

**Village Of Junction City, Louisiana**

*Financial Statements  
For The Year Ended June 30, 2019*



**Village Of Junction City, Louisiana  
Financial Report  
For the Year Ended June 30, 2019**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Village of Junction City, Louisiana

Junction City, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Junction City, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

The accompanying schedule of compensation, benefits, and other payments to the political subdivision head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

**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 on pages 3 through 10 and pages 29 through 30, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

*Cameron, Hines & Company (APAC)*

December 27, 2019  
West Monroe, Louisiana

**Village Of Junction City, Louisiana  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

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Our discussion and analysis of the Village of Junction City, Louisiana provides an overview of the Village's activities for the year ended June 30, 2019. Please read it in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the Village's financial performance as a whole.

**FINANCIAL HIGHLIGHTS**

- The assets of the Village of Junction City, on a government-wide basis, exceeded its liabilities at June 30, 2019 by \$2,246,673. Of this amount, \$624,578 is unrestricted. Assets exceeded liabilities by \$2,265,717 at June 30, 2018. Of this amount, \$611,631 was unrestricted.
- The Village's total net position decreased by \$19,044 for the fiscal year ended June 30, 2019. This is a result of a \$24,562 decrease in governmental net position and a \$5,518 increase in business-type net position. The Village's total net position increased by \$315,513 for the fiscal year ended June 30, 2018. This is a result of a \$25 decrease in governmental net position and a \$315,538 increase in business-type net position.
- The Village's governmental activities reported combined ending net position at June 30, 2019 of \$917,310. Unrestricted net position accounts for \$712,968. The Village's governmental activities reported combined ending net position at June 30, 2018 of \$941,872. Unrestricted net position accounts for \$716,444.
- The unassigned fund balance of the general fund was \$712,968 at June 30, 2019, or 546% of the total general fund expenditures. The unreserved fund balance of the general fund was \$716,444 at June 30, 2018, or 545% of the total general fund expenditures.
- The general fund reported a deficit of \$3,476 for the year ended June 30, 2019. The general fund reported a surplus of \$24,794 for the year ended June 30, 2018.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Village of Junction City's basic financial statements. The basic financial statements comprise three components:

- *Government-wide financial statements.*
- *Fund financial statements.*
- *Notes to the financial statements.*

This report contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the Village:

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- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village's government, reporting operations in more detail than the government-wide statements.
- The governmental fund statement tells how general government services like public safety were financed in the short-term as well as what amounts remain for future spending.
- The proprietary fund statement offers short and long-term financial information about the activities the government operates like businesses, such as the public utilities (water, sewer, sewer treatment systems).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

In the past, the primary focus of local government financial statements has been summarized fund type information on a current resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2005, the focus is on both the Village as a whole (government-wide) and the fund financial statements. Each view provides a different snapshot of the Village's finances. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the Village's accountability.

## **GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Village of Junction City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position and the statement of activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the Village's net assets and how they have changed. Net position – the difference between the Village's assets and liabilities – are one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating.

In the statement of net position and the statement of activities, the Village is divided into two categories:

- Governmental activities – Most of the Village's basic services are included here, such as the activities of the police, garbage and trash collection, park, and general administration. Franchise fees, insurance taxes, traffic fines, and payments from other governments finance most of these activities.

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- Business-type activities – The Village charges fees to customers to cover the cost of the services it provides. Water, sewer and sewer treatment are included here. Grants have provided most of the capital assets required for these services.

## **FUND FINANCIAL STATEMENTS**

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Village's most significant funds – not the Village as a whole. Funds are accounting mechanisms that the Village uses to keep track of specific sources of funding and spending for particular purposes.

The Village has two kinds of funds:

- Governmental funds – Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.
- Proprietary funds – Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The Village's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of each statement. The flow of current financial resources will reflect interfund transfers as other financing sources as well as capital expenditures as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the government-wide statements).

## **FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

The Village's combined net position for the 2018-2019 fiscal year decreased by \$19,044. A condensed statement of position for the years ended June 30, 2019 and 2018 is shown below:

**Village Of Junction City, Louisiana  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**June 30, 2019**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
<b>ASSETS:</b>			
Current and Other Assets	\$ 714,948	\$ (6,673)	\$ 708,275
Capital Assets	204,342	1,403,687	1,608,029
Total Assets	<u>\$ 919,290</u>	<u>\$ 1,397,014</u>	<u>\$ 2,316,304</u>

<b>LIABILITIES:</b>			
Long-term Debt Outstanding	\$ -	\$ 43,736	\$ 43,736
Other Liabilities	1,980	23,915	25,895
Total Liabilities	<u>1,980</u>	<u>67,651</u>	<u>69,631</u>

