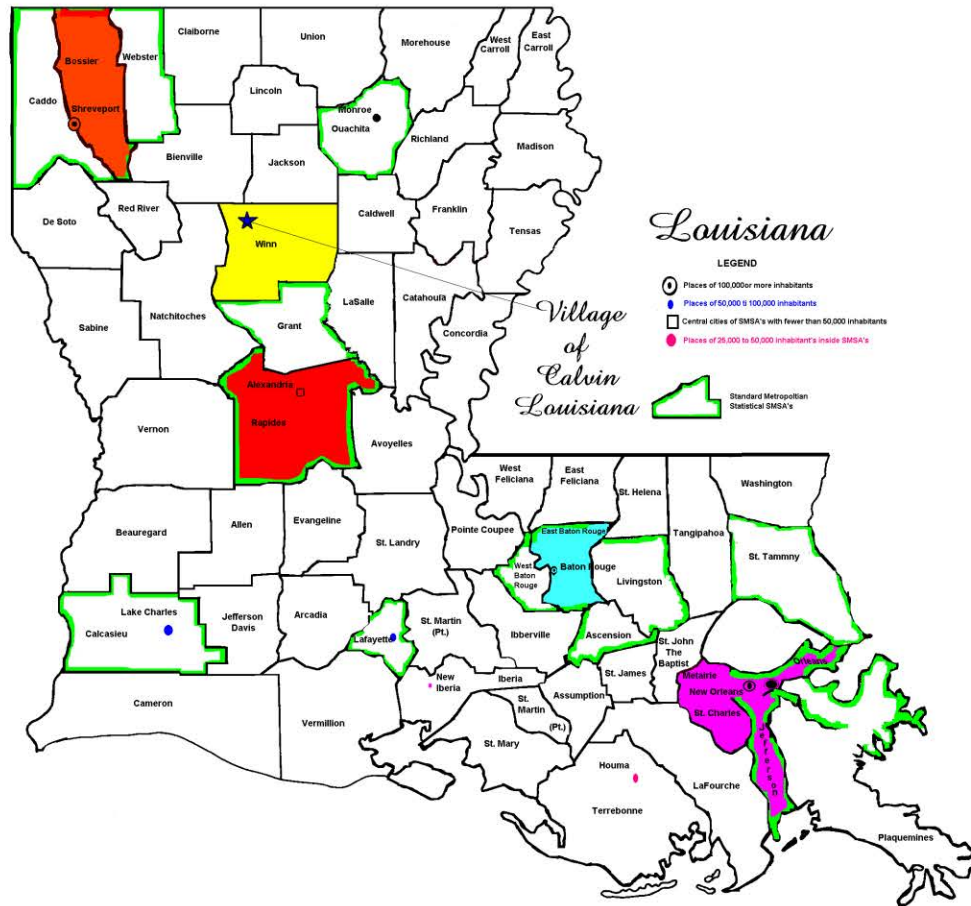


VILLAGE OF CALVIN, LOUISIANA

Annual Financial Statements

JUNE 30, 2019

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, 2019**

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have reviewed the accompanying financial statements of the governmental activities and the business-type activities of the Village of Calvin, 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 the management of the Village of Calvin, Louisiana. 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

The management of the Village of Calvin, Louisiana, 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.

Accountant's 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.

Accountant's 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and Budget to Actual Statement 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 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.

