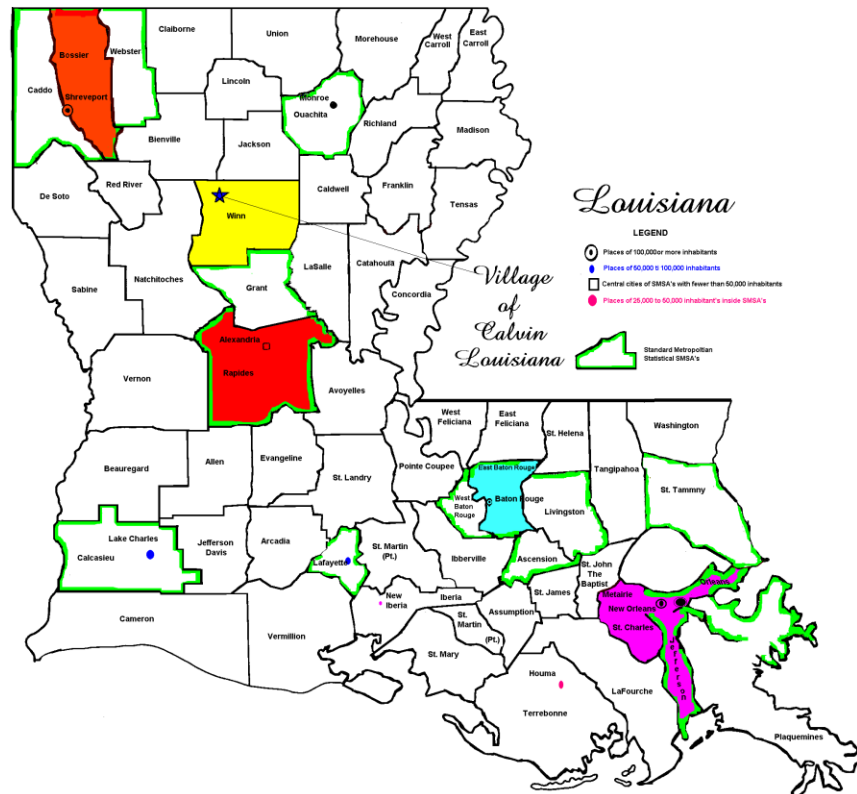


VILLAGE OF CALVIN, LOUISIANA

Annual Financial Statements

JUNE 30, 2023

VILLAGE OF CALVIN CALVIN, LOUISIANA



The Village of Calvin was incorporated under the Lawrason Act in October 2, 1951. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

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INDEPENDENT AUDITOR’S REPORT

The Honorable Jeff Canerday, Mayor
Members of the Board of Aldermen
Calvin, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Village of Calvin, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Calvin’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, and all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the Village of Calvin, as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Calvin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Calvin’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village of Calvin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Calvin's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Calvin's basic financial statements. The Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer, Schedule of Revenue, Expenditures, and Change in Fund Balances-Capital Grants are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer, Schedule of Revenues, Expenditures, and Changes in Fund Balances-Capital Grants are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024, on our consideration of the Village of Calvin'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 solely 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 the effectiveness of the Village of Calvin's 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 Village of Calvin's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated January 17, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

Jena, Louisiana
January 17, 2024

Village of Calvin

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MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the Village, we offer readers of the Village of Calvin's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$295,080 (*net position*). This is a \$15,570 increase from last year.
- The Village had total revenues of \$45,849. This is a \$836 increase from last year's revenues, mainly due to an increase in Other Revenues in the amount of \$5,932.
- The Village had total expenditures of \$88,358, which is a \$15,085 increase from last year. This decrease is due mainly to an increase in utilities.

Enterprise Fund

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$3,363,728 (*net position*). This is a \$613,373 increase from last year.
- The Village had total revenues of \$825,729, including operating revenues of \$147,007, non-operating revenues of \$300, and capital contributions of \$678,422. This is a \$9,632 increase from last year, mainly due to an increase in capital contributions in the amount of \$393,282.
- The Village had total expenses of \$142,357, including operating expenses of \$140,429 and non-operating expenses of \$1,928. Total expenses decreased by \$2,485 compared to last year, mainly due to a decrease in repair and maintenance in the amount of \$15,050.
- Transfers out for the year totaled \$70,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

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 Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

