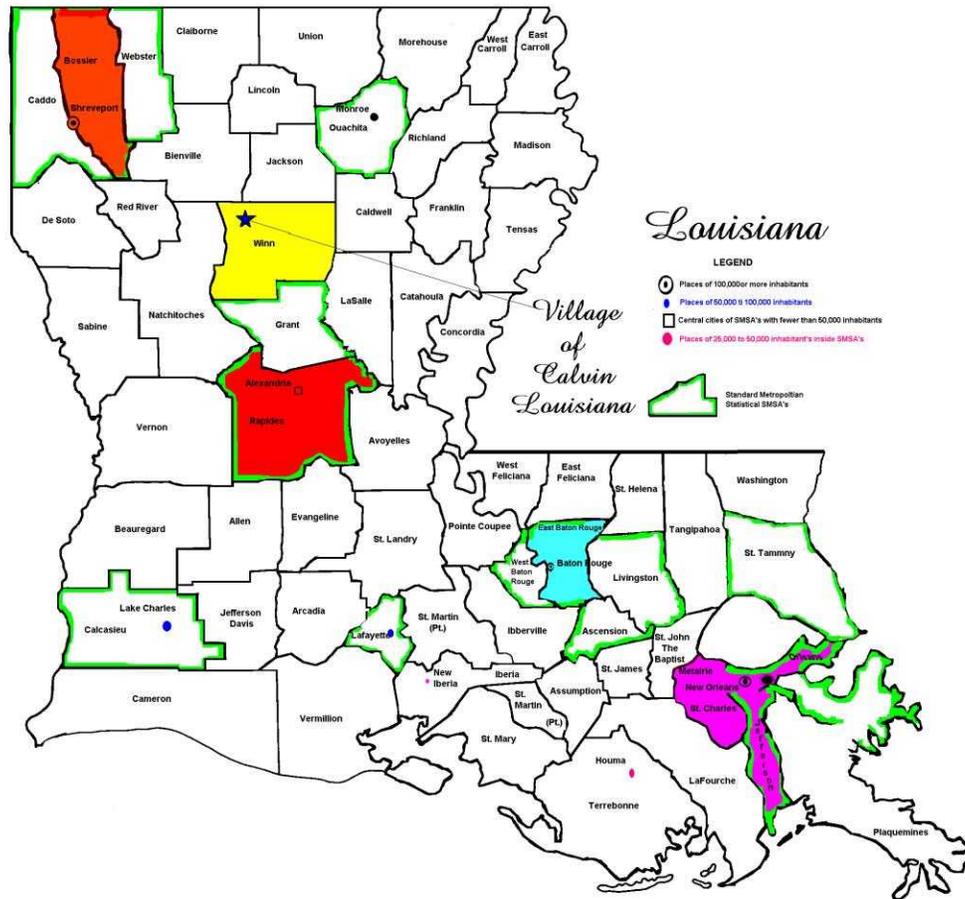


VILLAGE OF CALVIN, LOUISIANA

Annual Financial Statements

JUNE 30, 2018

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.

**Village of Calvin, Louisiana
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June 30, 2018**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of the governmental activities and business-type activities of the Village of Calvin, as of and for the year ended June 30, 2018, and 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

The Vercher Group

Jena, Louisiana
April 4, 2019

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, 2018. 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 \$66,271 (*net position*). This is a \$5,781 decrease from last year.
- The Village had total revenues of \$9,164, in which \$8,588 came from fees and charges. This is a \$3,693 increase from last year's revenues, mainly due to an increase in fees and charges in the amount of \$3,765.
- The Village had total expenditures of \$40,877, which is a \$891 decrease from last year. This decrease is due mainly to a decrease in personnel expense in the amount of \$3,435.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,886,544 (*net position*). This is a \$47,469 decrease from last year.
- The Village had total revenues of \$121,437, including operating revenues of \$55,343, non-operating revenues of \$140, and capital contributions of \$65,954. This is a \$115,481 decrease from last year, mainly due to a decrease in capital contributions in the amount of \$74,596.
- The Village had total expenses of \$140,810, including operating expenses of \$137,451 and non-operating expenses of \$3,359. Transfers out for the year totaled \$28,096. Total expenses increased by \$19,394 compared to last year, mainly due to an increase in maintenance and repair in the amount of \$8,685.