<b>NET POSITION:</b>			
Invested in Capital Assets Net of Debt	204,342	1,355,091	1,559,433
Restricted	-	62,662	62,662
Unrestricted	712,968	(88,390)	624,578
Total Net Position	<u>\$ 917,310</u>	<u>\$ 1,329,363</u>	<u>\$ 2,246,673</u>

**June 30, 2018**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
<b>ASSETS:</b>			
Current and Other Assets	\$ 718,888	\$ 42,776	\$ 761,664
Capital Assets	225,428	1,442,302	1,667,730
Total Assets	<u>\$ 944,316</u>	<u>\$ 1,485,078</u>	<u>\$ 2,429,394</u>

<b>LIABILITIES:</b>			
Long-term Debt Outstanding	\$ -	\$ 65,605	\$ 65,605
Other Liabilities	2,444	95,628	98,072
Total Liabilities	<u>2,444</u>	<u>161,233</u>	<u>163,677</u>

<b>NET POSITION:</b>			
Invested in Capital Assets Net of Debt	225,428	1,369,408	1,594,836
Restricted	-	59,250	59,250
Unrestricted	716,444	(104,813)	611,631
Total Net Position	<u>\$ 941,872</u>	<u>\$ 1,323,845</u>	<u>\$ 2,265,717</u>

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Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

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Net Position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The Village of Junction City's assets exceeded liabilities by \$2,246,673 at the close of the fiscal year. The largest portion of the Village's net position (69.41%) reflects its investment in capital assets. The Village uses these assets to provide services to its citizens and those assets are not available for spending.

**Government Activities**

Net Position of the Village's governmental activities decreased \$24,562 and \$25 for the years ended June 30, 2019 and 2018, respectively.

**Business-type Activities**

Net Position of the Village's business-type activities increased \$5,518 and \$315,538 for the years ended June 30, 2019 and 2018, respectively.

**Statement of Activities**

The following tables show the revenues and expenses of the governmental and business type activities for the fiscal years ended June 30, 2019 and 2018:

**For The Year Ended June 30, 2019**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
<b>REVENUES:</b>			
<b>Program Revenues</b>			
Charges for Services	\$ 10,369	\$ 147,958	\$ 158,327
Operating Grants and Contributions	8,400	12,500	20,900
Capital Grants and Contributions	-	14,611	14,611
<b>General Revenues</b>			
Property Taxes	6,100	-	6,100
Sales Taxes	34,738	-	34,738
Franchise Revenue	9,753	-	9,753
Occupational Licenses	53,910	-	53,910
Interest Earned	1,540	300	1,840
Miscellaneous	2,237	7,180	9,417
Total Revenues	<u>127,047</u>	<u>182,549</u>	<u>309,596</u>

**Village Of Junction City, Louisiana  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**EXPENSES:**

General Government	102,870	-	102,870
Public Safety	48,739	-	48,739
Utilities	-	177,031	177,031
Total Expenses	<u>151,609</u>	<u>177,031</u>	<u>328,640</u>
Increase/Decrease in Net Position	(24,562)	5,518	(19,044)
Net Position Beginning	941,872	1,323,845	2,265,717
Net Position Ending	<u>\$ 917,310</u>	<u>\$ 1,329,363</u>	<u>\$ 2,246,673</u>

**For The Year Ended June 30, 2018**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
<b>REVENUES:</b>			
<b>Program Revenues</b>			
Charges for Services	\$ 17,426	\$ 137,421	\$ 154,847
Operating Grants and Contributions	8,400	-	8,400
Capital Grants and Contributions	-	352,955	352,955
<b>General Revenues</b>			
Property Taxes	5,769	-	5,769
Sales Taxes	34,369	-	34,369
Franchise Revenue	9,720	-	9,720
Occupational Licenses	54,540	-	54,540
Interest Earned	1,798	361	2,159
Miscellaneous	24,338	-	24,338
Total Revenues	<u>156,360</u>	<u>490,737</u>	<u>647,097</u>
<b>EXPENSES:</b>			
General Government	97,722	-	97,722
Public Safety	58,663	-	58,663
Utilities	-	175,199	175,199
Total Expenses	<u>156,385</u>	<u>175,199</u>	<u>331,584</u>
Increase/Decrease in Net Position	(25)	315,538	315,513
Net Position Beginning	941,897	1,008,307	1,950,204
Net Position Ending	<u>\$ 941,872</u>	<u>\$ 1,323,845</u>	<u>\$ 2,265,717</u>

**Village Of Junction City, Louisiana  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

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**Governmental Activities**

During the fiscal years ended June 30, 2019 and 2018, the major sources of income were:

	<u>2019</u>	<u>2018</u>
• Sales Tax	27%	22%
• Franchise Fees	8%	6%
• Occupational Licenses	42%	35%
• Fines & Forfeitures	8%	11%
• Grant Funds	0%	0%
• Investment Earnings	1%	1%

**Business-type Activities**

Total revenues from business-type activities were \$182,549 and \$490,737 for the fiscal years ended June 30, 2019 and 2018.