Other Information

The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer have not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it 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
March 25, 2020

Village of Calvin

PO Box 180

Calvin, Louisiana 71410

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Fax: (318) 727-9277

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, 2019. 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 \$179,395 (*net position*). This is a \$113,124 increase from last year.
- The Village had total revenues of \$115,869, in which \$100,948 came from Capital Grants. This is a \$106,705 increase from last year's revenues, mainly due to an increase in Capital Grants in the amount of \$100,948.
- The Village had total expenditures of \$134,098, which is a \$93,221 increase from last year. This increase is due mainly to an increase in Capital Outlay in the amount of \$100,948.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,866,993 (*net position*). This is a \$19,551 decrease from last year.
- The Village had total revenues of \$139,885, including operating revenues of \$115,159, non-operating revenues of \$141, and capital contributions of \$24,585. This is a \$18,448 increase from last year, mainly due to an increase in charges for services in the amount of \$59,816.
- The Village had total expenses of \$126,866, including operating expenses of \$123,751 and non-operating expenses of \$3,115. Transfers out for the year totaled \$32,570. Total expenses decreased by \$13,944 compared to last year, mainly due to a decrease in office expense and supplies in the amount of \$8,035.

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 limited 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, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 18,739	\$ 53,877	187.5
Capital Assets, Net of Accumulated Depreciation	47,985	146,768	205.8
Total Assets	<u>66,724</u>	<u>200,645</u>	200.7
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	453	460	1.5
Due to Enterprise Fund	-0-	20,790	100.0
Total Liabilities	<u>453</u>	<u>21,250</u>	4,591.0
Net Position			
Net Investment in Capital Assets	47,985	146,768	205.8
Unrestricted	18,286	32,627	78.4
Total Net Position	<u>\$ 66,271</u>	<u>\$ 179,395</u>	170.6

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 8,588	\$ 12,282	43.0
Taxes	577	2,639	357.3
Intergovernmental – Capital Grants	-0-	100,948	100.0
Total Revenues	<u>9,164</u>	<u>115,869</u>	1,164.3
Expenditures			
Personnel Expense	14,931	16,764	12.2
Other Operating	10,605	5,402	-49.0
Utilities	8,899	5,272	-40.7
Repairs & Maintenance	6,442	5,712	11.3
Capital Outlay	-0-	100,948	100.0
Total Expenditures	<u>40,877</u>	<u>134,098</u>	228.0
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,712)</u>	<u>(18,229)</u>	-42.5
Other Financing Sources (Uses)			
Transfers In (Out)	28,096	32,570	15.9
Total Other Financing Sources (Uses)	<u>28,096</u>	<u>32,570</u>	15.9
Net Change in Fund Balance	(3,616)	14,341	496.5
Fund Balances – Beginning	<u>21,902</u>	<u>18,286</u>	-16.5
Fund Balances – Ending	<u>\$ 18,286</u>	<u>\$ 32,627</u>	78.4

MD&A

ENTERPRISE FUNDS

The following table represents a Comparative Statement of Net Position as of June 30, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 99,297	\$ 85,563	-13.8
Receivables (Net)	4,979	11,000	120.9
Due from General Fund	-0-	20,790	100.00
Capital Assets, Net of Accumulated Depreciation	<u>1,855,229</u>	<u>1,813,650</u>	-2.2
Total Assets	<u><u>1,959,505</u></u>	<u><u>1,931,003</u></u>	-1.4
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	8,947	2,155	-75.9
Capital Project Loan – Water	<u>64,014</u>	<u>61,855</u>	-3.3
Total Liabilities	<u><u>72,961</u></u>	<u><u>64,010</u></u>	-12.2
Net Position			
Net Investment in Capital Assets	1,784,636	1,751,795	-1.8
Unrestricted	<u>101,908</u>	<u>115,198</u>	13.0
Total Net Position	<u><u>\$ 1,886,544</u></u>	<u><u>\$ 1,866,993</u></u>	-1.0