GOVERNMENTAL FUNDS

The following table represents a Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 56,683	\$ 104,448	84.3
Restricted Cash	20,078	41	-99.8
Receivables (Net)	1,000	770	-23.0
Capital Assets, Net of Accumulated Depreciation	202,561	190,640	-5.9
Total Assets	<u>280,322</u>	<u>295,899</u>	5.6
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	812	819	0.9
Due to Enterprise Fund	-0-	-0-	0.0
Total Liabilities	<u>812</u>	<u>819</u>	0.9
Net Position			
Net Investment in Capital Assets	202,561	190,640	-5.9
Restricted Assets	20,078	41	-99.8
Unrestricted	56,871	104,399	83.6
Total Net Position	<u>\$ 279,510</u>	<u>\$ 295,080</u>	5.6

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 8,400	\$ 15,441	83.8
Taxes	16,626	4,489	-73.0
Intergovernmental	19,987	19,987	0.0
Other	-0-	5,932	100.0
Total Revenues	<u>45,013</u>	<u>45,849</u>	1.9
Expenditures			
Personnel Expense	52,789	51,591	-2.3
Other Operating	11,421	26,621	133.1
Utilities	8,648	9,786	13.2
Repairs & Maintenance	415	360	-13.3
Capital Outlay	-0-	-0-	0.0
Total Expenditures	<u>73,273</u>	<u>88,358</u>	20.6
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,260)</u>	<u>(42,509)</u>	-50.4
Other Financing Sources (Uses)			
Transfers In (Out)	37,100	70,000	88.7
Total Other Financing Sources (Uses)	<u>37,100</u>	<u>70,000</u>	88.7
Net Change in Fund Balance	<u>8,840</u>	<u>27,491</u>	211.0
Fund Balances – Beginning	68,109	76,949	13.0
Fund Balances – Ending	<u>\$ 76,949</u>	<u>\$ 104,440</u>	35.7

MD&A

ENTERPRISE FUND

The following table represents a Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 99,220	\$ 108,808	9.7
Receivables (Net)	12,418	12,785	3.0
Capital Assets, Net of Accumulated Depreciation	2,679,061	3,268,911	22.0
Restricted Cash	-0-	3,320	100.0
Total Assets	<u>2,790,699</u>	<u>3,393,824</u>	21.6
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	12,270	13,794	12.4
Capital Project Loan – Water	28,074	16,302	-41.9
Total Liabilities	<u>40,344</u>	<u>30,096</u>	-25.4
Net Position			
Net Investment in Capital Assets	2,644,825	3,244,563	22.7
Unrestricted	105,530	119,165	12.9
Total Net Position	<u>\$ 2,750,355</u>	<u>\$ 3,363,728</u>	22.3

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Operating Revenues			
Charges for Services	\$ 137,375	\$ 147,007	7.0
Total Operating Revenues	<u>137,375</u>	<u>147,007</u>	7.0
Operating Expenses			
Office Expense & Supplies	11,785	14,969	27.0
Maintenance & Repair	19,825	4,775	-75.9
Utilities	19,173	21,340	11.3
Other Operating	15,539	10,773	-30.7
Depreciation	76,103	88,572	16.4
Total Operating Expenses	<u>142,425</u>	<u>140,429</u>	-1.4
Operating Income (Loss)	<u>(5,050)</u>	<u>6,578</u>	230.3
Non-Operating Revenues (Expenses)			
Interest Income	158	300	89.9
Interest Expense	(2,417)	(1,928)	20.2
DEQ Forgiveness Loan	29,878	-0-	-100.0
Total Non-Operating Revenues (Expenses)	<u>27,619</u>	<u>(1,628)</u>	-105.9
Income (Loss) Before Contributions & Transfers	22,569	4,950	-78.1
Transfers In/(Out)	<u>(37,100)</u>	<u>(70,000)</u>	-88.7
Total Other Financing Sources	<u>(37,100)</u>	<u>(70,000)</u>	-88.7
Capital Contributions	<u>285,140</u>	<u>678,422</u>	137.9
Change in Net Position	<u>270,609</u>	<u>613,372</u>	126.7
Prior Period Adjustment	-0-	1	100.0
Total Net Position – Beginning	2,479,746	2,750,355	10.9
Total Net Position – Ending	<u>\$ 2,750,355</u>	<u>\$ 3,363,728</u>	22.3

MD&A

CAPITAL ASSETS

Governmental Fund

At June 30, 2023, the Village had \$190,640 invested in capital assets, including the following:

Capital Assets at Year-End		
	<u>2022</u>	<u>2023</u>
Capital Assets *	\$ 384,399	\$ 384,399
Accumulated Depreciation	(181,838)	(193,759)
Total	<u>\$ 202,561</u>	<u>\$ 190,640</u>

* This amount includes land in the amount of \$7,162 that is not being depreciated.