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

The Village of Junction City uses Fund accounting and demonstrates compliance with finance-related legal requirements.

**Governmental Funds**

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

The Village's combined ending fund balances were \$712,968 and \$716,444 at June 30, 2019 and 2018. The unassigned portions or the portion available for spending were \$712,968 and \$716,444.

**Proprietary Funds**

The Village's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail.

Net position of the Utilities Enterprise fund were \$1,329,363 and \$1,323,845 at June 30, 2019 and 2018. The fund had operating losses of \$29,073 and \$37,778, for the fiscal years ended June 30, 2019 and 2018, respectively.

**Village Of Junction City, Louisiana  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The Village of Junction City's investment in capital assets for its governmental and business-type activities as of June 30, 2019 and 2018 amounted to \$1,608,029 and \$1,667,730 and (net of depreciation). This investment includes land, buildings and improvements, equipment, vehicles, water and sewer facilities. The outstanding debt of \$48,596 and \$72,894 is to Louisiana Department of Transportation & Development for utility relocation assistance.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village's management and elected officials considered many factors when preparing the 2019-2020 budget. Most revenue sources should remain fairly consistent with prior year collections.

**REQUEST FOR INFORMATION**

This financial report is to provide citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Village Clerk, Village of Junction City, Louisiana, P.O. Box, 142, Junction City, Louisiana 71749.

**Village of Junction City, Louisiana**  
**Statement of Net Position**  
**June 30, 2019**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 183,054	\$ 113,282	\$ 296,336
Investments	333,085	66,177	399,262
Receivables	550	12,127	12,677
Internal Balances	198,259	(198,259)	-
Capital Assets			
Land, Improvements, and Construction in Progress	32,272	1,400	33,672
Other Capital Assets, Net of Depreciation	172,070	1,402,287	1,574,357
<b>Total Assets</b>	<b>\$ 919,290</b>	<b>\$ 1,397,014</b>	<b>\$ 2,316,304</b>
 <b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 1,980	\$ -	\$ 1,980
Customer Deposits	-	19,055	19,055
Long-Term Liabilities			
Notes Payable - Due Within One Year	-	4,860	4,860
Notes Payable - Due In More Than One Year	-	43,736	43,736
<b>Total Liabilities</b>	<b>1,980</b>	<b>67,651</b>	<b>69,631</b>
 <b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	204,342	1,355,091	1,559,433
Restricted For:			
Debt Service	-	62,662	62,662
Unrestricted	712,968	(88,390)	624,578
<b>Total Net Position</b>	<b>917,310</b>	<b>1,329,363</b>	<b>2,246,673</b>
 <b>Total Liabilities and Net Position</b>	 <b>\$ 919,290</b>	 <b>\$ 1,397,014</b>	 <b>\$ 2,316,304</b>

See accompanying notes and independent accountants' review report.

**Village of Junction City, Louisiana**  
**Statement of Activities**  
**For The Year Ended June 30, 2019**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government	
				Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
General Government	\$ 102,870	\$ -	\$ -	\$ -	\$ (102,870)	\$ -
Public Safety	48,739	10,369	-	8,400	(29,970)	-
<b>Total Governmental Activities</b>	<b>\$ 151,609</b>	<b>\$ 10,369</b>	<b>\$ -</b>	<b>\$ 8,400</b>	<b>\$ (132,840)</b>	<b>\$ -</b>
<b>Business-Type Activities:</b>						
Utilities	\$ 177,031	\$ 147,958	\$ 14,611	\$ 12,500	\$ -	\$ (1,962)
<b>Total Business-Type Activities</b>	<b>\$ 177,031</b>	<b>\$ 147,958</b>	<b>\$ 14,611</b>	<b>\$ 12,500</b>	<b>\$ -</b>	<b>\$ (1,962)</b>
<b>Total Primary Government</b>	<b>\$ 328,640</b>	<b>\$ 158,327</b>	<b>\$ 14,611</b>	<b>\$ 20,900</b>	<b>\$ (132,840)</b>	<b>\$ (134,802)</b>

**General Revenues:**

Taxes:		
Property Taxes Levied for General Purposes	6,100	-
Sales Tax levied for General Purposes	34,738	-
Franchise Revenues	9,753	-
Occupational Licenses	53,910	-
Unrestricted Investment Earnings	1,540	300
Miscellaneous	2,237	7,180
Transfers	-	-
<b>Total General Revenues and Transfers</b>	<b>108,278</b>	<b>7,480</b>
<b>Changes in Net Position</b>	<b>(24,562)</b>	<b>5,518</b>
<b>Net Position - Beginning</b>	<b>941,872</b>	<b>1,323,845</b>
<b>Net Position - Ending</b>	<b>\$ 917,310</b>	<b>\$ 1,329,363</b>

See accompanying notes and independent accountants' review report.