See independent accountant's compilation report.

MD&A

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.

Our accountant has provided no assurance in his Independent Accountant's Report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the Independent Accountant's Report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

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, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 24,180	\$ 18,739	-22.5
Capital Assets, Net of Accumulated Depreciation	50,150	47,985	-4.3
Total Assets	<u>74,330</u>	<u>66,724</u>	-10.2
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	2,278	453	-80.1
Total Liabilities	<u>2,278</u>	<u>453</u>	-80.1
Net Position			
Net Investment in Capital Assets	50,150	47,985	-4.3
Unrestricted	21,902	18,286	-16.5
Total Net Position	<u>\$ 72,052</u>	<u>\$ 66,271</u>	-8.0

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 4,823	\$ 8,588	78.1
Taxes	598	577	-3.5
Other Income	50	-0-	-100.0
Total Revenues	<u>5,471</u>	<u>9,164</u>	67.5
Expenditures			
Personnel Expense	18,366	14,931	-18.7
Other Operating	7,211	10,605	47.1
Utilities	9,105	8,899	-2.3
Repairs & Maintenance	7,086	6,442	-9.1
Total Expenditures	<u>41,768</u>	<u>40,877</u>	-2.1
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,297)</u>	<u>(31,712)</u>	-12.6
Other Financing Sources (Uses)			
Transfers In (Out)	36,832	28,096	-23.7
Total Other Financing Sources (Uses)	<u>36,832</u>	<u>28,096</u>	-23.7
Net Change in Fund Balance	535	(3,616)	-775.9
Fund Balances – Beginning	<u>21,367</u>	<u>21,902</u>	2.5
Fund Balances – Ending	<u>\$ 21,902</u>	<u>\$ 18,286</u>	-16.5

See independent accountant's compilation report.

MD&A

ENTERPRISE FUNDS

The following table represents a Comparative Statement of Net Position as of June 30, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 161,562	\$ 99,297	-38.5
Receivables (Net)	9,382	4,979	-46.9
Capital Assets, Net of Accumulated Depreciation	<u>1,844,901</u>	<u>1,855,229</u>	0.6
Total Assets	<u>2,015,845</u>	<u>1,959,505</u>	-2.8
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	9,080	8,947	-1.5
Capital Project Loan – Water	<u>72,752</u>	<u>64,014</u>	-12.0
Total Liabilities	<u>81,832</u>	<u>72,961</u>	-10.8
Net Position			
Net Investment in Capital Assets	1,765,830	1,784,636	2.1
Unrestricted	<u>168,183</u>	<u>101,908</u>	-39.4
Total Net Position	<u>\$ 1,934,013</u>	<u>\$ 1,886,544</u>	-2.5

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Operating Revenues			
Charges for Services	\$ 96,218	\$ 55,343	-42.5
Total Operating Revenues	<u>96,218</u>	<u>55,343</u>	-42.5
Operating Expenses			
Office Expense & Supplies	15,391	18,468	20.0
Maintenance & Repair	19,818	28,503	43.8
Utilities	8,509	10,432	22.6
Other Operating	10,360	13,034	25.8
Depreciation	<u>62,306</u>	<u>67,014</u>	7.6
Total Operating Expenses	<u>116,384</u>	<u>137,451</u>	18.1
Operating Income (Loss)	<u>(20,166)</u>	<u>(82,108)</u>	307.2
Non-Operating Revenues (Expenses)			
Interest Income	150	140	-6.7
Interest Expense	<u>(5,032)</u>	<u>(3,359)</u>	-33.3
Total Non-Operating Revenues (Expenses)	<u>(4,882)</u>	<u>(3,219)</u>	-34.1
Income (Loss) Before Contributions & Transfers	(25,048)	(85,327)	240.7
Transfers In/(Out)	(36,832)	(28,096)	-23.7
Capital Contributions	<u>140,550</u>	<u>65,954</u>	-53.1
Change in Net Position	78,670	(47,469)	-160.3
Total Net Position – Beginning	1,855,343	1,934,013	4.2
Total Net Position – Ending	<u>\$ 1,934,013</u>	<u>\$ 1,886,544</u>	-2.5