Enterprise Fund

At June 30, 2023, the Village had \$3,268,911 invested in capital assets, including the following:

Capital Assets at Year-End		
	<u>2022</u>	<u>2023</u>
Water Capital Assets *	\$ 2,717,711	\$ 3,396,133
Sewer Capital Assets	1,459,365	1,459,365
Water Accumulated Depreciation	(1,095,664)	(1,147,981)
Sewer Accumulated Depreciation	(402,351)	(438,606)
Total	<u>\$ 2,679,061</u>	<u>\$ 3,268,911</u>

*These amounts include land \$7,597 and construction in progress in the amount of \$678,422 that are not being depreciated.

LONG-TERM DEBT

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Calvin for the year ended June 30, 2023.

	<u>Water Revenue Bonds</u>	<u>Total</u>
Bonds & Notes Payable - Beginning	\$ 34,236	\$ 34,236
Additions	-0-	-0-
Principal Retirements	(9,888)	(9,888)
Total	<u>\$ 24,348</u>	<u>\$ 24,348</u>

MD&A

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show that the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Jeff Canerday at the Village Hall, phone number (318) 727-9276.

Basic Financial Statements

Village of Calvin, Louisiana
Statement of Net Position
June 30, 2023

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 104,448	\$ 101,581	\$ 206,029
Investments	-0-	7,227	7,227
Receivables, Net of Allowances	770	12,785	13,555
Restricted Cash	41	3,320	3,361
TOTAL CURRENT ASSETS	<u>105,259</u>	<u>124,913</u>	<u>230,172</u>
NON-CURRENT ASSETS			
Capital Assets, Net of Accumulated Depreciation	190,640	3,268,911	3,459,551
TOTAL NON-CURRENT ASSETS	<u>190,640</u>	<u>3,268,911</u>	<u>3,459,551</u>
TOTAL ASSETS	<u>295,899</u>	<u>3,393,824</u>	<u>3,689,723</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	819	1,381	2,200
Accrued Interest	-0-	1,047	1,047
Customer Deposits	-0-	3,320	3,320
Capital Project Loan-Water (Current Portion)	-0-	8,046	8,046
TOTAL CURRENT LIABILITIES	<u>819</u>	<u>13,794</u>	<u>14,613</u>
NON-CURRENT LIABILITIES			
Capital Project Loan-Water	-0-	16,302	16,302
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>16,302</u>	<u>16,302</u>
TOTAL LIABILITIES	<u>819</u>	<u>30,096</u>	<u>30,915</u>
NET POSITION			
Net Investment in Capital Assets	190,640	3,244,563	3,435,203
Restricted	41	3,320	3,361
Unrestricted	104,399	115,845	220,244
TOTAL NET POSITION	<u>\$ 295,080</u>	<u>\$ 3,363,728</u>	<u>\$ 3,658,808</u>

See accompanying notes and independent auditor's report.

Village of Calvin, Louisiana
Statement of Activities
For the Year Ended June 30, 2023

	<u>PROGRAM REVENUES</u>				<u>NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants & Contributions</u>	<u>Net (Expenses) Revenue</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
GOVERNMENTAL ACTIVITIES							
General Government	\$ (100,279)	\$ 15,441	\$ -0-	\$ (84,838)	\$ (84,838)		\$ (84,838)
TOTAL GOVERNMENTAL ACTIVITIES	<u>(100,279)</u>	<u>15,441</u>	<u>-0-</u>	<u>(84,838)</u>	<u>(84,838)</u>		<u>(84,838)</u>
BUSINESS-TYPE ACTIVITIES							
Enterprise Fund	(140,429)	147,007	678,422	685,000		\$ 685,000	685,000
Interest Expense	(1,928)	-0-	-0-	(1,928)		(1,928)	(1,928)
TOTAL BUSINESS TYPE ACTIVITIES	<u>(142,357)</u>	<u>147,007</u>	<u>678,422</u>	<u>683,072</u>		<u>683,072</u>	<u>683,072</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ (242,636)</u>	<u>\$ 162,448</u>	<u>\$ 678,422</u>	<u>\$ 598,234</u>			<u>598,234</u>
			GENERAL REVENUES				
			Taxes		4,489	-0-	4,489
			Interest Revenue		5,932	300	6,232
			Other Income		19,987	-0-	19,987
			TOTAL GENERAL REVENUES		<u>30,408</u>	<u>300</u>	<u>30,708</u>
			TRANSFERS IN/(OUT)		<u>70,000</u>	<u>(70,000)</u>	<u>-0-</u>
			CHANGE IN NET POSITION		15,570	613,372	628,942
			PRIOR PERIOD ADJUSTMENT		-0-	1	1
			NET POSITION - BEGINNING		279,510	2,750,355	3,029,865
			NET POSITION - ENDING		<u>\$ 295,080</u>	<u>\$ 3,363,728</u>	<u>\$ 3,658,808</u>

See accompanying notes and independent auditor's report.