**Village of Junction City, Louisiana**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

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	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 183,054	\$ 183,054
Investments	333,085	333,085
Accounts Receivable	550	550
Due From Other Funds	198,259	198,259
<b>Total Assets</b>	<b>\$ 714,948</b>	<b>\$ 714,948</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 1,980	\$ 1,980
<b>Total Liabilities</b>	<b>1,980</b>	<b>1,980</b>
<b>Fund Balances</b>		
Unassigned	712,968	712,968
<b>Total Fund Balances</b>	<b>712,968</b>	<b>712,968</b>
 <b>Total Liabilities and Fund Balances</b>	 <b>\$ 714,948</b>	

Amounts reported for *Governmental Activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	204,342
Net Position of Governmental Activities	<b>\$ 917,310</b>

See accompanying notes and independent accountants' review report.

**Village of Junction City, Louisiana**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2019**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Taxes	\$ 40,838	\$ 40,838
Intergovernmental	8,400	8,400
Licenses and Permits	63,663	63,663
Fines and Forfeitures	10,369	10,369
Miscellaneous	3,777	3,777
<b>Total Revenues</b>	<b>127,047</b>	<b>127,047</b>
<b>Expenditures</b>		
General Government	87,069	87,069
Public Safety	43,454	43,454
<b>Total Expenditures</b>	<b>130,523</b>	<b>130,523</b>
<b>Excess of Revenues over Expenditures</b>	<b>(3,476)</b>	<b>(3,476)</b>
<b>Other Financing Sources (Uses)</b>		
Operating Transfers - In	-	-
Operating Transfers - Out	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(3,476)</b>	<b>(3,476)</b>
<b>Fund Balances, Beginning of Year</b>	<b>716,444</b>	
<b>Fund Balances, End of Year</b>	<b>\$ 712,968</b>	
<b>Net Changes in Fund Balances - Total Governmental Funds</b>		<b>(3,476)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchased capitalized		-
Depreciation expense		(21,086)
<b>Changes in Net Position in Governmental Activities</b>		<b>\$ (24,562)</b>

See accompanying notes and independent accountants' review report.

**Village of Junction City, Louisiana**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

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<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 50,620
Investments	66,177
Receivables	12,127
Total Current Assets	128,924
<b>Noncurrent Assets:</b>	
Restricted Cash and Investments	62,662
<b>Capital Assets</b>	
Land	1,400
Machinery & Equipment	86,038
Buildings & Improvements	19,469
Waterworks System and Treatment Facilities	2,387,081
Total Capital Assets	2,493,988
Less: Accumulated Depreciation	(1,090,301)
Net Capital Assets	1,403,687
Total Noncurrent Assets	1,466,349
<b>Total Assets</b>	<b>\$ 1,595,273</b>

**Liabilities and Net Position**

<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ -
Customer Deposits	19,055
Due to Other Funds	198,259
Current Portion - URAF Payable	4,860
Total Current Liabilities	222,174
<b>Noncurrent Liabilities</b>	
URAF Payable - LA DOTD	\$ 43,736
Total Noncurrent Liabilities	43,736
<b>Total Liabilities</b>	<b>265,910</b>
<b>Net Position</b>	
Invested in Capital Assets, Net of Related Debt	1,355,091
Restricted	62,662
Unrestricted	(88,390)
Total Net Position	1,329,363
<b>Total Liabilities and Net Position</b>	<b>\$ 1,595,273</b>

See accompanying notes and independent accountants' review report.