See independent accountant's compilation report.

MD&A

CAPITAL ASSETS

Governmental Fund

At June 30, 2018, the Village had \$47,985 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2017</u>	<u>2018</u>
Capital Assets *	\$ 196,591	\$ 196,591
Accumulated Depreciation	(146,441)	(148,606)
Total	<u>\$ 50,150</u>	<u>\$ 47,985</u>

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

Enterprise Fund

At June 30, 2018, the Village had \$1,855,229 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2017</u>	<u>2018</u>
Water Capital Assets *	\$ 2,378,345	\$ 2,402,708
Sewer Capital Assets *	631,664	684,643
Water Accumulated Depreciation	(838,709)	(889,650)
Sewer Accumulated Depreciation	(326,399)	(342,472)
Total	<u>\$ 1,844,901</u>	<u>\$ 1,855,229</u>

*These amounts include land in the amount of \$18,294 that is not being depreciated.

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 Town Hall, phone number (318)727-9276.

See independent accountant's compilation report.

Basic Financial Statements

Village of Calvin, Louisiana
Statement of Net Position
June 30, 2018

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-	
	ACTIVITIES	TYPE	TOTAL
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 18,739	\$ 78,096	\$ 96,835
Investments	-0-	21,201	21,201
Receivables, Net of Allowances	-0-	4,979	4,979
TOTAL CURRENT ASSETS	<u>18,739</u>	<u>104,276</u>	<u>123,015</u>
NON-CURRENT ASSETS			
Capital Assets, Net of Accumulated Depreciation	<u>47,985</u>	<u>1,855,229</u>	<u>1,903,214</u>
TOTAL NON-CURRENT ASSETS	<u>47,985</u>	<u>1,855,229</u>	<u>1,903,214</u>
TOTAL ASSETS	<u>66,724</u>	<u>1,959,505</u>	<u>2,026,229</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	453	476	929
Accrued Interest	-0-	1,892	1,892
Capital Project Loan-Water (Current Portion)	-0-	6,579	6,579
TOTAL CURRENT LIABILITIES	<u>453</u>	<u>8,947</u>	<u>9,400</u>
NON-CURRENT LIABILITIES			
Capital Project Loan-Water	<u>-0-</u>	<u>64,014</u>	<u>64,014</u>
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>64,014</u>	<u>64,014</u>
TOTAL LIABILITIES	<u>453</u>	<u>72,961</u>	<u>73,414</u>
NET POSITION			
Net Investment in Capital Assets	47,985	1,784,636	1,832,621
Unrestricted	18,286	101,908	120,194
TOTAL NET POSITION	<u>\$ 66,271</u>	<u>\$ 1,886,544</u>	<u>\$ 1,952,815</u>

See accompanying notes and independent accountant's report.