Village of Calvin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2023

	GENERAL FUND	CAPITAL PROJECTS	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 104,448	\$ -0-	\$ 104,448
Restricted Cash	-0-	41	41
Receivables, Net of Allowances	770	-0-	770
TOTAL ASSETS	105,218	41	105,259
LIABILITIES			
Accounts, Salaries, & Other Payables	819	-0-	819
TOTAL LIABILITIES	819	-0-	819
FUND BALANCE			
Restricted	-0-	41	41
Unassigned	104,399	-0-	104,399
TOTAL FUND BALANCE	104,399	41	104,440
TOTAL LIABILITIES & FUND BALANCE	\$ 105,218	\$ 41	\$ 105,259

See accompanying notes and independent auditor's report.

Village of Calvin, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds, Statement C	\$	104,440
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital Assets		384,399
Accumulated Depreciation		(193,759)
		190,640
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other		-0-
		-0-
Net Position of Governmental Activities, Statement A	\$	295,080

See accompanying notes and independent auditor's report.

Village of Calvin, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

		<u>GENERAL FUND</u>
REVENUES		
Fees & Charges	\$	15,441
Taxes		4,489
Intergovernmental		19,987
Other		5,932
TOTAL REVENUES		<u>45,849</u>
 EXPENDITURES		
Personnel Expense		51,591
Other Operating		26,621
Utilities		9,786
Repairs & Maintenance		360
Capital Outlay		-0-
TOTAL EXPENDITURES		<u>88,358</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		 <u>(42,509)</u>
 OTHER FINANCING SOURCES (USES)		
Transfers In (Out)		70,000
TOTAL OTHER FINANCING SOURCES (USES)		<u>70,000</u>
 NET CHANGE IN FUND BALANCE		 27,491
 FUND BALANCES – BEGINNING		 <u>76,949</u>
FUND BALANCES – ENDING	\$	<u><u>104,440</u></u>

See accompanying notes and independent auditor's report.

Village of Calvin, 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 June 30, 2023

Net Change in Fund Balances, Total governmental Funds, (Statement E) \$ 27,491

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

Capital Purchases	-0-	
Depreciation Expense	(11,921)	(11,921)
	(11,921)	

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond Issuance	-0-	
Principal Paid	-0-	
	-0-	

Changes in Net Position of Governmental Activities, (Statement B) \$ 15,570

See accompanying notes and independent auditor's report.

Village of Calvin, Louisiana
Statement of Net Position, Proprietary Fund
June 30, 2023

		BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND WATER & SEWER
CURRENT ASSETS		
Cash & Cash Equivalents	\$	101,581
Investments		7,227
Receivables, Net of Allowances		12,785
Restricted Cash		3,320
TOTAL CURRENT ASSETS		124,913
NON-CURRENT ASSETS		
Capital Assets, Net of Accumulated Depreciation		3,268,911
TOTAL NON-CURRENT ASSETS		3,268,911
TOTAL ASSETS		3,393,824
LIABILITIES		
CURRENT LIABILITIES		
Accounts, Salaries, & Other Payables		1,381
Accrued Interest		1,047
Customer Deposits		3,320
Capital Project Loan-Water (Current Portion)		8,046
TOTAL CURRENT LIABILITIES		13,794
NON-CURRENT LIABILITIES		
Capital Project Loan-Water		16,302
TOTAL NON-CURRENT LIABILITIES		16,302
TOTAL LIABILITIES		30,096
NET POSITION		
Net Investment in Capital Assets		3,244,563
Unrestricted		119,165
TOTAL NET POSITION	\$	3,363,728

See accompanying notes and independent auditor's report.

