

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

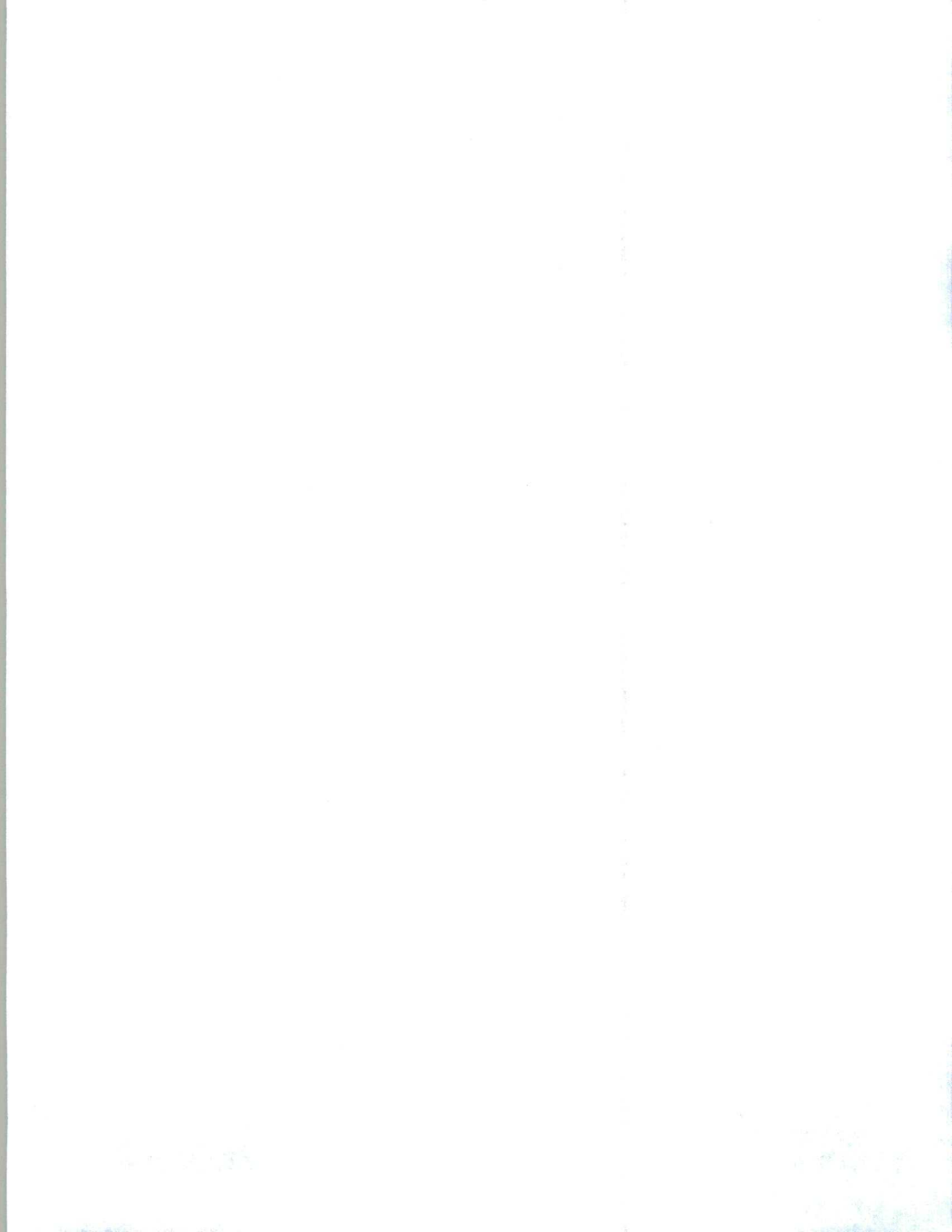


TABLE OF CONTENTS

Independent Auditor's Report	1-3
 <u>BASIC FINANCIAL STATEMENTS</u>	
 <u>Government-wide Financial Statements (GWFS)</u>	
Statement of Net Assets	6
Statement of Activities	7
 <u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	10
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
 Notes to Financial Statements	 13-24
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule - General Fund	26
Budgetary Comparison Schedule - Special Revenue Fund	27
 <u>OTHER SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule - Expenditures - General Fund	29
 <u>RELATED REPORT</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	31-32
 <u>SUPPLEMENTARY INFORMATION</u>	
Schedule of Findings and Questioned Costs	33-34
 Management's Corrective Action Plan for Current Year Findings	 36
 Schedule of Prior Year Findings	 37

VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Opelousas-Eunice Public Library
Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Opelousas-Eunice Public Library as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Opelousas-Eunice Public Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Opelousas-Eunice Public Library, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Opelousas-Eunice Public Library has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2013, on our consideration of the Opelousas-Eunice Public Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and

not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Opelousas-Eunice Public Library's internal control over financial reporting and compliance.

Vige, Tujague & Noël

Vige, Tujague & Noël, CPA's

Eunice, Louisiana

July 25, 2013

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	<u>Governmental Activities</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 99,547	\$ 7,567	\$ 107,114
Investment	28,266	-	28,266
Prepays	2,938	-	2,938
Capital assets (net)	162,222	-	162,222
<u>Total assets</u>	<u>292,973</u>	<u>7,567</u>	<u>300,540</u>
 <u>LIABILITIES</u>			
Accounts payable	7,367	-	7,367
Accrued liabilities	9,730	-	9,730
Compensated absences payable	30,196	-	30,196
<u>Total liabilities</u>	<u>47,293</u>	<u>-</u>	<u>47,293</u>
 <u>NET POSITION</u>			
Invested in capital assets, net of related debt	162,222	-	162,222
Unreserved	83,458	7,567	91,025
<u>Total net position</u>	<u>\$ 245,680</u>	<u>\$ 7,567</u>	<u>\$ 253,247</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Activities	Expenses	Program Revenues			Net (Expense)
		Fees, Fines, & Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Revenues and Changes in Net Assets
					Governmental Activities
<u>Governmental Activities</u>					
General governmental library services	\$ 451,013	\$ 21,706	\$ 2,876	\$ -	\$ (426,431)
<u>Total governmental activities</u>	<u>\$ 451,013</u>	<u>\$ 21,706</u>	<u>\$ 2,876</u>	<u>\$ -</u>	<u>(426,431)</u>

General Revenues	
Intergovernmental revenues	457,890
Interest and investment earnings	204
Donations of fixed assets	35,000
Miscellaneous income	8,364
<u>Total general revenues</u>	<u>501,458</u>
Change in net position	75,027
Net position - January 01, 2012	<u>178,220</u>
Net position - December 31, 2012	<u>\$ 253,247</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	Special Revenue	Total
<u>ASSETS</u>			
Cash	\$ 99,547	\$ 7,567	\$ 107,114
Investment	28,266	-	28,266
Prepays	2,938	-	2,938
<u>Total assets</u>	\$ 130,751	\$ 7,567	\$ 138,318
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 7,367	\$ -	\$ 7,367
Accrued liabilities	9,730	-	9,730
<u>Total liabilities</u>	17,097	-	17,097
 <u>FUND BALANCES</u>			
Unassigned	113,654	-	113,654
Assigned	-	7,567	7,567
<u>Total fund balances</u>	113,654	7,567	121,221
 <u>Total liabilities and fund balances</u>	 \$ 130,751	 \$ 7,567	 \$ 138,318