**Village of Junction City, Louisiana**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For The Year Ended June 30, 2019**

	<b>Business-Type Activities Enterprise Fund</b>
<b><u>Operating Revenues</u></b>	
Charges for Services - Water Sales & Sewer Fees	\$ 147,958
<b>Total Operating Revenues</b>	<b>147,958</b>
<b><u>Operating Expenses</u></b>	
Depreciation	59,269
Insurance	7,165
Licenses & Permits	3,908
Materials, Repairs & Supplies	49,924
Office Supplies & Expenses	3,407
Payroll Taxes	2,740
Salaries & Wages	36,687
Sample Collections/Testing	2,360
Utilities	11,571
<b>Total Operating Expenses</b>	<b>177,031</b>
<b>Total Operating Income /(Loss)</b>	<b>(29,073)</b>
<b><u>Non Operating Revenues/(Expenses)</u></b>	
Interest Income	300
Insurance Proceeds	7,180
Grants	27,111
<b>Total Non Operating Revenues/(Expenses)</b>	<b>34,591</b>
<b>Net Income Before Operating Transfers</b>	<b>5,518</b>
<b><u>Operating Transfers</u></b>	
Operating Transfers - In/(Out)	-
<b>Net Income</b>	<b>\$ 5,518</b>
<b>Net Position, Beginning of Year</b>	<b>1,323,845</b>
<b>Net Position, End of Year</b>	<b>\$ 1,329,363</b>

See accompanying notes and independent accountants' review report.

**Village of Junction City, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2019**

	<b>Business-Type Activities Enterprise Fund</b>
<b><u>Cash Flows From Operating Activities</u></b>	
Receipts from Customers	\$ 215,833
Receipts From Other Funds	4,543
Payments to Provide Services	(148,069)
Payments to Employees	(36,687)
Net Cash Provided (Used) by Operating Activities	<u>35,620</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>	
Decrease in Customer Deposits	(2,290)
Increase in Restricted Assets	(3,412)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(5,702)</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Acquisition of Capital Assets	(20,654)
Insurance Proceeds	7,180
Grant Funds Received	27,111
Principal Paid on URAF Agreement	(24,298)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(10,661)</u>
<b><u>Cash Flows From Investing Activities</u></b>	
Decrease in Investments	3,977
Interest Earned	300
Net Cash Provided (Used) by Investing Activities	<u>4,277</u>
<b>Net Increase/(Decrease) in Cash And Cash Equivalents</b>	<u>23,534</u>
<b>Cash And Cash Equivalents, Beginning of Year</b>	27,086
<b>Cash And Cash Equivalents, End of Year</b>	<u><u>\$ 50,620</u></u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</b>	
Operating Income/(Loss)	\$ (29,073)
<i>Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:</i>	
Depreciation	59,269
Decrease in Accounts Receivable	67,875
Decrease in Accounts Payable	(31,698)
Decrease in Retainage Payable	(35,296)
Increase in Due to Other Funds	4,543
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 35,620</u></u>

See accompanying notes and independent accountants' review report.

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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## INTRODUCTION

The Village of Junction City, Louisiana (the Village) consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of three aldermen. The Village's combined balance sheet includes the accounts of all the Village's operations. The Village's major operations include police protection, garbage and trash collection, culture/recreation, highways, streets, and administrative services. In addition, the Village operates a Utility Enterprise Fund to provide water and sewerage services.

The following is a summary of certain significant accounting policies and practices:

### **Note 1 – Summary of Significant Accounting Policies**

The accompanying financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued *Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and *Statement 35 Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that government should have presented in the past. Comparability with reports issued in years prior to 2004 is affected.

Other GASB Statements are required to be implemented in conjunction with GASB Statements 34 and 35. Therefore, the Village has implemented the following GASB Statements: *Statement 37 – Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and *Statement 38 – Certain Financial Statements Note Disclosures*.

The accompanying financial statements present the financial position of the Village and the various funds and fund types, the results of operations of the Village and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2019 and for the year then ended.

### **Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the Village of Junction City, Louisiana is considered a separate financial reporting entity. This financial reporting entity consists of (a) the primary government, the Village of Junction City, Louisiana, (b) organization for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14 established criteria for determining which component units should be considered part of the Village of Junction City, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

voting majority of an organization's governing body and (1) the ability of the Village to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Village; Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village; Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship. Based on the previous criteria, the Village has determined that there are no component units that are part of the reporting entity.

**Government- Wide and Fund Financial Statements**

The government-wide financial statements (the statements of net position and the statements of activities) report information of all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these government-wide 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as programs revenues. The Village does not allocate general government (indirect) expenses to other functions.

Net position are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**Government-Wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

***Government Fund Financial Statements*** – The 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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Village's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Village.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modification to the accrual basis of accounting include: Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2019 has been reported only in the government-wide financial statements. Interest on general long-term obligations is recognized when paid. Debt service expenditures are recorded only when payment is due.

***Proprietary Funds*** – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The primary government's enterprise fund has elected to not apply FASBs issued after the applicable date.

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. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Fund Accounting**

The financial activities of the Village are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Village uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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**Major Governmental Funds**

**General Fund** – This fund accounts for all activities of the Village not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services, and social services.

