,281	\$ 13,461	\$ 402,093	\$ 388,632
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers out	\$ (13,461)	\$ (13,461)	\$ (8,461)	\$ 5,000
	-----	-----	-----	-----
<u>EXCESS/(Deficiency) OF REVENUES</u>				
<u>AND OTHER SOURCES OVER</u>				
EXPENDITURES AND OTHER USES	\$ 1,820	\$ -	\$ 393,632	\$ 393,632
	-----	-----	-----	-----
FUND BALANCES-BEGINNING OF YEAR	-	-	-	-
	-----	-----	-----	-----
FUND BALANCES-END OF YEAR	\$ 1,820	\$ -	\$ 393,632	\$ 393,632
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

Schedule 3

ALL NONMAJOR GOVERNMENTAL FUNDS-BY FUND TYPE
Combining Balance Sheet, December 31, 2007

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENT FUNDS
<u>ASSETS</u>				
Cash and interest bearing deposits	\$ 1,027,492	\$ 543,440	\$ 934,639	\$ 2,505,571
Receivables	1,517,842	-	667,999	2,185,841
Due from other funds	1,398,464	709,046	266,312	2,373,822
	-----	-----	-----	-----
TOTAL ASSETS	\$ 3,943,798	\$1,252,486	\$1,868,950	\$ 7,065,234
	=====	=====	=====	=====
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES:				
Accounts payable	\$ 101,397		\$ 872	\$ 102,269
Accrued liabilities	21,781		-	21,781
Due to other funds	228,233		43,829	272,062
Other liabilities	51,088		26,641	77,729
Deferred revenues	27,163		12,434	39,597
	-----	-----	-----	-----
Total Liabilities	\$ 429,662	NONE	\$ 83,776	\$ 513,438
	-----	-----	-----	-----
FUND BALANCES				
Reserved for debt service			\$1,827,772	\$ 1,827,772
Unreserved-undesignated/ (deficit)	\$ 3,514,136	\$1,252,486	(42,598)	4,724,024
	-----	-----	-----	-----
Total fund balances	\$ 3,514,136	\$1,252,486	\$1,785,174	\$ 6,551,796
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,943,798	\$1,252,486	\$1,868,950	\$ 7,065,234
	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
ALL NONMAJOR GOVERNMENTAL FUNDS-BY FUND TYPE

Schedule 4

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2007

	<u>SPECIAL</u> <u>REVENUE</u> <u>FUNDS</u>	<u>CAPITAL</u> <u>PROJECT</u> <u>FUNDS</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUNDS</u>	<u>TOTAL</u> <u>NONMAJOR</u> <u>GOVERNMENT</u> <u>FUNDS</u>
<u>REVENUES</u>				
Taxes - ad valorem	\$1,353,661		\$ 697,527	\$ 2,051,188
Sales tax/Hotel tax	67,925			67,925
Intergovernmental revenues:				
<u>Federal Funds:</u>				
Federal grants	591,733			591,733
<u>State funds:</u>				
Parish transportation funds	-			-
State revenue sharing (net)	104,265			104,265
Other state funds	163,087			163,087
Fees, charges, and commissions for service	396,711			396,711
Use of money and property	67,369	\$ 36,907	43,161	147,437
Other revenues	126,925		63,528	190,453
	-----	-----	-----	-----
TOTAL REVENUES	\$2,871,676	\$ 36,907	\$ 804,216	\$ 3,712,799
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
General government:				
Judicial	\$ 768,575			\$ 768,575
Elections				
Finance and administrative	65,880			65,880
Other general government	492,427		\$ 29,856	522,283
Public safety	-			-
Public works	402			402
Health and welfare	799,383			799,383
Culture and recreation	200,261			200,261
Economic development and assistance	489,579			489,579
Capital outlay	175,444	\$153,705		329,149
Debt service:				
Principal	332,582		896,000	1,228,582
Interest and bank charges	36,346		553,549	589,895
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$3,360,879	\$153,705	1,479,405	\$ 4,993,989
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (489,203)	(116,798)	\$ (675,189)	\$ (1,281,190)
	-----	-----	-----	-----