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Operating Revenues			
Charges for Services	\$ 55,343	\$ 115,159	108.0
Total Operating Revenues	<u>55,343</u>	<u>115,159</u>	108.0
Operating Expenses			
Office Expense & Supplies	18,468	10,433	-43.5
Maintenance & Repair	28,503	28,178	-1.1
Utilities	10,432	10,327	-1.0
Other Operating	13,034	8,650	-33.6
Depreciation	<u>67,014</u>	<u>66,163</u>	-1.2
Total Operating Expenses	<u>137,451</u>	<u>123,751</u>	-9.9
Operating Income (Loss)	<u>(82,108)</u>	<u>(8,592)</u>	-89.5
Non-Operating Revenues (Expenses)			
Interest Income	140	141	0.7
Interest Expense	<u>(3,359)</u>	<u>(3,115)</u>	-7.2
Total Non-Operating Revenues (Expenses)	<u>(3,219)</u>	<u>(2,974)</u>	-7.6
Income (Loss) Before Contributions & Transfers	(85,327)	(11,566)	-86.4
Transfers In/(Out)	(28,096)	(32,570)	-15.9
Capital Contributions	<u>65,954</u>	<u>24,585</u>	-62.7
Change in Net Position	(47,469)	(19,551)	-58.8
Total Net Position – Beginning	<u>1,934,013</u>	<u>1,886,544</u>	-2.4
Total Net Position – Ending	<u><u>\$ 1,886,544</u></u>	<u><u>\$ 1,866,993</u></u>	-1.0

MD&A

CAPITAL ASSETS

Governmental Fund

At June 30, 2019, the Village had \$146,768 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2018</u>	<u>2019</u>
Capital Assets *	\$ 196,591	\$ 297,539
Accumulated Depreciation	(148,606)	(150,771)
Total	<u>\$ 47,985</u>	<u>\$ 146,768</u>

* This amount includes land and construction in progress in the amount of \$108,110 that is not being depreciated.

Enterprise Fund

At June 30, 2019, the Village had \$1,813,651 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2018</u>	<u>2019</u>
Water Capital Assets *	\$ 2,402,708	\$ 2,412,571
Sewer Capital Assets *	684,643	699,365
Water Accumulated Depreciation	(889,650)	(941,367)
Sewer Accumulated Depreciation	(342,472)	(356,918)
Total	<u>\$ 1,855,229</u>	<u>\$ 1,813,651</u>

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

LONG-TERM DEBT

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Calvin for the year ended June 30, 2019.

	Water Revenue	
	<u>Bonds</u>	<u>Total</u>
Bonds & Notes Payable - Beginning	\$ 70,593	\$ 70,593
Additions	-0-	-0-
Principal Retirements	(8,738)	(8,738)
Total	<u>\$ 61,855</u>	<u>\$ 61,855</u>

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.

Basic Financial Statements

Village of Calvin, Louisiana
Statement of Net Position
June 30, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-	
	ACTIVITIES	TYPE	TOTAL
	<u> </u>	<u> </u>	<u> </u>
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 53,877	\$ 64,245	\$ 118,122
Investments	-0-	21,318	21,318
Receivables, Net of Allowances	-0-	11,000	11,000
Due from Capital Projects Fund	-0-	20,790	20,790
TOTAL CURRENT ASSETS	<u>53,877</u>	<u>117,353</u>	<u>171,230</u>
NON-CURRENT ASSETS			
Capital Assets, Net of Accumulated Depreciation	146,768	1,813,650	1,960,418
TOTAL NON-CURRENT ASSETS	<u>146,768</u>	<u>1,813,650</u>	<u>1,960,418</u>
TOTAL ASSETS	<u>200,645</u>	<u>1,931,003</u>	<u>2,131,648</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	460	410	870
Accrued Interest	-0-	1,745	1,745
Due to Enterprise Fund	20,790	-0-	20,790
Capital Project Loan-Water (Current Portion)	-0-	6,849	6,849
TOTAL CURRENT LIABILITIES	<u>21,250</u>	<u>9,004</u>	<u>30,254</u>
NON-CURRENT LIABILITIES			
Capital Project Loan-Water	-0-	55,006	55,006
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>55,006</u>	<u>55,006</u>
TOTAL LIABILITIES	<u>21,250</u>	<u>64,010</u>	<u>85,260</u>
NET POSITION			
Net Investment in Capital Assets	146,768	1,751,795	1,898,563
Unrestricted	32,627	115,198	147,825
TOTAL NET POSITION	<u>\$ 179,395</u>	<u>\$ 1,866,993</u>	<u>\$ 2,046,388</u>

See accompanying notes and independent accountant's report.