Village of Calvin, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
June 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND <u>WATER & SEWER</u>
OPERATING REVENUES	
Charges for Services	\$ 147,007
TOTAL OPERATING REVENUES	<u>147,007</u>
OPERATING EXPENSES	
Office Expense & Supplies	14,969
Maintenance & Repair	4,775
Utilities	21,340
Other Operating	10,773
Depreciation	88,572
TOTAL OPERATING EXPENSES	<u>140,429</u>
OPERATING INCOME (LOSS)	<u>6,578</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	300
Interest Expense	(1,928)
DEQ Loan Forgiveness	-0-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(1,628)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	4,950
Transfers In/(Out)	(70,000)
CAPITAL CONTRIBUTIONS	<u>678,422</u>
PRIOR PERIOD ADJUSTMENT	1
CHANGE IN NET POSITION	613,372
TOTAL NET POSITION – BEGINNING	<u>2,750,355</u>
TOTAL NET POSITION – ENDING	<u>\$ 3,363,728</u>

See accompanying notes and independent auditor's report.

Village of Calvin, Louisiana
Statement of Cash Flows
Proprietary Fund
June 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND WATER & SEWER
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 146,380
Payments to Suppliers	(51,956)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	94,424
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to Other Funds	(70,000)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(70,000)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Receipts from Capital Grants	678,422
DEQ Loan Forgiveness	-0-
Addition/Deletion of Capital Assets	(678,422)
Principal Paid on Capital Debt	(9,889)
Interest Paid on Capital Debt	(1,928)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(11,817)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	300
(Increase) Decrease in Investments	(274)
(Increase) Decrease in Restricted Assets	(3,320)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(3,294)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	9,313
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	92,268
CASH & CASH EQUIVALENTS, END OF YEAR	101,581
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	6,578
Depreciation Expense	88,572
(Increase) Decrease in Accounts Receivables	(367)
Increase (Decrease) in Customer Deposits	(260)
Increase (Decrease) in Accounts Payables	85
Increase (Decrease) in Accrued Interest	(184)
TOTAL ADJUSTMENTS	87,846
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 94,424

See accompanying notes and independent auditor's report.

**Notes To The Basic
Financial Statements**

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Calvin was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state, and federal governing bodies.

The accounting and reporting policies of the Village of Calvin conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & 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 proprietary fund and 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

- The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

- Enterprise Fund
 - Water Activities
 - Sewer Activities

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their 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.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Village has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

D. FIXED ASSETS

For the year ended June 30, 2023, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The Village of Calvin maintains a threshold level of \$2,500 or more for capitalizing capital assets. The estimated useful lives are as follows:

	<u>Life In Years</u>
Buildings	20-40
Water System	20-40
Sewer System	20-40
Equipment	5-10

E. CASH & INVESTMENTS

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand and savings accounts, and certificates of deposits under 90 days.

All cash and investments (CD’s over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Village’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village’s deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. The categories are described as follows:

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

- *Category 1* – Insured or collateralized with securities held by the Village or by its agent in the Village’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Village’s name.
- *Category 3* – Uncollateralized.

	<u>Bank of Winnfield</u>	<u>Total</u>
Bank Balances	\$ 218,584	\$ 218,584
<i>Secured As Follows</i>		
FDIC (<i>Category 1</i>)	218,584	218,584
Securities (<i>Category 2</i>)	-0-	-0-
Uncollateralized (<i>Category 3</i>)	-0-	-0-
Total	\$ <u>218,584</u>	\$ <u>218,584</u>

All cash and investments were fully secured at year end.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

At June 30, 2023, no reserve for bad debts was required the estimated uncollectible receivables outstanding were considered immaterial. At June 30, 2023, the receivables were as follows:

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

	Enterprise Fund		Governmental Fund
	Water	Sewer	General Fund
Customer	\$ 10,474	\$ 2,311	\$ 770
Allowance for Bad Debts	-0-	-0-	-0-
Total	\$ 10,474	\$ 2,311	\$ 770

H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

(2) AD VALOREM TAXES

The Village levies taxes on real and business personal property located within its boundaries. The Village utilizes the services of the Winn Parish Tax Assessor to assess the property values and prepare the Village's property tax roll. The Village bills and collects its own property taxes.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2023, taxes of 5.440 mills were levied against property having a valuation of some \$647,898 which produced some \$4,489 in revenue.