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total fund balances for governmental funds at December 31, 2012		\$ 121,221
Cost of captial assets at December 31, 2012	\$ 1,376,180	
Less: Accumulated depreciation as of December 31, 2012	<u>(1,213,958)</u>	162,222
Compensated absences for the year ended December 31, 2012		<u>(30,196)</u>
Net position at December 31, 2012		<u><u>\$ 253,247</u></u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<u>REVENUES</u>			
Intergovernmental			
City of Opelousas	\$ 303,190	\$ -	\$ 303,190
City of Eunice	154,700	-	154,700
Grant Income			
State aid to libraries	2,876	-	2,876
Interest earned	204	-	204
Miscellaneous			
Donations of fixed assets	35,000	-	35,000
Library fines, fees	17,815	3,891	21,706
Miscellaneous income	8,364	-	8,364
<u>Total revenues</u>	<u>522,149</u>	<u>3,891</u>	<u>526,040</u>
<u>EXPENDITURES</u>			
Current			
Executive and administrative	375,898	-	375,898
Capital outlay			
Books	70,279	-	70,279
Furniture and equipment	-	-	-
<u>Total expenditures</u>	<u>446,177</u>	<u>-</u>	<u>446,177</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>			
	<u>75,972</u>	<u>3,891</u>	<u>79,863</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	3,891	-	3,891
Operating transfers out	-	(3,891)	(3,891)
<u>Total other financing sources (uses)</u>	<u>3,891</u>	<u>(3,891)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>			
	79,863	-	79,863
<u>FUND BALANCES, beginning of year</u>			
	<u>33,791</u>	<u>7,567</u>	<u>41,358</u>
<u>FUND BALANCES, end of year</u>			
	<u>\$ 113,654</u>	<u>\$ 7,567</u>	<u>\$ 121,221</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Total net change in fund balances for the year ended December 31, 2012 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 79,863
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 70,279	
Depreciation expense for the year ended December 31, 2012	<u>(67,050)</u>	3,229
Compensated absences for the year ended December 31, 2012		<u>(8,065)</u>
Total changes in net position for the year ended December 31, 2012 per Statement of Activities		<u>\$ 75,027</u>

The accompanying notes are an integral part of this statement.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Opelousas-Eunice Public Library was established in compliance with Louisiana Revised Statutes 24:514. The Library District is governed by a Board of Commissioners composed of seven members. The members of the Board serve without pay.

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

The following is a summary of certain significant accounting policies and practices of the Opelousas-Eunice Public Library:

A. Financial Reporting Entity

The financial statements of the Library consist only of the funds of the Library. The Library has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Library.

The Library, as categorized by GASB 14, is considered a joint venture of the cities of Opelousas and Eunice. The cities do not exercise significant influence over management or fiscal matters of the Library but do provide substantial operating revenues of the Library.

B. Basis of Presentation

Government –Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Opelousas-Eunice Public Library, as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are not included in the GWFS.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Opelousas-Eunice Public Library uses funds to report on its financial position and the results of its operations. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted to expenditures for specified purposes.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The fund financial statements utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide statement of net position and statements of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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. Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Library’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Library’s revenues. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is the Library’s policy to use restricted resources first, then unrestricted resources as they are needed.

Purchases of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund-type inventories are recorded as expenditures when purchased and items on hand at year-end, if any, are not recorded as assets, unless material. Expenditures for insurance and similar services which extend

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

over more than one accounting period are accounted for as expenditures of the period of acquisition.

D. Budgets

The Library follows these procedures in establishing the budgetary data reflected in these financial statements.

1. At least thirty (30) days prior to the beginning of the fiscal year, the Librarian submits to the Board of Directors an operating and capital budget for the succeeding year.
2. A public meeting is scheduled by the Board of Directors after allowing for at least ten (10) days notice to the public is initially submitted to the board of Directors.
3. The budget must be finally adopted by the Board no later than the last day of the preceding fiscal year.
4. The Librarian and the Board may authorize transfers of the budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
5. Operating appropriations, to the extent not expended, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) and are amended as required by Louisiana Revised Statutes 39:1303.

All budget appropriations lapse at year-end. Revenues may not legally fall short of budgeted amounts by more than five percent and expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level.

E. Encumbrances

Encumbrance accounting is not used by the Library.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments

Cash and cash equivalents include those investments purchased with original maturities of 90 days or less. Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in Certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledge fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

The Library maintained a threshold level of \$5,000 or more for capitalizing capital assets prior to 2004. Thereafter, the Library maintains a threshold level of \$500 for capitalizing machinery and equipment, furniture and fixtures, and paintings and stuffed wildlife. All books purchased are capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Books	5 years
Furniture and fixtures	5 years
Machinery and equipment	5 - 7 years
Paintings and stuffed wildlife	5 years

The Library has no public domain or infrastructure outlays.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

The Library has the following policy regarding vacation and sick leave. Annual vacation leave is earned on a monthly basis and no leave is granted until the employee has been working one year. Annual leave may only be taken after it has been earned (accumulated). An employee may be allowed to carry over an amount up to one-half of their annual leave earned as of their anniversary date into the next vacation year, with the understanding that it will be forfeited with no future payment for hours lost if not used in that vacation year. No annual leave is earned while an employee is on leave of absence without pay. Actual paid hours determine actual entitlements.