**Village of Calvin, Louisiana
Statement of Activities
For the Year Ended June 30, 2018**

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ (43,042)	\$ 8,588	\$ -0-	\$ (34,454)	\$ (34,454)		\$ (34,454)
TOTAL GOVERNMENTAL ACTIVITIES	(43,042)	8,588	-0-	(34,454)	(34,454)		(34,454)
BUSINESS TYPE ACTIVITIES							
Sewer	(38,779)	11,023	52,979	25,223		25,223	25,223
Water	(98,672)	44,320	12,975	(41,377)		(41,377)	(41,377)
Interest	(3,359)	-0-	-0-	(3,359)		(3,359)	(3,359)
TOTAL BUSINESS TYPE ACTIVITIES	(140,810)	55,343	65,954	(19,513)		(19,513)	(19,513)
TOTAL PRIMARY GOVERNMENT	\$ (183,852)	\$ 63,931	\$ 65,954	\$ (53,967)			(53,967)
			GENERAL REVENUES				
			Taxes		577	-0-	577
			Interest Revenue		-0-	140	140
			Other Income		-0-	-0-	-0-
			TOTAL GENERAL REVENUES		577	140	717
			TRANSFERS IN/(OUT)		28,096	(28,096)	-0-
			CHANGE IN NET POSITION		(5,781)	(47,469)	(53,250)
			NET POSITION - BEGINNING		72,052	1,934,013	2,006,065
			NET POSITION - ENDING		\$ 66,271	\$ 1,886,544	\$ 1,952,815

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2018

		<u>GENERAL FUND</u>
ASSETS		
Cash & Cash Equivalents	\$	18,739
Receivables, Net of Allowances		-0-
TOTAL ASSETS		<u>18,739</u>
LIABILITIES		
Accounts, Salaries, & Other Payables		453
TOTAL LIABILITIES		<u>453</u>
FUND BALANCE		
Unassigned		18,286
TOTAL FUND BALANCE		<u>18,286</u>
TOTAL LIABILITIES & FUND BALANCE	\$	<u>18,739</u>

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2018

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

Fund Balance, Total Governmental Funds, Statement C		\$	18,286
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	Capital Assets	196,591	
	Accum. Depr.	(148,606)	
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.			47,985
Other			-0-
Net Position of Governmental Activities, Statement A		\$	<u>66,271</u>

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>GENERAL FUND</u>
REVENUES	
Fees & Charges	\$ 8,588
Taxes	577
Other Income	-0-
TOTAL REVENUES	<u>9,165</u>
 EXPENDITURES	
Personnel Expense	14,931
Other Operating	10,605
Utilities	8,899
Repairs & Maintenance	6,442
TOTAL EXPENDITURES	<u>40,877</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	
EXPENDITURES	<u>(31,712)</u>
 OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	<u>28,096</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>28,096</u>
 NET CHANGE IN FUND BALANCE	(3,616)
 FUND BALANCES – BEGINNING	<u>21,902</u>
FUND BALANCES – ENDING	<u>\$ 18,286</u>

See accompanying notes and independent accountant'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, 2018

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	(3,616)
--	----	---------

Governmental funds report capital outlays as expenditures. 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.		(2,165)
--	--	---------

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.		-0-
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Changes in Net Position of Governmental Activities, Statement B	\$	<u>(5,781)</u>
---	----	----------------

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2018

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 20,515	\$ 57,581	\$ 78,096
Investments	-0-	21,201	21,201
Receivables, Net of Allowances	929	4,050	4,979
TOTAL CURRENT ASSETS	<u>21,444</u>	<u>82,832</u>	<u>104,276</u>
NON-CURRENT ASSETS			
Capital Assets, Net of Accumulated Depreciation	342,171	1,513,058	1,855,229
TOTAL NON-CURRENT ASSETS	<u>342,171</u>	<u>1,513,058</u>	<u>1,855,229</u>
TOTAL ASSETS	<u>363,615</u>	<u>1,595,890</u>	<u>1,959,505</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	170	306	476
Accrued Interest	-0-	1,892	1,892
Capital Project Loan-Water (Current Portion)	-0-	6,579	6,579
TOTAL CURRENT LIABILITIES	<u>170</u>	<u>8,777</u>	<u>8,947</u>
NON-CURRENT LIABILITIES			
Capital Project Loan-Water	-0-	64,014	64,014
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>64,014</u>	<u>64,014</u>
TOTAL LIABILITIES	<u>170</u>	<u>72,791</u>	<u>72,961</u>
NET POSITION			
Net Investment in Capital Assets	342,171	1,442,465	1,784,636
Unrestricted	21,274	80,634	101,908
TOTAL NET POSITION	<u>\$ 363,445</u>	<u>\$ 1,523,099</u>	<u>\$ 1,886,544</u>