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
ALL NONMAJOR GOVERNMENTAL FUNDS-BY FUND TYPE
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances, 2007

Schedule 4
 (Continued)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENT FUNDS
<u>OTHER FINANCING SOURCES/(Uses)</u>				
Operating transfers in	\$ 573,593	\$ 215,522	\$ 691,963	\$ 1,481,078
Operating transfers out	(192,400)	(83,078)		(275,478)
Proceeds from bonds issued	-	-		
Bond issue costs	-	-		
Proceeds from sale of fixed assets	215,000	-		215,000
Proceeds from capital leases	-	-		-
Transfers from other gov'ts.	33,252	-		33,252
	-----	-----	-----	-----
TOTAL OTHER FINANCING SOURCES/(Uses)	\$ 629,445	\$ 132,444	\$ 691,963	\$ 1,453,852
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES	\$ 140,242	\$ 15,646	\$ 16,774	\$ 172,662
FUND BALANCES AT BEGINNING OF YEAR	3,373,894	1,236,840	1,768,400	6,379,134
	-----	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$3,514,136	1,252,486	1,785,174	\$ 6,551,796
	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
ALL NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 2007

	<u>EQUIPMENT TECHNOLOGY</u>	<u>TOURIST COMMISSION</u>	<u>JUDICIAL FUND</u>
<u>ASSETS</u>			
Cash and interest bearing deposits			\$ 11,102
Receivables		\$ 5,186	50,870
Prepaid expenses		-	-
Due from other funds	\$ 50,283	346,117	301,437
	-----	-----	-----
TOTAL ASSETS	\$ 50,283	\$351,303	\$363,409
	=====	=====	=====
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable	\$ 11,137	\$ 12,353	\$ 5,606
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Other liabilities	-	-	-
Deferred revenues	-	-	-
	-----	-----	-----
Total Liabilities	\$ 11,137	\$ 12,353	\$ 5,606
	-----	-----	-----
FUND BALANCES:			
Unreserved-undesignated	\$ 39,146	\$338,950	\$357,803
	-----	-----	-----
Total Fund Balances	\$ 39,146	\$338,950	\$357,803
	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$ 50,283	\$351,303	\$363,409
	=====	=====	=====

<u>DRUG COURT</u>	<u>CECILIA TECH CENTER</u>	<u>COURTHOUSE MAINTENANCE</u>	<u>HEALTH UNIT MAINTENANCE</u>	<u>SUMMER NUTRITION FUND</u>	<u>RECREATION MAINTENANCE</u>
\$ 49,603		\$ 324,655	\$1,016,421 499,738	\$ 30 -	\$ (61) 196,909
-	\$ 5,170	-	-	-	-
-		-	22,684	-	117,010
-----	-----	-----	-----	-----	-----
\$ 49,603	\$ 5,170	\$ 324,655	\$1,538,843	\$ 30	\$313,858
=====	=====	=====	=====	=====	=====
\$ 11,004	\$ 5,170	\$ 17,469	\$ 15,566		\$ 5,424
4,177	-	2,571	11,746		703
15,584	-	158,122	-	\$ 39,451	-
-	-	12,136	18,174	-	7,104
-	-	5,664	8,483	-	3,316
-----	-----	-----	-----	-----	-----
\$ 30,765	\$ 5,170	\$ 195,962	\$ 53,969	\$ 39,451	\$ 16,547
-----	-----	-----	-----	-----	-----
\$ 18,838	\$ -	\$ 128,693	\$1,484,874	\$(39,421)	\$297,311
-----	-----	-----	-----	-----	-----
\$ 18,838	\$ -	\$ 128,693	\$1,484,874	\$(39,421)	\$297,311
-----	-----	-----	-----	-----	-----
\$ 49,603	\$ 5,170	\$ 324,655	\$1,538,843	\$ 30	\$313,858
=====	=====	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
ALL NONMAJOR SPECIAL REVENUE FUNDS

Schedule 5
 (Continued)