All annual leave earned, including amounts carried over, will be applied to absences due to illness when any available paid sick leave has been depleted. Annual leave of three days or more shall be approved by the administrative librarian at least five days in advance. Employees may accumulate up to 224 hours of sick leave. No compensation is allowed for unused sick leave when employees terminate their employment. Also, when employees are scheduled to be off during a paid holiday, the employees accrue holiday time and can carry over the full amount indefinitely. Upon termination or retirement, employees are compensated for the accrued holiday time.

I. Retirement

Part-time employees of the Library contribute to the Social Security Retirement System. Full-time employees do not contribute to the Social Security Retirement System, but do contribute to the Municipal Employees' Retirement System.

J. Inventory

The Library practices the policy of recording materials and supplies as expenditures when acquired. The Library does not record any of these items as inventory because the amount of the items in stock is insignificant.

K. Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. There is currently no long-term debt owed by the Library.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

M. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the library board members – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the library board removes the specified use by taking the same type of action imposing the commitment.

This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the library’s “intent” to be used for specific purposes but are neither restricted nor committed. The library board members have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Library considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Library considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Library has provided otherwise in its commitment or assignment actions.

N. 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

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. Recently Issued Accounting Standards

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, to provide reporting guidance for deferred outflows and inflows of resources.

NOTE 2 CASH

The bank balance of cash was \$127,997 at December 31, 2012 and the carrying amount of cash was \$107,114 at December 31, 2012. Of the bank balance, approximately \$250,000 is covered by FDIC insurance.

NOTE 3. INVESTMENTS

Investments at December 31, 2012 consist of one certificate of deposit at St. Landry Bank with a balance of \$28,266. It is fully secured by federal depository insurance.

NOTE 4. EMPLOYEE BENEFIT

All employees who are hired on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty at date of employment are members of the Municipal Employees' Retirement System (MERS).

Municipal Employees' Retirement System

Plan Description: The Municipal Employees Retirement System of Louisiana (the System) is a cost-sharing multiple employer-employee retirement system (PERS) as established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Library are members of Plan A.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 4 EMPLOYEE BENEFIT (Continued)

The Municipal Employees Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809.

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the Library is required to contribute at the actuarially determined rate, 16.75% for January through June 2012 and 17.00% for July through December 2012, of the total annual covered salary. The Library's employer contributions to Municipal Employees' Retirement System for the years ended December 31, 2012, 2011, and 2010 were \$32,481, \$29,863, and \$23,100, respectively, and were equal to the required contribution for each year. The Library's employee contributions to Municipal Employees' Retirement System for the years ended December 31, 2012, 2011, and 2010 were \$17,798, \$17,921, and \$15,483, respectively, and were equal to the required contribution for each year.

All employees who are not members of MERS contribute a percentage of each employee's salary to the Social Security Retirement System (7.65% contributed by the Library, 7.65% by the employee).

NOTE 5. BOARD OF COMMISSIONERS' COMPENSATION

The Board of Commissioners is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-pocket travel expenses incurred in accordance with the regular personnel policy.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 6. CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2012, for the Opelousas-Eunice Public Library are as follows:

	Balance 1/1/2012	Additions		Retirements	Balance 12/31/2012
		Purchases	Donations	Sales and Discards	
Governmental Activities					
Equipment	\$ 135,298	\$ -	\$ -	\$ -	\$ 135,298
Furniture and fixtures	60,479	-	-	-	60,479
Books	1,077,414	35,279	35,000	(13,011)	1,134,682
Paintings and stuffed wildlife	15,000	-	-	-	15,000
Improvements	30,721	-	-	-	30,721
<u>Totals at historical cost</u>	<u>1,318,912</u>	<u>35,279</u>	<u>35,000</u>	<u>(13,011)</u>	<u>1,376,180</u>
Less accumulated depreciation:					
Equipment	124,808	10,475	-	-	135,283
Furniture and fixtures	39,264	918	-	-	40,182
Books	950,126	49,540	6,117	(13,011)	992,772
Paintings and stuffed wildlife	15,000	-	-	-	15,000
Improvements	30,721	-	-	-	30,721
<u>Total at accumulated depreciation</u>	<u>1,159,919</u>	<u>60,933</u>	<u>6,117</u>	<u>(13,011)</u>	<u>1,213,958</u>
Governmental Activities					
Capital assets, net	<u>\$ 158,993</u>	<u>\$ (25,654)</u>	<u>\$ 28,883</u>	<u>\$ -</u>	<u>\$ 162,222</u>

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 7. EXECUTIVE AND ADMINISTRATIVE EXPENDITURES

Following is a detail schedule of executive and administrative expenditures for the year ended December 31, 2012.

	General Fund	Special Revenue Fund
Salaries	\$ 213,247	\$ -
Payroll taxes and pension contributions	42,053	-
Legal and Professional	10,515	-
Consulting Fees	20,000	-
Maintenance and repairs - equipment	13,329	-
Insurance	4,300	-
Miscellaneous	215	-
Rentals	3,041	-
Office Supplies	21,119	-
Communications	14,924	-
Travel	2,433	-
Automation Software	6,589	-
Utilities	23,566	-
Furniture and fixtures	567	-
	<u>\$ 375,898</u>	<u>\$ -</u>

NOTE 8. ECONOMIC DEPENDENCY

The library is economically dependent upon funding from the cities of Opelousas and Eunice, Louisiana, including providing a building and building expenses.

NOTE 9. EVALUATION OF SUBSEQUENT EVENTS

The library has evaluated subsequent events through July 25, 2013, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental				
City of Opelousas	\$ 261,900	\$ 262,100	\$ 303,190	\$ 41,090
City of Eunice	154,700	154,700	154,700	-
State Aid	2,400	2,400	2,876	476
Interest	-	-	204	204
Donations of fixed assets	-	-	35,000	35,000
Library fines, fees	13,000	13,000	17,815	4,815
Miscellaneous	-	-	8,364	8,364
<u>Total revenues</u>	<u>432,000</u>	<u>432,200</u>	<u>522,149</u>	<u>89,949</u>
<u>EXPENDITURES</u>				
Current				
Executive and administrative	391,200	391,200	375,898	15,302
Capital outlay				
Books	40,800	40,800	70,279	(29,479)
Furniture and equipment	-	-	-	-
<u>Total expenditures</u>	<u>432,000</u>	<u>432,000</u>	<u>446,177</u>	<u>(14,177)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	-	200	75,972	75,772
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	-	3,891	3,891
<u>Total other financing sources (uses)</u>	<u>-</u>	<u>-</u>	<u>3,891</u>	<u>3,891</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>\$ -</u>	<u>\$ 200</u>	79,863	<u>\$ 79,663</u>
<u>FUND BALANCES, beginning of year</u>			<u>33,791</u>	
<u>FUND BALANCES, end of year</u>			<u>\$ 113,654</u>	

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>				
Fines	\$ -	\$ -	\$ 3,891	\$ 3,891
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<u>Total revenues</u>	<u>-</u>	<u>-</u>	<u>3,891</u>	<u>3,891</u>
<u>EXPENDITURES</u>				
Executive and administrative	-	-	-	-
<u>Total expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	<u>-</u>	<u>-</u>	<u>3,891</u>	<u>3,891</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	-	-	(3,891)	3,891
<u>Total other financing sources (uses)</u>	<u>-</u>	<u>-</u>	<u>(3,891)</u>	<u>3,891</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 7,782</u>
<u>FUND BALANCES, beginning of year</u>			<u>7,567</u>	
<u>FUND BALANCES, end of year</u>			<u>\$ 7,567</u>	