**Proprietary Funds**

**Water and Sewer Funds** – These funds are used to account for the provision of water and sewerage to residents of the Village of Junction City. These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Budgets**

The Village uses the following budget practices:

1. In May of each year, the Village clerk submits to the board of alderman a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and expenses and the means of financing them.
2. In June of each year, the budget is legally enacted through passage of ordinance. The public is invited to attend all meetings.
3. The Village clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent adopted amendments.

**Cash and Cash Equivalents**

Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For purposes of the Statement of Cash Flows, cash equivalents include all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased.

**Investments**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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**Short-Term Interest Receivables/Payables**

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

**Advances to Other Funds**

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

**Bad Debts**

Uncollectible amounts for ad valorem taxes and utility receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible.

**Fixed Assets**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or fair market value at date of gift, if donated.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operation is charged as an expense against operations. Depreciation is computed using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Improvements	40-50 years
Equipment	5-10 years

**Compensated Absences**

The Village does not have a formal leave policy.

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**Fund Equity**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The nonspendable fund balance classification

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

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

*Committed Fund Balance* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village aldermen the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Village aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned Fund Balance* – This classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes, but are neither restricted nor committed. The Village aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned Fund Balance* - This fund balance is the residual classification for the general fund. It is used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

**Total Columns on Combined Statements**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 – Cash and Cash Equivalents**

*Custodial credit risk – deposits.* The Village's cash and certificates of deposit consist of deposits with financial institutions. State statutes govern the Village's investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements. In

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance. Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

The following is a schedule of the Village's cash and certificates of deposit at June 30, 2019. Differences between the Village's balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Deposit	\$ 296,384	\$ 296,736
Certificates of Deposit	<u>399,262</u>	<u>399,262</u>
Total	<u>\$ 695,646</u>	<u>\$ 695,998</u>

The Village's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 417,111
Uninsured Deposits:	
Uncollateralized	-
Collateralized	<u>278,887</u>
Total Deposits	<u>\$ 695,998</u>

*Credit risk.* The Village's only investments are the certificates of deposit mentioned above, therefore the Village is exposed to no credit risk.

*Concentration of credit risk.* The Village does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

*Interest rate risk.* The Village manages its exposure to declines in fair values by limiting the maturity of its investments to not longer than one year.

**Note 3 – Investments**

At June 30, 2019, the Village's investments consisted of certificates of deposit in the amounts of \$399,262 and restricted deposits in the amount of \$62,662. See Note 2.

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 4 – Ad Valorem Taxes**

Property taxes are assessed and collected on a calendar year. Property taxes attach as an enforceable lien on property as of January 1. Tax notices are usually mailed in November each year and become delinquent after December 31, of that year.

The ad valorem tax millage is 4.84 mills. For the calendar year 2018, the 4.84 mills were levied on property with an assessed valuation totaling \$865,824 and were dedicated entirely for general purposes.

**Note 5 – Receivables**

Receivables at June 30, 2019, consisted of the following:

	<b>General Fund</b>	<b>Enterprise Fund</b>	<b>Total</b>
Accounts Receivable - Customers	\$ 550	\$ 12,127	\$ 12,677
<b>Total</b>	\$ 550	\$ 12,127	\$ 12,677

**Note 6 – Restricted Assets**

At June 30, 2019, restricted assets were either in the form of demand deposits or certificates of deposit. These assets represent amounts held as follows:

Utility Customer Deposits	\$ 19,055
Debt Service Reserve	43,607
<b>Totals</b>	<b>\$ 62,662</b>

**Note 7 – Notes Payable**

Long-term debt consists of the following at June 30, 2019:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Business Type Activities:					
Notes Payable:					
URAF Payable – LA	\$ 72,894	\$ -	\$ 24,298	\$ 48,596	\$ 4,860
DOTD					
<b>Totals</b>	\$ 72,894	\$ -	\$ 24,298	\$ 48,596	\$ 4,860

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

The annual debt service requirements to maturity for long-term debt as of June 30 are as follows:

Year Ended June 30,	URAF Payable	
	Principal	Interest
2020	\$ 4,860	\$ -0-
2021	4,374	-0-
2022	3,936	-0-
2023	3,543	-0-
2024	3,188	-0-
Thereafter	28,695	-0-
<b>Totals</b>	<b>\$ 48,596</b>	<b>\$ -0-</b>

The Village entered into a Utilities Relocation Assistance Funding (URAF) agreement on May 10, 2006. This agreement is for the utility relocation along the U.S. Highway 167 expansion route. The agreement stipulates a minimum annual payment of ten percent (10%) of the principal balance.