Ad Valorem Taxes are broken down as follows:

	Mills
General Alimony	5.440
Total	5.440

(3) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT & EQUIPMENT

A summary of enterprise fund property, plant, and equipment at June 30, 2023, is as follows:

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

	Balance 6-30-2022	Additions	Deletions	Balance 6-30-2023
Water				
Distribution System & Equipment*	\$ 2,717,711	\$ 678,422	\$ -0-	\$ 3,396,133
Accumulated Depreciation	(1,095,664)	(52,317)	-0-	(1,147,981)
Net	1,622,047	626,105	-0-	2,248,152
Sewer				
Plant & Equipment	1,459,365	\$ -0-	\$ -0-	\$ 1,459,365
Accumulated Depreciation	(402,351)	(36,255)	-0-	(438,606)
Net	\$ 1,057,014	\$ (36,255)	\$ -0-	\$ 1,020,759

*Water - Land in the amount of \$7,597 and construction in progress in the amount of \$678,422 is included in this amount and are not being depreciated.

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2023, is as follows:

	Balance 6-30-2022	Additions	(Deletions)	Balance 6-30-2023
Fixed Assets*	\$ 384,399	\$ -0-	\$ -0-	\$ 384,399
Accumulated Depreciation	(181,838)	(11,921)	-0-	(193,759)
Net	\$ 202,561	\$ (11,921)	\$ -0-	\$ 190,640

*This amount includes Land in the amount of \$7,162 that is not being depreciated.

(4) CHANGES IN LONG-TERM DEBT

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Calvin for the year ended June 30, 2023.

	Water Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ 34,236	\$ 34,236
Additions	-0-	-0-
Principal Retirements	(9,888)	(9,888)
Total	\$ 24,348	\$ 24,348

Bonds payable at June 30, 2023, are comprised of the following issues:

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Revenue Bonds

\$109,500 of Water Revenue Bonds due annually in installments of \$9,840.91 starting 02/01/2013 and ending 02/01/27; interest at 4.12%. \$ 24,348

Total \$ 24,348

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Total</u>
2024	9,841
2025	9,841
2026	9,841
2027	9,841
Total	\$ <u><u>39,364</u></u>

(5) ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Title</u>	<u>Compensation</u>
Jeff Canerday	Mayor	\$ 8,700
Bobby D. Canerday	Alderman	1,800
John Wayne Canerday	Alderman	600
Ronald Abels	Alderman	\$ 600

(6) USE OF ESTIMATES

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

(7) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(8) TRANSFERS

Transfers From/To Other Funds			
Fund	Transfers In	Transfers Out	Total
General	\$ 70,000	\$ -0-	\$ 70,000
Enterprise	-0-	(70,000)	(70,000)
Total	\$ 70,000	\$ (70,000)	\$ -0-

The transfers to the general fund were made for general expenditures.

(9) EXCESS EXPENDITURES OVER APPROPRIATIONS

The Village over spent its' budget by \$6,581 or 8.1%.

(10) RESTRICTED CASH

At June 30, 2023, restricted assets of the Enterprise and Governmental Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

	Water	Sewer	General
Meter Deposit	\$ 3,320	\$ -0-	\$ -0-
LCDBG Project	-0-	-0-	41
Total	\$ 3,320	\$ -0-	\$ 41

(11) PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the amount of \$1 to adjust the prior period rounding error.

Required Supplemental Information

Village of Calvin, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget and Actual
General & Capital Project Funds
For the Year Ended June 30, 2023

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 11,400	\$ 11,400	\$ 15,441	\$ 4,041
Taxes	13,450	13,450	4,489	(8,961)
Intergovernmental	-0-	-0-	19,987	19,987
Other Revenue	-0-	-0-	5,932	5,932
TOTAL REVENUES	24,850	24,850	45,849	20,999
EXPENDITURES				
Personnel Expense	43,200	43,200	51,591	(8,391)
Other Administrative	30,577	30,577	26,621	3,956
Utilities	8,000	8,000	9,786	(1,786)
Repairs & Maintenance	-0-	-0-	360	(360)
Capital Outlay	-0-	-0-	-0-	-0-
TOTAL EXPENDITURES	81,777	81,777	88,358	(6,581)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(56,927)	(56,927)	(42,509)	14,418
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	60,000	60,000	70,000	10,000
TOTAL OTHER FINANCING SOURCES (USES)	60,000	60,000	70,000	10,000
NET CHANGE IN FUND BALANCE	\$ 3,073	\$ 3,073	27,491	\$ 24,418
FUND BALANCES--BEGINNING			76,949	
FUND BALANCES--ENDING			\$ 104,440	

See independent auditor's report.