OTHER SUPPLEMENTARY INFORMATION

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Personnel	\$ 300,000	\$ 300,000	\$ 255,300	\$ 44,700
Operating Services	65,000	65,000	89,890	(24,890)
Materials and Supplies	25,000	25,000	28,275	(3,275)
Travel/Training	1,000	1,000	2,433	(1,433)
Intergovernmental	200	200	-	200
Capital outlay	40,800	40,800	70,279	(29,479)
<u>Total expenditures</u>	<u>\$ 432,000</u>	<u>\$ 432,000</u>	<u>\$ 446,177</u>	<u>\$ (14,177)</u>

RELATED REPORT

VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
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INDEPENDENT AUDITOR'S 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*

Board of Directors
Opelousas-Eunice Public Library
Opelousas, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities of Opelousas-Eunice Public Library, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Opelousas-Eunice Public Library's basic financial statements and have issued our report thereon dated July 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Opelousas-Eunice Public Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Opelousas-Eunice Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of Opelousas-Eunice Public Library's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items #2012-1, #2012-2 and #2012-3 that we consider to be significant deficiencies.

Compliance and Other Matters

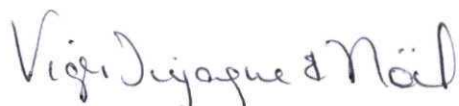
As part of obtaining reasonable assurance about whether Opelousas-Eunice Public Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items #2012-1, #2012-2 and #2012-3.

Opelousas-Eunice Public Library's Response to Findings

Opelousas-Eunice Public Library's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Opelousas-Eunice Public Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
July 25, 2013

SUPPLEMENTARY INFORMATION

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Opelousas-Eunice Public Library.
2. Significant deficiencies relating to the audit of the financial statements are 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.
3. Instances of noncompliance relating to the financial statements of the Opelousas-Eunice Public Library are disclosed during the audit.
4. There was no single audit required under OMB Circular A-133.

B. 2012 FINDINGS – FINANCIAL STATEMENT AUDIT

2012-1 Individual Segregation of Accounting Functions

Condition: The Library does not have individual segregation of accounting functions.

Criteria: Accounting duties should be performed by different individuals.

Cause: Due to the small number of accounting personnel, the Library did not have adequate segregation of functions within the accounting system.

Effect: Due to cost-benefit analysis, there was improper segregation of functions within the accounting system.

Recommendation: Based on the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2012-2 Inadequate Control Over Financial Statement Preparation

Condition: The Opelousas-Eunice Public Library does not have a person on staff that has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording financial transactions or preparing the financial statements.

Criteria: A reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Cause: Job description did not stipulate requirements for hiring personnel with knowledge of GAAP.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

C. 2012 FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

Effect: A number of audit adjustments were recorded, and the audit firm was also required to assist management in the preparation of financial statements in accordance with GAAP

Recommendation: The Library should consider cost/benefit of hiring additional personnel with sufficient knowledge and training.

2012-3 Late Audit Submission

Condition: The audit was not submitted prior to the June 30, 2013 deadline.

Criteria: The audit is required to be submitted within six months after the year end or June 30, 2013.

Cause: The executive director was terminated and the library is currently looking for a replacement.

Effect: The audit was not submitted in a timely manner.

Recommendation: The Library should ensure that all future audits are submitted in a timely manner.

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

Response to finding 2012-1:

A complete segregation of duties is not feasible due to the cost-benefit of hiring additional personnel and the size of the Library.

Response to finding 2012-2:

Hiring someone with the qualifications and training to apply generally accepted accounting principles is not feasible due to the cost-benefit of hiring additional personnel and the size of the Library.

Response to finding 2012-3:

The Library will submit all future audits in a timely manner.


Jackie Choate-Interim Director

OPELOUSAS-EUNICE PUBLIC LIBRARY
OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION 1 – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS

2011-1 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 2012-1.

2011-2 Finding: Inadequate Control Over Financial Statement Preparation

Status: This finding is unresolved. See current year finding 2012-2.

2011-3 Finding: Total Actual Expenses Exceed Budgeted Expenses by More Than Five Percent

Status: This finding is resolved.

2011-4 Finding: Late Audit Submission

Status: This finding is unresolved. See current year finding 2012-3.