**Note 8 – Capital Assets**

A summary of changes in capital assets follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 32,272	\$ -	\$ -	\$ 32,272
Total capital assets, not being depreciated:	32,272	-	-	32,272
Capital assets, being depreciated				
Buildings & Improvements	355,866	-	-	355,866
Vehicles	286,117	-	-	286,117
Equipment	112,676	-	-	112,676
Total capital assets, being depreciated:	754,659	-	-	754,659
Less accumulated depreciation for:				
Buildings & Improvements	177,323	-	14,821	192,144
Vehicles	278,360	-	5,285	283,645
Equipment	105,820	-	980	106,800
Total accumulated depreciation	561,503	-	21,086	582,589
Total capital assets, being depreciated, net	193,156	-	21,086	172,070
Governmental activities capital assets, net	\$ 225,428	\$ -	\$ 21,086	\$ 204,342

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,400	\$ -	\$ -	\$ 1,400
Construction in Progress	446,051	20,654	466,705	-
Total capital assets, not being depreciated:	447,451	20,654	466,705	1,400
Capital assets, being depreciated:				
Buildings & Improvements	19,468	-	-	19,468
Waterworks System and Treatment Facilities	1,920,377	466,705	-	2,387,082
Machinery and Equipment	86,038	-	-	86,038
Total capital assets, being depreciated:	2,025,883	466,705	-	2,492,588
Less accumulated depreciation for:				
Buildings & Improvements	13,188	-	244	13,432
Waterworks System and Treatment Facilities	964,906	-	52,756	1,017,662
Machinery and Equipment	52,938	-	6,269	59,207
Total accumulated depreciation	1,031,032	-	59,269	1,090,301
Total capital assets, net	994,851	466,705	59,269	1,402,287
Business type activities capital assets, net	\$ 1,442,302	\$ 487,359	\$ 525,974	\$ 1,403,687

**Note 9 – Interfund Receivables and Payables**

Individual fund interfund receivables and payables at June 30, 2019, were as follows:

Fund	Receivables	Payables
General Fund	\$ 198,259	\$ -
Enterprise Fund	-	198,259
Total	\$ 198,259	\$ 198,259

**Village Of Junction City, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2019**

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**Note 10 – Pension and Retirement Plans**

At June 30, 2019, there were no Village employees participating in any of the State retirement systems.

**Note 11– Post-employment Health Care Benefits**

The Village does not provide medical coverage for its retirees; consequently there is no liability for post-employment health care benefits.

**Note 12 – Compensation of Mayor and Alderman**

The mayor and alderman of the Village of Junction City, Louisiana, were paid the following amounts during the fiscal year ended June 30, 2019:

Mr. Charles Hogue, Mayor	\$ 7,200
Mrs. Barbara Daniels (Former)	600
Mr. Arnold Jones (Former)	-
Mr. Brant Cupp (Current)	300
Mr. Melvin Smith (Current)	600
Mr. Toby Wilson (Current)	<u>1,200</u>
Total	<u>\$ 9,900</u>

**Note 13 – Subsequent Events**

Date of Management Evaluation

Management has evaluated subsequent events through December 27, 2019, the date on which the financial statements were available to be issued.

# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Junction City, Louisiana  
P.O. Box 142  
Junction City, Louisiana 71749-0142

We have performed the procedures enumerated below, which were agreed to by the management of the Village of Junction City, Louisiana and the Legislative Auditor, on the Town of Junction City, Louisiana's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of the Town of Junction City, Louisiana is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 39:1551-2296 (the public bid law) or, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for materials and supplies exceeding \$30,000.  
There were no expenditures made during the year for public works exceeding \$157,700.

### Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided us with the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

#### Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced adoption of the original budget to documentation in the minutes of the meeting of the board of aldermen held on June 8, 2018. Management represented that there were no amendments to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budget amounts by 5% or more.

We compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual revenues had an unfavorable variance of \$25,474, or 17%. Expenditures for the year had a favorable variance of \$4,816, or 4%.

#### Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

We examined supporting documentation for the six disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All six payments were coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities. In addition, approval by the full board of alderman was traced to the minutes.

### Meetings

- 10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 13 (the open meetings law); and report whether there are any exceptions.

We examined copies of notices and agendas for all council meetings held during the fiscal year.

### Debt

- 11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected bank deposits for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### Advances and Bonuses

- 12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes for the fiscal year. We found no payments or approval of payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village's report was due on December 31, 2019, and was submitted in a timely manner.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Village was on the noncompliance list from January 1 through February 13, 2019 due to a delay in submitting its report to the Legislative Auditor; and that it was not on the noncompliance list at any other time during the fiscal year. Management further represented that the Village did not enter into any contracts during the time that it was on the noncompliance list.