Combining Balance Sheet, December 31, 2007

	<u>IND. PARK WATER/WASTE FUND</u>	<u>RECREATION DIST. # 1 FUND</u>	<u>DISASTER ASSISTANCE FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>				
Cash and interest bearing deposits				\$ 1,027,492
Receivables	\$307,941	\$ 82,940		1,517,842
Prepaid expenses	-	-		-
Due from other funds	279,975	187,410	\$ 88,378	1,398,464
	-----	-----	-----	-----
TOTAL ASSETS	\$587,916	\$270,350	\$ 88,378	\$ 3,943,798
	=====	=====	=====	=====
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ 17,593	\$ 75	\$ -	\$ 101,397
Accrued liabilities	2,584	-	-	21,781
Due to other funds	-	15,076	-	228,233
Other liabilities	10,538	3,136	-	51,088
Deferred revenues	4,918	4,782	-	27,163
	-----	-----	-----	-----
Total Liabilities	\$ 35,633	\$ 23,069	\$ -	\$ 429,662
	-----	-----	-----	-----
FUND BALANCES:				
Unreserved-undesignated	\$552,283	\$247,281	\$ 88,378	\$ 3,514,136
	-----	-----	-----	-----
Total Fund Balances	\$552,283	\$247,281	\$ 88,378	\$ 3,514,136
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$587,916	\$270,350	\$ 88,378	\$ 3,943,798
	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
ALL NONMAJOR SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2007

	<u>EQUIPMENT TECHNOLOGY</u>	<u>TOURIST COMMISSION</u>	<u>JUDICIAL FUND</u>
<u>REVENUES</u>			
Taxes - ad valorem			
Sales tax/Hotel tax		\$ 67,925	
Intergovernmental revenues:			
<u>Federal Funds:</u>			
Federal grants	\$ 50,000		
<u>State funds:</u>			
Parish transportation funds			
State revenue sharing (net)			
Other state funds		65,000	
Fees, charges, and commissions for service			\$241,041
Use of money and property		2,939	1,624
Other revenues		656	99,341
	-----	-----	-----
TOTAL REVENUES	\$ 50,000	\$136,520	\$342,006
	-----	-----	-----
<u>EXPENDITURES</u>			
General government:			
Judicial			\$429,106
Elections			
Finance and administrative		\$ 4,000	3,000
Other general government			
Public safety			
Public works			
Health and welfare			
Culture and recreation			
Economic development and assistance		124,848	
Capital outlay	\$ 175,444		
Debt service:			
Principal	332,582		
Interest and bank charges	36,346		
	-----	-----	-----
TOTAL EXPENDITURES	\$ 544,372	\$128,848	\$432,106
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (494,372)	\$ 7,672	\$ (90,100)
	-----	-----	-----

<u>DRUG COURT</u>	<u>CECILIA TECH CENTER</u>	<u>COURTHOUSE MAINTENANCE</u>	<u>HEALTH UNIT MAINTENANCE</u>	<u>SUMMER NUTRITION FUND</u>	<u>RECREATION MAINTENANCE</u>
		\$317,771	\$ 475,871		\$ 186,006
\$260,645	\$ 64,357		167,471	\$ 49,260	
85,375		30,528	45,558	-	28,179
				-	12,712
46,908		479	45,719	207	15,836
		3,789	47,297	-	4,898
3,570			18,856	-	4,502
-----	-----	-----	-----	-----	-----
\$396,498	\$ 64,357	\$352,567	\$ 800,772	\$ 49,467	\$ 252,133
-----	-----	-----	-----	-----	-----
\$339,469					
6,000			\$ 19,380		\$ 12,500
		\$453,077	18,174		7,104
			709,662	\$ 89,721	
					190,757
	\$ 78,631				
-----	-----	-----	-----	-----	-----
\$345,469	\$ 78,631	\$453,077	\$ 747,216	\$ 89,721	\$ 210,361
-----	-----	-----	-----	-----	-----
\$ 51,029	\$ (14,274)	(100,510)	\$ 53,556	\$ (40,254)	\$ 41,772
-----	-----	-----	-----	-----	-----

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
ALL NONMAJOR SPECIAL REVENUE FUNDS
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances, 2007