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
June 30, 2018

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 11,023	\$ 44,320	\$ 55,343
TOTAL OPERATING REVENUES	<u>11,023</u>	<u>44,320</u>	<u>55,343</u>
OPERATING EXPENSES			
Office Expense & Supplies	-0-	18,468	18,468
Maintenance & Repair	17,836	10,667	28,503
Utilities	4,870	5,562	10,432
Other Operating	-0-	13,034	13,034
Depreciation	16,073	50,941	67,014
TOTAL OPERATING EXPENSES	<u>38,779</u>	<u>98,672</u>	<u>137,451</u>
OPERATING INCOME (LOSS)	<u>(27,756)</u>	<u>(54,352)</u>	<u>(82,108)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	4	136	140
Interest Expense	-0-	(3,359)	(3,359)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>4</u>	<u>(3,223)</u>	<u>(3,219)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	<u>(27,752)</u>	<u>(57,575)</u>	<u>(85,327)</u>
TRANSFERS IN/(OUT)	11,143	(39,239)	(28,096)
CAPITAL CONTRIBUTIONS	<u>52,979</u>	<u>12,975</u>	<u>65,954</u>
CHANGE IN NET POSITION	36,370	(83,839)	(47,469)
TOTAL NET POSITION – BEGINNING	<u>327,075</u>	<u>1,606,938</u>	<u>1,934,013</u>
TOTAL NET POSITION – ENDING	<u>\$ 363,445</u>	<u>\$ 1,523,099</u>	<u>\$ 1,886,544</u>

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2018

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers & Users	\$ 11,143	\$ 48,603	\$ 59,746
Payments to Suppliers	(22,892)	(47,939)	(70,831)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(11,749)</u>	<u>664</u>	<u>(11,085)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers To Other Funds	-0-	(28,096)	(28,096)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-0-</u>	<u>(28,096)</u>	<u>(28,096)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Capital Grants Received	52,979	12,975	65,954
Capital Outlay	(41,836)	(35,505)	(77,341)
Principal Paid on Capital Debt	-0-	(8,478)	(8,478)
Interest Paid on Capital Debt	-0-	(3,359)	(3,359)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>11,143</u>	<u>(34,367)</u>	<u>(23,224)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	4	136	140
(Increase) Decrease in Investments	-0-	(107)	(107)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>4</u>	<u>29</u>	<u>33</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(602)	(61,770)	(62,372)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>21,117</u>	<u>119,351</u>	<u>140,468</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>20,515</u>	<u>57,581</u>	<u>78,096</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	(27,756)	(54,353)	(82,109)
Depreciation Expense	16,073	50,941	67,014
(Increase) Decrease in Accounts Receivable	120	4,283	4,403
Increase (Decrease) in Accounts Payables	(186)	(207)	(393)
TOTAL ADJUSTMENTS	<u>16,007</u>	<u>55,017</u>	<u>71,024</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (11,749)</u>	<u>\$ 664</u>	<u>\$ (11,085)</u>

See accompanying notes and independent accountant'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 and Sewer

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.

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.

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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;
- 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;

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

- 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, 2018, 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 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

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:

- *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.

All cash and investments were fully secured at year end.