**Village of Calvin, Louisiana
Statement of Activities
For the Year Ended June 30, 2019**

	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	\$ (35,315)	\$ 12,282	\$ 100,948	\$ 77,915	\$ 77,915	\$	\$ 77,915
TOTAL GOVERNMENTAL ACTIVITIES	(35,315)	12,282	100,948	77,915	77,915		77,915
BUSINESS-TYPE ACTIVITIES							
Enterprise Funds	(123,751)	115,159	24,585	15,993		15,993	15,993
Interest	(3,115)	-0-	-0-	(3,115)		(3,115)	(3,115)
TOTAL BUSINESS TYPE ACTIVITIES	(126,866)	115,159	24,585	12,878		12,878	12,878
TOTAL PRIMARY GOVERNMENT	\$ (162,181)	\$ 127,441	\$ 125,533	\$ 90,793			90,793
			GENERAL REVENUES				
			Taxes		2,639	-0-	2,639
			Interest Revenue		-0-	141	141
			Other Income		-0-	-0-	-0-
			TOTAL GENERAL REVENUES		2,639	141	2,780
			TRANSFERS IN/(OUT)		32,570	(32,570)	-0-
			CHANGE IN NET POSITION		113,124	(19,551)	93,573
			NET POSITION - BEGINNING		66,271	1,886,544	1,952,815
			NET POSITION - ENDING		\$ 179,395	\$ 1,866,993	\$ 2,046,388

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2019

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS			
Cash & Cash Equivalents	\$ 33,086	\$ 20,791	\$ 53,877
Receivables, Net of Allowances	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL ASSETS	<u>33,086</u>	<u>20,791</u>	<u>53,877</u>
LIABILITIES			
Accounts, Salaries, & Other Payables	460	-0-	460
Due To Enterprise Funds	<u>-0-</u>	<u>20,790</u>	<u>20,790</u>
TOTAL LIABILITIES	<u>460</u>	<u>20,790</u>	<u>21,250</u>
FUND BALANCE			
Unassigned	<u>32,626</u>	<u>1</u>	<u>32,627</u>
TOTAL FUND BALANCE	<u>32,626</u>	<u>1</u>	<u>32,627</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 33,086</u>	<u>\$ 20,791</u>	<u>\$ 53,877</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, 2019

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

Fund Balance, Total Governmental Funds, Statement C		\$ 32,627
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	Capital Assets	297,539
	Accum. Depr.	(150,771)
		146,768
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other		-0-
Net Position of Governmental Activities, Statement A		<u>\$ 179,395</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, 2019

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES			
Fees & Charges	\$ 12,282	\$ -0-	\$ 12,282
Taxes	2,639	-0-	2,639
Intergovernmental – Capital Grants	<u>-0-</u>	<u>100,948</u>	<u>100,948</u>
TOTAL REVENUES	<u>14,921</u>	<u>100,948</u>	<u>115,869</u>
EXPENDITURES			
Personnel Expense	16,764	-0-	16,764
Other Operating	5,402	-0-	5,402
Utilities	5,272	-0-	5,272
Repairs & Maintenance	5,712	-0-	5,712
Capital Outlay	<u>-0-</u>	<u>100,948</u>	<u>100,948</u>
TOTAL EXPENDITURES	<u>33,150</u>	<u>100,948</u>	<u>134,098</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,229)</u>	<u>-0-</u>	<u>(18,229)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>32,570</u>	<u>-0-</u>	<u>32,570</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>32,570</u>	<u>-0-</u>	<u>32,570</u>
NET CHANGE IN FUND BALANCE	14,341	-0-	14,341
FUND BALANCES – BEGINNING	<u>18,285</u>	<u>1</u>	<u>18,286</u>
FUND BALANCES – ENDING	<u>\$ 32,626</u>	<u>\$ 1</u>	<u>\$ 32,627</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, 2019