	<u>EQUIPMENT TECHNOLOGY</u>	<u>TOURIST COMMISSION</u>	<u>JUDICIAL FUND</u>
<u>OTHER FINANCING SOURCES/(Uses)</u>			
Operating transfers in	\$ 350,000		\$196,352
Operating transfers out	-		
Proceeds of refunding bonds	-		
Proceeds from sale of fixed assets	215,000		
Proceeds from capital leases	-		
Transfers from other gov'ts.	-		
	-----	-----	-----
TOTAL OTHER FINANCING SOURCES/(Uses)	\$ 565,000	NONE	\$196,352
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES	\$ 70,628	\$ 7,672	\$106,252
FUND BALANCES AT BEGINNING OF YEAR	(31,482)	331,278	251,551
	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$ 39,146	\$338,950	\$357,803
	=====	=====	=====

Schedule 6
(Continued)

<u>DRUG COURT</u>	<u>CECILIA TECH CENTER</u>	<u>COURTHOUSE MAINTENANCE</u>	<u>HEALTH UNIT MAINTENANCE</u>	<u>SUMMER NUTRITION FUND</u>	<u>RECREATION MAINTENANCE</u>
	\$ 12,241		\$ (106,840)		\$ 10,000 (39,378)
			33,252		
NONE	\$ 12,241	NONE	\$ (73,588)	NONE	\$ (29,378)
\$ 51,029	\$ (2,033)	(100,510)	\$ (20,032)	\$ (40,254)	\$ 12,394
(32,191)	2,033	229,203	1,504,906	833	284,917
\$ 18,838	\$ -	\$128,693	\$1,484,874	\$ (39,421)	\$ 297,311
=====	=====	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
ALL NONMAJOR SPECIAL REVENUE FUNDS

Schedule 6
 (Continued)

Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2007

	IND. PARK WATER/WASTE <u>FUND</u>	RECREATION DIST. #1 <u>FUND</u>	DISASTER ASSISTANCE <u>FUND</u>	<u>TOTALS</u>
<u>REVENUES</u>				
Taxes - ad valorem	\$275,913	\$ 98,100		\$ 1,353,661
Sales tax/Hotel tax				67,925
Intergovernmental revenues:				
<u>Federal Funds:</u>				
Federal grants				591,733
<u>State funds:</u>				
Parish transportation funds				-
State revenue sharing (net)				104,265
Other state funds				163,087
Fees, charges, and commissions for service	46,521			396,711
Use of money and property	4,709	2,113		67,369
Other revenues				126,925
	-----	-----	-----	-----
TOTAL REVENUES	\$327,143	\$100,213	NONE	\$ 2,871,676
	-----	-----	-----	-----
<u>EXPENDITURES</u>				
General government:				
Judicial				\$ 768,575
Elections				-
Finance and administrative	\$ 21,000			65,880
Other general government	10,537	\$ 3,535		492,427
Public safety				-
Public works			\$ 402	402
Health and welfare				799,383
Culture and recreation		9,504		200,261
Economic development and assistance	286,100			489,579
Capital outlay				175,444
Debt service:				
Principal				332,582
Interest and bank charges				36,346
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$317,637	\$ 13,039	\$ 402	\$ 3,360,879
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 9,506	\$ 87,174	\$ (402)	\$ (489,203)
	-----	-----	-----	-----

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
ALL NONMAJOR SPECIAL REVENUE FUNDS

Schedule 6
(Continued)

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances, 2007

	<u>IND. PARK</u> <u>WATER/WASTE</u> <u>FUND</u>	<u>RECREATION</u> <u>DIST. #1</u> <u>FUND</u>	<u>DISASTER</u> <u>ASSISTANCE</u> <u>FUND</u>	<u>TOTALS</u>
<u>OTHER FINANCING SOURCES/(Uses)</u>				
Operating transfers in		\$ 5,000		\$ 573,593
Operating transfers out	\$ (4,987)	(41,195)		(192,400)
Proceeds of refunding bonds				
Proceeds from sale of fixed assets				215,000
Proceeds from capital leases				-
Transfers from other gov'ts.				33,252
	-----	-----	-----	-----
TOTAL OTHER FINANCING SOURCES/(Uses)	\$ (4,987)	\$(36,195)	NONE	\$ 629,445
	-----	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES	\$ 4,519	\$ 50,979	\$ (402)	\$ 140,242
FUND BALANCES AT BEGINNING OF YEAR	547,764	196,302	88,780	3,373,894
	-----	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$552,283	\$247,281	\$ 88,378	\$ 3,514,136
	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana
ALL NONMAJOR CAPITAL PROJECTS FUNDS