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

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, 2018, no reserve for bad debts was required in the general fund since the estimated uncollectible receivables outstanding were considered immaterial. At June 30, 2018, the receivables were as follows:

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Grants Receivable	\$ -0-	\$ -0-	\$ -0-
Customer	4,253	975	5,228
Allowance for Bad Debts	(203)	(46)	(249)
Total	\$ 4,050	\$ 929	\$ 4,979

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

Ad Valorem Taxes are broken down as follows:

General Alimony	Mills 5.33
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Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(3) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT & EQUIPMENT

A summary of enterprise fund property, plant, and equipment at June 30, 2018, is as follows:

	Balance 6-30-2017	Additions	Deletions	Balance 6-30-2018
Water				
Distribution System & Equipment*	\$ 2,378,345	\$ 24,363	\$ -0-	\$ 2,402,708
Accumulated Depreciation	(838,709)	(50,941)	-0-	(889,650)
Net	1,539,636	(26,578)	-0-	1,513,058
Sewer				
Plant & Equipment*	631,664	52,979	-0-	684,643
Accumulated Depreciation	(326,399)	(16,073)	-0-	(342,472)
Net	\$ 305,265	\$ 36,906	\$ -0-	\$ 342,171

*Water - Land in the amount of \$9,097 is included in this amount and is not being depreciated.

*Sewer - Land in the amount of \$9,197 is included in this amount and is not being depreciated.

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2018, is as follows:

	Balance 6-30-2017	Additions (Deletions)	Balance 6-30-2018
Fixed Assets*	\$ 196,591	\$ -0-	\$ 196,591
Accumulated Depreciation	(146,441)	(2,165)	(148,606)
Net	\$ 50,150	\$ (2,165)	\$ 47,985

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

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(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, 2018.

	Water Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ 79,071	\$ 79,071
Additions	-0-	-0-
Principal Retirements	(8,478)	(8,478)
Total	\$ 70,593	\$ 70,593

Bonds payable at June 30, 2018, are comprised of the following issues:

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%.	\$ <u>70,593</u>
Total	\$ <u>70,593</u>

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest payments, are as follows:

Year Ending June 30,	Total
2019	9,841
2020	9,841
2021	9,841
2022	9,841
2023	9,841
2024-2027	39,364
Total	\$ 88,569

(5) ELECTED OFFICIAL'S SALARIES

Name	Title	Compensation
Jeff Canerday	Mayor	\$ 3,145
Bobby D. Canerday	Alderman	\$ 1,083
John Wayne Canerday	Alderman	\$ 1,108
Ronald Abels	Alderman	\$ 1,108

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(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.

(8) TRANSFERS

Transfers From/To Other Funds					
Fund		Transfers In		Transfers Out	Total
General	\$	28,096	\$	-0-	\$ 28,096
Water		-0-		(39,239)	(39,239)
Sewer		11,143		-0-	11,143
Total	\$	39,239	\$	(39,239)	\$ -0-

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

Required Supplemental Information

Village of Calvin, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2018

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ -0-	\$ -0-	\$ 8,588	\$ 8,588
Taxes	5,180	5,180	577	(4,603)
Other Income	-0-	-0-	-0-	-0-
TOTAL REVENUES	5,180	5,180	9,165	3,985
EXPENDITURES				
Personnel Expense	22,975	22,975	14,931	8,044
Other Administrative	2,742	2,742	10,605	(7,863)
Utilities	7,904	7,904	8,899	(995)
Repairs & Maintenance	7,160	7,160	6,442	718
TOTAL EXPENDITURES	40,781	40,781	40,877	(96)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,601)	(35,601)	(31,712)	3,889
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	41,500	41,500	28,096	(13,404)
TOTAL OTHER FINANCING SOURCES (USES)	41,500	41,500	28,096	(13,404)
NET CHANGE IN FUND BALANCE	\$ 5,899	\$ 5,899	(3,616)	\$ (9,515)
FUND BALANCES--BEGINNING			21,902	
FUND BALANCES--ENDING			\$ 18,286	

See independent accountant's compilation report.

Other 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, 2018

Honorable Jeff Canerday, Mayor

Purpose	Amount
Salary	\$ 3,145
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 accountant's compilation report.