Supplemental Information

Village of Calvin, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023

Honorable Jeff Canerday, Mayor

Purpose	Amount
Salary	\$ 8,700
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Village of Calvin, Louisiana
Schedule of Revenues, Expenditures &
Changes in Fund Balances
Capital Grants
For the Year Ended June 30, 2023**

	CWEF GRANTS	LCDBG- WATER	TOTAL
REVENUES			
Capital Grants	\$ 14,045	\$ 664,377	\$ 678,422
TOTAL REVENUES	14,045	664,377	678,422
EXPENDITURES			
Administrative Services	-0-	-0-	-0-
Engineering Services	-0-	-0-	-0-
Project Construction	14,045	664,377	678,422
TOTAL EXPENDITURES	14,045	664,377	678,422
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-0-	-0-	-0-
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	-0-	-0-	-0-
NET CHANGE IN FUND BALANCE	-0-	-0-	-0-
FUND BALANCES--BEGINNING	91	-0-	91
FUND BALANCES--ENDING	\$ 91	\$ -0-	\$ 91

LCDBG – Louisiana Community Development Block Grant

CWEF – Community Water Environment Fund

See independent auditor's report.



Other Reports

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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*

Honorable Jeff Canerday, Mayor
Members of the Board of Alderman
Calvin, 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, business-type activities, and each major fund of the Village of Calvin, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Calvin’s basic financial statements and have issued our report thereon dated January 17, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Calvin’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 the Village of Calvin’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Calvin’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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items: **[2023-1 Village Accounting Methods and 2023-3 Small Size of Entity]** that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Calvin'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 item: **[2023-2 Budget Variance, 2023-4 Annual Filing of Financial Statements, and 2023-5 Noncompliance with RS 40:9.1(F)- Transfer of Funds in an "F" Water System]**.

The Village of Calvin's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Calvin's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village of Calvin's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. However, this report is a public document, and its distribution is not limited.

The Vercher Group

Jena, Louisiana
January 17, 2024

**VILLAGE OF CLAYTON
CALVIN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2023**

We have audited the basic financial statements of the Village of Calvin, Louisiana, as of and for the year ended June 30, 2023, and have issued our report thereon dated January 17, 2024. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

VILLAGE OF CALVIN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

2023-1 Village Accounting Methods (Internal)

Condition: The Village is not reconciling the bank accounts monthly.

Criteria: Best practices include reconciling the bank accounts monthly.

Cause of Condition: Not following best practices.

Effect of Condition: Incomplete/Inaccurate financial data.

Recommendation: The Village should reconcile the bank accounts monthly.

Client Response and Corrective Action: The Village will begin reconciling the bank accounts monthly.

Contact Person: Jeff Canerday, Mayor

Anticipated Completion Date: June 30, 2024

2023-2 Budget Variance (Compliance)

Condition: The Village had an unfavorable expenditure budget variance of \$6,581 or 8.1% in the general fund during the year.

Criteria: The Budget Act requires that governments amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

Cause of Condition: Not properly amending budget before year end.

Effect of Condition: Violation of the Budget Act.

Recommendation: The Village should amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

Client Response and Corrective Action: The Village will amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

Contact Person: Jeff Canerday, Mayor

Anticipated Date: June 30, 2024

VILLAGE OF CALVIN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023

2023-3 Small Size of Entity (Internal)

Condition: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village’s cash.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check writing.

Cause of Condition: Small size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Client Response and Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Jeff Canerday, Mayor

Anticipated Date: June 30, 2024

2023-4 Annual Filing of Financial Statements (Compliance)

Condition: The Village did not file their financial statements with the legislative auditor on a timely basis. The Village was granted an extension to file by the Legislative Auditor’s Office.

Criteria: LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor’s Office within six months of the entity’s year end closing.

Cause of Condition: Not having financial statements completed on time.

Effect of Condition: Compliance finding and a freeze on grant funding.

Recommendation: The Village should have their audit completed in time to file with the Legislative Auditor’s Office within six months of the Village’s year end closing.

VILLAGE OF CALVIN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2023

Client Response and Corrective Action: The Village will have their audit completed in time to file with the Legislative Auditor’s Office within six months of the Village’s year end closing.

Contact Person: Jeff Canerday, Mayor

Anticipated Date: June 30, 2024

2023-5 Noncompliance with RS 40:9.1(F)- Transfer of Funds in an “F” Grade Water System (Compliance)

Condition: The Village’s water system has been assigned an “F” grade, rendering it operationally unacceptable. Despite this, the Village proceeded to transfer funds to other accounts, violating the stipulations associated with their system’s grade.