Schedule 7

Combining Balance Sheet, December 31, 2007

	<u>RECREATION DISTRICT #1 CONSTRUCTION FUND</u>	<u>PARISH ROAD CONSTRUCTION FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash and interest bearing deposits	\$ 15,886	\$ 527,554	\$ 543,440
Due from other funds	219,156	489,890	709,046
Receivables	-	-	-
	-----	-----	-----
TOTAL ASSETS	\$ 235,042	\$1,017,444	\$1,252,486
	=====	=====	=====
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable			
Due to contractors/agents			
Due to other funds			
	-----	-----	-----
Total Liabilities	NONE	NONE	NONE
	-----	-----	-----
FUND BALANCES:			
Unreserved-undesignated	\$ 235,042	\$1,017,444	\$1,252,486
	-----	-----	-----
Total Fund Balances	\$ 235,042	\$1,017,444	\$1,252,486
	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$ 235,042	\$1,017,444	\$1,252,486
	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
ALL NONMAJOR CAPITAL PROJECTS FUNDS

Schedule 8

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2007

	RECREATION DISTRICT #1 CONSTRUCTION <u>FUND</u>	PARISH ROAD CONSTRUCTION <u>FUND</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal Grants			
State Grants			
Use of money and property	\$ 2,284	\$ 34,623	\$ 36,907
Miscellaneous	-	-	-
	-----	-----	-----
TOTAL REVENUES	\$ 2,284	\$ 34,623	\$ 36,907
	-----	-----	-----
<u>EXPENDITURES</u>			
Finance and administrative			
Public works			
Capital Outlay	\$ 15,700	\$ 138,005	\$ 153,705
	-----	-----	-----
TOTAL EXPENDITURES	\$ 15,700	\$ 138,005	\$ 153,705
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (13,416)	\$ (103,382)	\$ (116,798)
	-----	-----	-----
<u>OTHER FINANCING SOURCES</u>			
Operating transfers out		\$ (83,078)	\$ (83,078)
Operating transfers in		215,522	215,522
Proceeds from issue of debt		-	-
Bond issue cost		-	-
Accrued interest		-	-
	-----	-----	-----
TOTAL OTHER FINANCING SOURCES	NONE	\$ 132,444	\$ 132,444
	-----	-----	-----
EXCESS/(Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ (13,416)	\$ 29,062	\$ 15,646
	-----	-----	-----
FUND BALANCES AT BEGINNING OF YEAR	248,458	988,382	1,236,840
	-----	-----	-----
FUND BALANCES AT END OF YEAR	\$ 235,042	\$1,017,444	\$1,252,486
	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
 St. Martinville, Louisiana

ALL NONMAJOR DEBT SERVICE FUNDS
 Combining Balance Sheet, December 31, 2007

	<u>PARISHWIDE</u> <u>BOND</u>	<u>ROAD</u> <u>DISTRICTS</u> <u>DEBT</u> <u>SERVICE</u>
<u>ASSETS</u>		
Cash and interest bearing deposits	\$ 821,106	\$ 4,279
Receivables	667,999	-
Due from other funds	119,393	-
	-----	-----
TOTAL ASSETS	\$1,608,498	\$ 4,279
	=====	=====
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES:</u>		
Accounts payable		
Due to other funds		\$ 303
Other liabilities	\$ 26,641	
Deferred revenues	12,434	
	-----	-----
Total Liabilities	\$ 39,075	\$ 303
<u>FUND BALANCES:</u>		
Reserved for debt service	\$1,569,423	\$ 3,976
Unreserved/undesignated(deficit)	-	-
	-----	-----
Total Fund Balances	\$1,569,423	\$ 3,976
	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$1,608,498	\$ 4,279
	=====	=====