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	14,341
--	----	--------

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.		98,783
--	--	--------

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.		<u>-0-</u>
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Changes in Net Position of Governmental Activities, Statement B	\$	<u><u>113,124</u></u>
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See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2019

		BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS <hr/> WATER & SEWER FUND <hr/>
CURRENT ASSETS		
Cash & Cash Equivalents	\$	64,245
Investments		21,318
Receivables, Net of Allowances		11,000
Due From General Fund		20,790
TOTAL CURRENT ASSETS		<hr style="border-top: 1px dotted black;"/> 117,353
 NON-CURRENT ASSETS		
Capital Assets, Net of Accumulated Depreciation		<hr style="border-top: 1px dotted black;"/> 1,813,650
TOTAL NON-CURRENT ASSETS		<hr style="border-top: 1px dotted black;"/> 1,813,650
 TOTAL ASSETS		<hr style="border-top: 1px dotted black;"/> <hr style="border-top: 3px double black;"/> 1,931,003
 LIABILITIES		
CURRENT LIABILITIES		
Accounts, Salaries, & Other Payables		410
Accrued Interest		1,745
Capital Project Loan-Water (Current Portion)		6,849
TOTAL CURRENT LIABILITIES		<hr style="border-top: 1px dotted black;"/> 9,004
 NON-CURRENT LIABILITIES		
Capital Project Loan-Water		<hr style="border-top: 1px dotted black;"/> 55,006
TOTAL NON-CURRENT LIABILITIES		<hr style="border-top: 1px dotted black;"/> 55,006
 TOTAL LIABILITIES		<hr style="border-top: 1px dotted black;"/> <hr style="border-top: 1px dotted black;"/> 64,010
 NET POSITION		
Net Investment in Capital Assets		1,751,795
Unrestricted		115,198
TOTAL NET POSITION	\$	<hr style="border-top: 1px dotted black;"/> <hr style="border-top: 3px double black;"/> 1,866,993

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, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS WATER & SEWER FUND
OPERATING REVENUES	
Charges for Services	\$ 115,159
TOTAL OPERATING REVENUES	115,159
OPERATING EXPENSES	
Office Expense & Supplies	10,433
Maintenance & Repair	28,178
Utilities	10,327
Other Operating	8,650
Depreciation	66,163
TOTAL OPERATING EXPENSES	123,751
OPERATING INCOME (LOSS)	(8,592)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	141
Interest Expense	(3,115)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,974)
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(11,566)
TRANSFERS IN/(OUT)	(32,570)
CAPITAL CONTRIBUTIONS	24,585
CHANGE IN NET POSITION	(19,551)
TOTAL NET POSITION – BEGINNING	1,886,544
TOTAL NET POSITION – ENDING	\$ 1,866,993

See accompanying notes and independent accountant's report.

Village of Calvin, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS WATER & SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 109,138
Payments to Suppliers	(57,653)
Payments to Other Funds	(20,790)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	30,695
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers To Other Funds	(32,570)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(32,570)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Grants Received	24,585
Capital Outlay	(24,585)
Principal Paid on Capital Debt	(8,738)
Interest Paid on Capital Debt	(3,262)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(12,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	141
(Increase) Decrease in Investments	(117)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	24
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(13,851)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	78,096
CASH & CASH EQUIVALENTS, END OF YEAR	64,245
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	(8,592)
Depreciation Expense	66,163
(Increase) Decrease in Accounts Receivable	(6,021)
(Increase) Decrease in Due from General Fund	(20,790)
Increase (Decrease) in Accounts Payables	(65)
TOTAL ADJUSTMENTS	39,287
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 30,695

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 Capital Projects fund is used to account for all financial resources and expenditures of Street Improvements.