Other Reports

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT LETTER COMMENTS

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

2018-1 Annual Filing of Financial Statements

Condition: The Village did not timely file their financial statements with the Legislative Auditor.

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 the financial statements completed on time.

Effect of Condition: Compliance Violation.

Recommendation: We recommend the Village file their financial statements with the Legislative Auditor's office within six months of year end closing.

Client Response and Corrective Action: The Village will file their financial statements with the Legislative Auditor's office within six months of closing.

Contact Person: Jeff Canerday

Anticipated Completion Date: June 30, 2019

2018-2 Village Accounting Methods

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.

VILLAGE OF CALVIN

MANAGEMENT LETTER COMMENTS – (CONT.)
For the Year Ended June 30, 2018

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

Contact Person: Jeff Canerday

Anticipated Completion Date: June 30, 2019

2018-3 Difference in Utility Revenue from Past Year

Condition: The revenue in the utility funds is down approximately \$40,000 from last year.

Criteria: Utility revenue usually does not vary from year to year unless there are major changes to the system or number of customers

Cause of Condition: Unknown.

Effect of Condition: Misstatement of revenue in financial statements.

Recommendation: The Village should determine why there is a variance in the utility revenue between this year and last.

Client Response and Corrective Action: The Village will determine why there is a variance in utility revenue between this year and last.

Contact Person: Jeff Canerday

Anticipated Completion Date: June 30, 2019

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 compilation for the year ended June 30, 2017.

PRIOR YEAR FINDINGS

2017-1 Annual Filing of Financial Statements

Finding: The Village did not timely file their financial statements with the Legislative Auditor. 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.

Recommendation and Client Response: We recommend the Village file their financial statements with the Legislative Auditor's office within six months of year end closing. The Village will file their financial statements with the Legislative Auditor's office within six months of closing.

2017-2 Village Accounting Methods

Finding: The Village is not posting all bank accounts into its accounting software and reconciling the bank accounts monthly. Best practices include posting all bank accounts into the accounting software and reconciling the bank accounts monthly.

Recommendation and Client Response: The Village should post all bank accounts into its accounting software and reconcile the bank accounts monthly. The Village will begin posting all bank accounts into its accounting software and reconcile the bank accounts monthly.

2017-3 Adequate Documentation of Expenditures

Finding: In a testing of a random sample of expenditures, the auditor found that 2 expenditures or 33% of items tested lacked adequate documentation. All government expenditures should be supported with documentation that describes the expenditure and the business purpose.

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

PRIOR YEAR FINDINGS (CONTINUED)

Recommendation and Client Response: All expenditures should be adequately documented as to the reason and business purpose of the expenditure. The administration will document all expenditures as to the reason and business purpose of the expenditure.

2017-4 Bond Commission Approval For Loans

Finding: The Village of Calvin secured a short-term loan in the amount of \$3,234.75 during the year without first getting approval from the State Bond Commission. The loan was paid in full as of June 30, 2017. A Louisiana government entity may not incur any indebtedness in excess of 90 days without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, and LSA-RS 47:1803-4.

Recommendation and Client Response: The Village should discontinue securing loans before receiving approval from the State Bond Commission. The Village will discontinue securing loans before receiving approval from the State Bond Commission.

2017-5 Bond Reserve Account Required by Bond Covenants

Finding: The Village did not maintain its bond reserve accounts as required by its bond indentures. The Village of Calvin is required to maintain a separately identifiable fund sufficient in amount to pay promptly and fully the principal of and interest on the certificates as they become due and payable. A sum equal to one-twelfth of the total amount of interest and one-twelfth of the principal is to be transferred from the revenue account on or before the 20th day of each month of each year.

Recommendation and Client Response: The Village should maintain a reserve account in accordance with bond indenture requirements. We discussed this with the mayor and they agreed to begin maintaining a bond reserve account.