<u>RECREATION DISTRICT #1 SINKING</u>	<u>SALES TAX #2 SINKING</u>	<u>1991 CERT OF INDEBT.</u>	<u>SINKING HWY. 90 INDUS. PARK</u>	<u>TOTAL</u>
\$ 1	\$ 1	\$ 129	\$ 109,123	\$ 934,639
-	-	-	-	667,999
15,076	446	-	131,397	266,312
-----	-----	-----	-----	-----
\$ 15,077	\$ 447	\$ 129	\$ 240,520	\$1,868,950
=====	=====	=====	=====	=====
	\$ 585		\$ 287	\$ 872
\$ 937	42,460	\$ 129		43,829
				26,641
				12,434
-----	-----	-----	-----	-----
\$ 937	\$ 43,045	\$ 129	\$ 287	\$ 83,776
\$ 14,140			\$ 240,233	\$1,827,772
-	\$(42,598)	\$ -	-	(42,598)
-----	-----	-----	-----	-----
\$ 14,140	\$(42,598)	\$ -	\$ 240,233	\$1,785,174
-----	-----	-----	-----	-----
\$ 15,077	\$ 447	\$ 129	\$ 240,520	\$1,868,950
=====	=====	=====	=====	=====

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana
ALL NONMAJOR DEBT SERVICE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For The Year Ended December 31, 2007

	<u>PARISHWIDE</u> <u>BOND</u>	<u>ROAD</u> <u>DISTRICTS</u> <u>DEBT</u> <u>SERVICE</u>
<u>REVENUES</u>		
Taxes - ad valorem	\$ 697,527	
Use of money and property	30,365	
Other revenues	-	
	-----	-----
TOTAL REVENUES	\$ 727,892	NONE
	-----	-----
<u>EXPENDITURES</u>		
Debt service:		
Principal	\$ 355,000	\$ 219,000
Interest and bank charges	348,703	38,902
Other expenditures	26,641	-
	-----	-----
TOTAL EXPENDITURES	\$ 730,344	\$ 257,902
	-----	-----
EXCESS/(Deficiency) OF		
REVENUES OVER EXPENDITURES	\$ (2,452)	\$ (257,902)
	-----	-----
<u>OTHER FINANCING SOURCES/(Uses)</u>		
Operating transfers in		\$ 256,677
Operating transfers out		-
Proceeds from the sale of		
refunding bonds		-
Payments to refunded bond		
escrow agent		-
	-----	-----
TOTAL OTHER FINANCING		
SOURCES/(Uses)	NONE	\$ 256,677
	-----	-----
EXCESS/(Deficiency) OF		
REVENUES AND OTHER SOURCES		
OVER EXPENDITURES	\$ (2,452)	\$ (1,225)
	-----	-----
FUND BALANCES AT BEGINNING		
OF YEAR	1,571,875	5,201
	-----	-----
FUND BALANCES AT END OF YEAR	\$1,569,423	\$ 3,976
	=====	=====

RECREATION DISTRICT #1 <u>SINKING</u>	SALES TAX #2 <u>SINKING</u>	1991 CERT OF <u>INDEBT.</u>	SINKING HWY. 90 <u>INDUS. PARK</u>	<u>TOTAL</u>
	\$ 12,118		\$ 678	\$ 697,527
	-		63,528	43,161
-----	-----	-----	-----	-----
NONE	\$ 12,118	NONE	\$ 64,206	\$ 804,216
-----	-----	-----	-----	-----
\$ 20,000	\$ 105,000	\$ 147,000	\$ 50,000	\$ 896,000
21,796	133,273	10,875	-	553,549
-	-	-	3,215	29,856
-----	-----	-----	-----	-----
\$ 41,796	\$ 238,273	\$ 157,875	\$ 53,215	\$ 1,479,405
-----	-----	-----	-----	-----
\$ (41,796)	\$ (226,155)	\$ (157,875)	\$ 10,991	\$ (675,189)
-----	-----	-----	-----	-----
\$ 41,195	\$ 236,176	\$ 157,915		\$ 691,963
				-
				-
				-
-----	-----	-----	-----	-----
\$ 41,195	\$ 236,176	\$ 157,915	NONE	\$ 691,963
-----	-----	-----	-----	-----
\$ (601)	\$ 10,021	\$ 40	\$ 10,991	\$ 16,774
14,741	(52,619)	(40)	229,242	1,768,400
-----	-----	-----	-----	-----
\$ 14,140	\$ (42,598)	\$ -	\$240,233	\$ 1,785,174
=====	=====	=====	=====	=====