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, 2019, no interest costs were capitalized for construction of fixed assets.

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

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

E. CASH & INVESTMENTS

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**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

F. INVENTORIES

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

G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

At June 30, 2019, no reserve for bad debts was required in the general fund since the estimated uncollectible receivables outstanding were considered immaterial. At June 30, 2019, the receivables were as follows:

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Customer	\$ 9,800	\$ 1,200	\$ -0-
Allowance for Bad Debts	-0-	-0-	-0-
Total	\$ 9,800	\$ 1,200	\$ -0-

H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(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:

	Mills
General Alimony	5.33

(3) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT & EQUIPMENT

A summary of enterprise fund property, plant, and equipment at June 30, 2019, is as follows:

	Balance 6-30-2018	Additions	Deletions	Balance 6-30-2019
Water				
Distribution System & Equipment*	\$ 2,402,708	\$ 9,863	\$ -0-	\$ 2,412,571
Accumulated Depreciation	(889,650)	(51,717)	-0-	(941,367)
Net	1,513,058	(41,854)	-0-	1,471,204
Sewer				
Plant & Equipment*	684,643	14,722	-0-	699,365
Accumulated Depreciation	(342,472)	(14,446)	-0-	(356,918)
Net	\$ 342,171	\$ 276	\$ -0-	\$ 342,447

*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.

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2019, is as follows:

	Balance 6-30-2018	Additions (Deletions)	Balance 6-30-2019
Fixed Assets*	\$ 196,591	\$ 100,948	\$ 297,539
Accumulated Depreciation	(148,606)	(2,165)	(150,771)
Net	\$ 47,985	\$ 98,783	\$ 146,768

*This amount includes Land and Construction in Progress in the amount of \$108,110 that is not being depreciated.

(4) CHANGES IN LONG-TERM DEBT

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Calvin for the year ended June 30, 2019.

	Water Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ 70,593	\$ 70,593
Additions	-0-	-0-
Principal Retirements	(8,738)	(8,738)
Total	\$ 61,855	\$ 61,855

Bonds payable at June 30, 2019, 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>61,855</u>
Total	\$ <u>61,855</u>

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

The annual requirements to amortize all debt outstanding as of June 30, 2019, including interest payments, are as follows:

Year Ending June 30,	Total
2020	9,841
2021	9,841
2022	9,841
2023	9,841
2024	9,841
2025-2026	29,523
Total	\$ 78,728

(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

(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	\$ 32,570	\$ -0-	\$ 32,570
Enterprise	-0-	(32,570)	(32,570)
Total	\$ 32,570	\$ (32,570)	\$ -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 & Capital Project Funds
For the Year Ended June 30, 2019

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Fees & Charges	\$ -0-	\$ -0-	\$ 12,282	\$ 12,282
Taxes	5,180	5,180	2,639	(2,541)
Intergovernmental – Capital Grants	100,948	100,948	100,948	-0-
TOTAL REVENUES	<u>106,128</u>	<u>106,128</u>	<u>115,896</u>	<u>9,741</u>
EXPENDITURES				
Personnel Expense	18,975	18,975	16,764	2,211
Other Administrative	2,692	2,692	5,402	(2,710)
Utilities	5,904	5,904	5,272	632
Repairs & Maintenance	5,210	5,210	5,712	(502)
Capital Outlay	100,948	100,948	100,948	-0-
TOTAL EXPENDITURES	<u>133,729</u>	<u>133,729</u>	<u>134,098</u>	<u>(369)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,601)</u>	<u>(27,601)</u>	<u>(18,229)</u>	<u>9,372</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	41,000	41,000	32,570	(8,430)
TOTAL OTHER FINANCING SOURCES (USES)	<u>41,000</u>	<u>41,000</u>	<u>32,570</u>	<u>(8,430)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,399</u>	<u>\$ 13,399</u>	14,341	<u>\$ 942</u>
FUND BALANCES--BEGINNING			<u>18,286</u>	
FUND BALANCES--ENDING			<u>\$ 32,627</u>	

See independent accountant's 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, 2019

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 report.