Prior Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated January 29, 2019, disclosed two findings. Management has represented that Finding 2018-01, Segregation of Duties, has not been resolved entirely, due to the small size of the Village's accounting staff. The Mayor and Board of Alderman are involved as much as possible to reduce risks in internal control. Finding 2018-02 is no longer applicable, and will not be a repeat finding for the fiscal year ended June 30, 2019.

This agreed-upon procedures engagement was conducted 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*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Legislative Auditor as a public document.

*Cameron Hines & Company (APAC)*

West Monroe, Louisiana  
December 27, 2019

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

November 15, 2019

Cameron, Hines & Company, APAC  
Certified Public Accountants  
P.O. Box 2474  
West Monroe, LA 71294-2474

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No

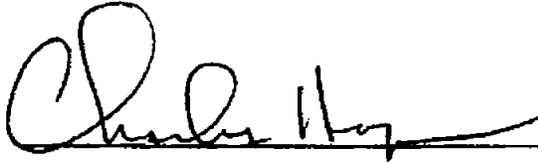
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

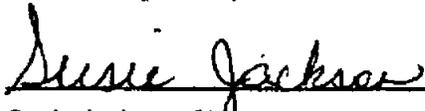
Yes  No

The previous responses have been made to the best of our belief and knowledge.



Mayor November 15, 2019 Date

Charles Hogue, Mayor



Village Clerk November 15, 2019 Date

Susie Jackson, Clerk

**Village of Junction City, Louisiana  
Schedule of Findings and Responses  
For The Fiscal Year Ended June 30, 2019**

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**Current Year Findings and Responses**

**2019-01    Segregation of Duties**

**Criteria:** The Village of Junction City, Louisiana has too few personnel involved in the accounting system to have adequate segregation of duties for internal control.

**Condition:** It was noted that the Village Clerk is responsible for entering all transactions into the accounting system, including preparing deposits, writing checks, creating utility bills, entering utility payments into the system, and reconciling the bank statements.

**Cause:** The Village has a small staff size that does not allow for proper segregation of duties.

**Effect:** The Village does not have adequate segregation of duties and is at a greater risk of not preventing or identifying errors and inappropriate actions that may occur.

**Recommendation to Prevent Future Occurrences:** It is recommended that the Board of Aldermen become involved with oversight of the accounting function.

**Management's Response:** The Village will take into consideration this and any other recommendations that will improve internal controls.

**2019-02    Budget Authority and Control**

**Criteria:** Under Louisiana law, statute 39:1311 requires that the budget must be amended when actual revenues and other sources, within a fund, are less than budgeted revenues and other sources by more than five percent.

**Condition** It was noted that actual revenues on the general fund were less than total budgeted revenues by more than five percent.

**Cause:** The Village did not amend its General Fund Budget for the variance in revenues.

**Effect:** The Village was not in compliance with the state budget laws.

**Recommendation to Prevent Future Occurrences:** We recommend that the Village monitor its budget on a regular basis so that amendments can be made in a timely manner in order to comply with state budget laws.

**Management's Response:** The Village will monitor its budgets closer in the future.

**Village of Junction City, Louisiana  
Schedule of Findings and Responses  
For The Fiscal Year Ended June 30, 2019**

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**Prior Year Finding and Responses**

There were two findings for the fiscal year ended June 30, 2018:

**2018-01    Segregation of Duties**

**Condition:** It was noted that the Village Clerk is responsible for entering all transactions into the accounting system, including preparing deposits, writing checks, creating utility bills, entering utility payments into the system, and reconciling the bank statements.

**Recommendation to Prevent Future Occurrences:** It is recommended that the Board of Aldermen become involved with oversight of the accounting function.

**Status:** Not Resolved. See 2019-01.

**2018-02    Noncompliance with State Law**

**Condition:** The audited financial statements were not transmitted to the Louisiana Legislative Auditor within the time frame prescribed by law. Therefore the Village was not in compliance with state law.

**Recommendation to Prevent Future Occurrences:** The Village should make sure all activities are included in the general ledger in order to determine the type of engagement that is required each year.

**Status:** No longer applicable.

**Village of Junction City, Louisiana**  
**Schedule of Compensation, Reimbursements, Benefits, and Other Payments to**  
**Agency Head**  
**For The Year Ended June 30, 2019**

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**Schedule 2**

**Agency Head:**

Mayor

**Mayor  
Charles  
Hogue**

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**Purpose:**

Salary

\$ 7,200

Benefits - Payroll Taxes

601

Reimbursements

-

**Total Compensation, Benefits and Other Payments**

**\$ 7,801**

See independent accountants' review report.