ST. MARTIN PARISH POLICE JURY
St. Martinville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
December 31, 2007

COMPENSATION PAID PARISH COUNCILMEN

The schedule of compensation paid to parish councilmen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the parish councilmen is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Parish Government has elected the monthly payment method of compensation. Under this method, the chairman received \$800 per month in 2007, and the other councilmen received \$800 per month in 2007.

ST. MARTIN PARISH POLICE JURY
St. Martinville, Louisiana

Schedule 11

Schedule of Compensation Paid Parish Councilmen
For the Year Ended December 31, 2007

<u>PARISH COUNCILMEN</u>	<u>2007</u>
Mike Huval*	\$ 9,600
Lisa Nelson	9,600
Fred Mills	9,600
Odell Trahan	9,600
Lloyd Higginbotham	9,600
Dean Dore	9,600
Pat Cluse	9,600
James Hebert	9,600
Carroll Delahoussaye	9,600

TOTAL	\$ 86,400 =====

*Chairman 1/1/07 - 12/31/07

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

Schedule 12

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES INCURRED</u>
 <u>DIRECT ASSISTANCE</u>			
United States Dept. of Housing and Urban Development-Section 8 Housing Choice Vouchers	14.871	\$1,194,853	\$1,194,853
United States Dept. of Commerce- Public Works and Economic Development Program	11.300	50,000	50,000
Federal Emergency Management Agency-Assistance to Fire Fighters Grant Program	83.554	103,763	103,763
United States Dept. of Housing and Urban Development-Emergency Shelter Grants	14.231	23,683	23,683
 <u>INDIRECT ASSISTANCE</u>			
United States Dept. of Justice- Passed through the Louisiana Judicial Branch-Drug Court	93.558	260,645	260,645
United States Dept. of Housing and Urban Development-Louisiana Division of Administration-Pass Through Community Development Block Grant-State's Program	14,228	450,000	450,000
	14.228	351,550	351,550
	14.228	<u>64,357</u>	<u>64,357</u>
		<u>\$2,498,851</u>	<u>\$2,498,851</u>

The accompanying notes are an integral part of this schedule.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

Schedule 12
(Continued)

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007
(Continued)

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES INCURRED</u>
<u>INDIRECT ASSISTANCE</u> (Continued)			
United States Dept. of Health and Human Services-Louisiana Department of Health and Hospitals-Medicaid, Title XIX- Kid Med Program	13.714	85,055	85,055
United States Dept. of Agriculture- Louisiana Department of Health & Hospitals-Special Supplemental Nutrition Program for Women, Infants and Children	10.557	82,416	82,416
United States Dept. of Agriculture- State of Louisiana Department of Education-Summer Food Service Program	10.559	<u>49,260</u>	<u>49,260</u>
Total Federal Financial Assistance		\$2,715,582 =====	\$2,715,582 =====

The accompanying notes are an integral part of this schedule.

ST. MARTIN PARISH GOVERNMENT
St. Martinville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Note 1-Basis of Presentation

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

MARAIST & MARAIST

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REGINA B. MARAIST, CPA *

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MEMBERS
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SOCIETY OF
LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To Mr. Guy Cormier, Parish President
and the Members of the St. Martin
Parish Council
St. Martinville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Martin Parish Government as of December 31, 2007 and for the year then ended, which collectively comprise the basic financial statements of the St. Martin Parish Government's primary government, and have issued our report thereon dated June 24, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin Parish Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parish Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Parish Government's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the St. Martin Parish Government's ability to initiate, authorize, record,

process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Parish Government's financial statements that is more than inconsequential will not be prevented or detected by the Parish Government's internal control. We consider the deficiency described at #07-1 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the St. Martin Parish Government's internal control.