Other Reports

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT LETTER COMMENTS For the Year Ended June 30, 2019

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

2019-1 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, Mayor

Anticipated Completion Date: June 30, 2020

2019-2 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, 2019

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, Mayor

Anticipated Completion Date: June 30, 2020

2019-3 Timely Deposits and Cash Management

Condition: Discrepancies in water and sewer collections from lack of depositing funds.

Criteria: Best practices recommends making deposits daily.

Cause of Condition: Village Clerk not making timely deposits.

Effect of Condition: Large amount of cash on hand causing lack of funds in accounts and substantial charge back fees incurred from financial institution.

Recommendation: The Village should begin to make deposits daily.

Client Response and Corrective Action: The Village will begin to make deposits daily.

Contact Person: Jeff Canerday, Mayor

Anticipated Completion Date: June 30, 2020

2019-4 Writing Checks and Transfers Between Funds

Condition: Village clerk was writing checks from wrong accounts and not depositing bank transfers timely.

Criteria: Best practices recommends using funds for the purpose of the fund and bank transfers to be made timely.

Cause of Condition: Accounting errors.

Effect of Condition: Large outstanding checks and improper financial reporting.

Recommendation: The Village should monitor accounts and make proper transfers timely.

VILLAGE OF CALVIN

MANAGEMENT LETTER COMMENTS – (CONT.)

For the Year Ended June 30, 2019

Client Response and Corrective Action: The Village will monitor accounts and make proper transfers timely.

Contact Person: Jeff Canerday, Mayor

Anticipated Completion Date: June 30, 2020

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, 2018.

PRIOR YEAR FINDINGS

2018-1 Annual Filing of Financial Statements (Unresolved)

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.

2018-2 Village Accounting Methods (Unresolved)

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.

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

PRIOR YEAR FINDINGS (CONTINUED)

Effect of Condition: Incomplete/Inaccurate financial data.

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

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

2018-3 Difference in Utility Revenue from Past Year (Unresolved)

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.

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MEMBERS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Village of Calvin, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Calvin, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Calvin, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2019, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and 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. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

*During our review of expenditures, we found no such expenditures.

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 with 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 of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in 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 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.

*We obtained a copy of the budget and the amended budget.

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.

*Adoption of the budget and approval of an amended budget were documented in the minute book.

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, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

*The Village had a favorable revenue variance and an unfavorable expenditure variance of 0.3%.

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 selected documents and they all agreed.

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

*All of the payments were properly coded to the correct fund and correct general ledger account.

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

*The selected disbursements were approved by the proper authorities.

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 (the open meetings law); and report whether there are any exceptions.

*I verified meetings were posted or advertised.

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.

*The Village did not enter into any long-term debt this fiscal year.

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 inspected payroll records and minutes for the year and noted no instances which indicated payments to employees which would constitute bonuses, advances, and 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 is due on December 31, 2019, and was **not** submitted timely.

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).

*The Village did not enter into any new contracts this fiscal year.

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 April 4, 2019, contained three findings: 2018-1 Annual Filing of Financial Statements, 2018-2 Village Accounting Methods, and 2018-3 Difference in Utility Revenue from Past Year. None of the findings have been resolved.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Calvin, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Vercher Group

Jena, Louisiana
March 25, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE

THE VERCHER GROUP

A Professional Corporation of

Certified Public Accountants

P.O. Box 1608

Jena, Louisiana 71342

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In connection with your review of our financial statements as of June 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of March 25, 2020.

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 [X] 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 [X] 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 [X] 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 [X] 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 [X] 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. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies 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 this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Signed:  Title: 

Signed:  Title: 