Criteria: In accordance with RS 40:5.9.1 (F), it is explicitly prohibited to utilize funds raised through customer payments for access to water or any other water system revenue in “D” and “F” grade systems. These funds must be exclusively allocated to the improvement and sustainability of the community water system, barring any transfers out to the other funds.

Cause of Condition: The inadequate quality, performance, and sustainability of the community water system contribute to the inability to transfer funds to other accounts.

Effect of Condition: The Village faces the consequence of being unable to transfer funds to other accounts due to the non-compliance with the specified regulations.

Recommendation: It is recommended that the Village refrains from transferring funds to other accounts unless they receive approval for a higher-grade system. Compliance with the established standards is crucial for maintaining the integrity and sustainability of the community water system.

Client Response and Corrective Action: During the discussions, the Village expressed commitment to adhere to the recommendation, affirming that they will not transfer funds to other accounts unless granted the appropriate grade system.

Contact Person: Jeff Canerday, Mayor

Anticipated Date: June 30, 2024

Section III – Federal Awards

Not Applicable.

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT LETTER COMMENTS

For the Year Ended June 30, 2023

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement and our recommendation for improvement.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items to report.

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Village of Calvin, Louisiana has provided the following action summaries relating to management letter findings brought to their attention as a result of their financial review for the year ended June 30, 2022.

PRIOR YEAR FINDINGS

2022-1 Village Accounting Methods (Partially Resolved)

Condition: The Village is not posting all bank accounts into its accounting software and reconciling the bank accounts monthly.

Criteria: Best practices include posting all bank accounts into the accounting software and reconciling the bank accounts monthly.

Cause of Condition: Not following best practices.

Effect of Condition: Incomplete/Inaccurate financial data.

Recommendation: The Village should post all bank accounts into its accounting software and reconcile the bank accounts monthly.

Client Response and Corrective Action: The Village has begun posting all bank accounts into its accounting software and will reconcile the bank accounts monthly.

Contact Person: Jeff Canerday, Mayor

Anticipated Completion Date: June 30, 2023

2022-2 Budget Variance (Unresolved)

Condition: The Village had an unfavorable expenditure budget variance of \$17,163 or 30.6% in the general fund during the year.

Criteria: The Budget Act requires that governments amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

Cause of Condition: Not properly amending budget before year end.

VILLAGE OF CALVIN, LOUISIANA

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS- CONT.**

Effect of Condition: Violation of the Budget Act.

Recommendation: The Village should amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

Client Response and Corrective action: The Village will amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

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Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Village of Calvin and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. The Village of Calvin's management is responsible for those C/C areas identified in the SAUPs.

The Village of Calvin has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation

- with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - viii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The Village of Calvin has not developed the policies and procedures.

Management's Response: The entity plans to adopt the policies and procedures in the next fiscal year.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund,

quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted in the procedures performed.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: Bank reconciliations were not completed for the fiscal year.

Management's Response: The entity plans to take corrective action and reconcile their bank statements in the subsequent period.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The entity has one deposit site, the courthouse.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each

deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Exception: The entity does not segregate these duties.

Management's Response: The mayor oversees daily tasks to help mitigate the risks in the office.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted in the procedures performed.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in the procedures performed.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No exceptions noted in the procedures performed.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted in the procedures performed.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliation procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month

selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted in the procedures performed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The entity has only one credit card, Capital One.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- ii. Observe that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted in the procedures performed.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the procedures performed.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the procedures performed.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning

leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Exception: All selected employees or officials do not document their daily attendance and leave or any documented approval of pay scales.

Management's Response: There is only one employee in the office where the mayor oversees daily tasks in order to mitigate risks.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

There were no terminated employees during the fiscal year.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted in the procedures performed.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exception: Employees/officials did not complete one hour of ethics training during the fiscal year.

Management's Response: The entity plans to complete training in the subsequent fiscal year.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted in the procedures performed.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions noted in the procedures performed.

26. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

No exceptions noted in the procedures performed.

Prevention of Sexual Harassment

28. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Exception: Employees/officials did not obtain sexual harassment training during the year.

Management's Response: They plan to complete sexual harassment training in the next year.

29. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

30. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Exception: The entity did not obtain sexual harassment training. The entity did not post its sexual harassment policy on its website. The entity did not file the required report.

Management's Response: The entity plans to obtain sexual harassment training in the subsequent year and post its sexual harassment policy and complaint procedure on its website.

We were engaged by The Village of Calvin to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The Village of Calvin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The Vercher Group

Jena, Louisiana
January 17, 2024