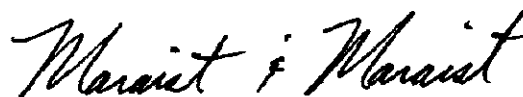
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we do not consider the significant deficiency identified above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin Parish Government'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 non-compliance or other matters that is required to be reported under *Government Auditing Standards*.

The Parish Government's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Parish Government's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities 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.



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To Mr. Guy Cormier, Parish President
and the Members of the St. Martin
Parish Council
St. Martinville, Louisiana

Compliance

We have audited the compliance of the St. Martin Parish Government with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2007. The major federal programs of the St. Martin Parish Government are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the St. Martin Parish Government's management. Our responsibility is to express an opinion on the St. Martin Parish Government's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Martin Parish Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the St. Martin Parish Government's compliance with those requirements.

In our opinion, the St. Martin Parish Government complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

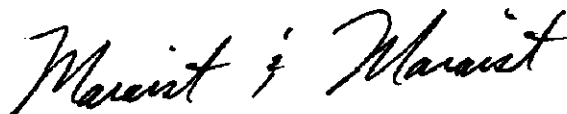
The management of the St. Martin Parish Government is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the St. Martin Parish Government's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Parish Government's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities 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 AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

June 24, 2008

ST. MARTIN PARISH GOVERNMENT

Schedule of Findings and Questioned Costs

Year Ended December 31, 2007

Section I. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the St. Martin Parish Government's primary government.
2. One significant deficiency relating to internal control over financial reporting was reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. This deficiency was not deemed to be a material weakness.
3. No instances of noncompliance relating to the audit of the financial statements were reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
4. No significant deficiencies in internal control relating to the audit of the major program were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were:
 - U. S. Department of Housing and Urban Development-Lower Income Housing Assistance Program(CFDA No. 14.871)
 - U. S. Department of Housing and Urban Development-Louisiana Division of Administration-Pass Through Community Development Block Grant-State's Program(CFDA No. 14.228)
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

ST. MARTIN PARISH GOVERNMENT

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2007

Section II: Findings-Financial Statements Audit

Item 07/1-Inadequate Segregation of Accounting Functions

Finding:

The St. Martin Parish Government did not have a completely adequate segregation of accounting functions during fiscal year 2007.

Cause:

Noncompliance in this area was primarily due to excessive turnover in accounting personnel, and the resultant lack of sufficiently trained personnel to effectively segregate accounting duties and functions.

Recommendation and Response:

We recommend, and management agrees, that in the future, as newly hired accounting staff are sufficiently trained, a more effective segregation of accounting functions will be instituted.

Section III: Federal Award Findings and Questioned Costs

There are no matters relating to significant deficiencies, material weaknesses, instances of noncompliance, or questioned costs related to Federal awards for the year ended December 31, 2007.

ST. MARTIN PARISH GOVERNMENT

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2007

Section I: Internal Control and Compliance Material to the Financial Statements

Item 06-1 - Noncompliance with LSA R.S. 24:514 (Timely Filing of Annual Financial Report)

STATUS: RESOLVED

Section II: Internal Control and Compliance Material to Federal Awards

There were no findings involving federal awards for the year ended December 31, 2006.

Section III: Management Letter

There were no matters reported in a separate management letter for the year ended December 31, 2006.

ST. MARTIN PARISH GOVERNMENT

Management's Corrective Action Plan
Year Ended December 31, 2007

Section I: Internal Control and Compliance Material to the Financial Statements

Item 07/1-Inadequate Segregation of Accounting Functions

Management plans to hire and train additional accounting personnel to more effectively staff the accounting department, in order to provide for a more effective segregation of accounting functions, and to provide for continuity in financial and administrative operations.

Section II: Internal Control and Compliance Material to Federal Awards

There were no matters relating to significant deficiencies, material weaknesses, instances of noncompliance, or questioned costs related to Federal awards for the year ended December 31, 2007.

Section III: Management Letter

There were no matters reported in a separate management letter for the year ended December 31, 2007.

Responsible Parties: Guy Cormier, Parish President
Babette Lastrapes, Director of Finance