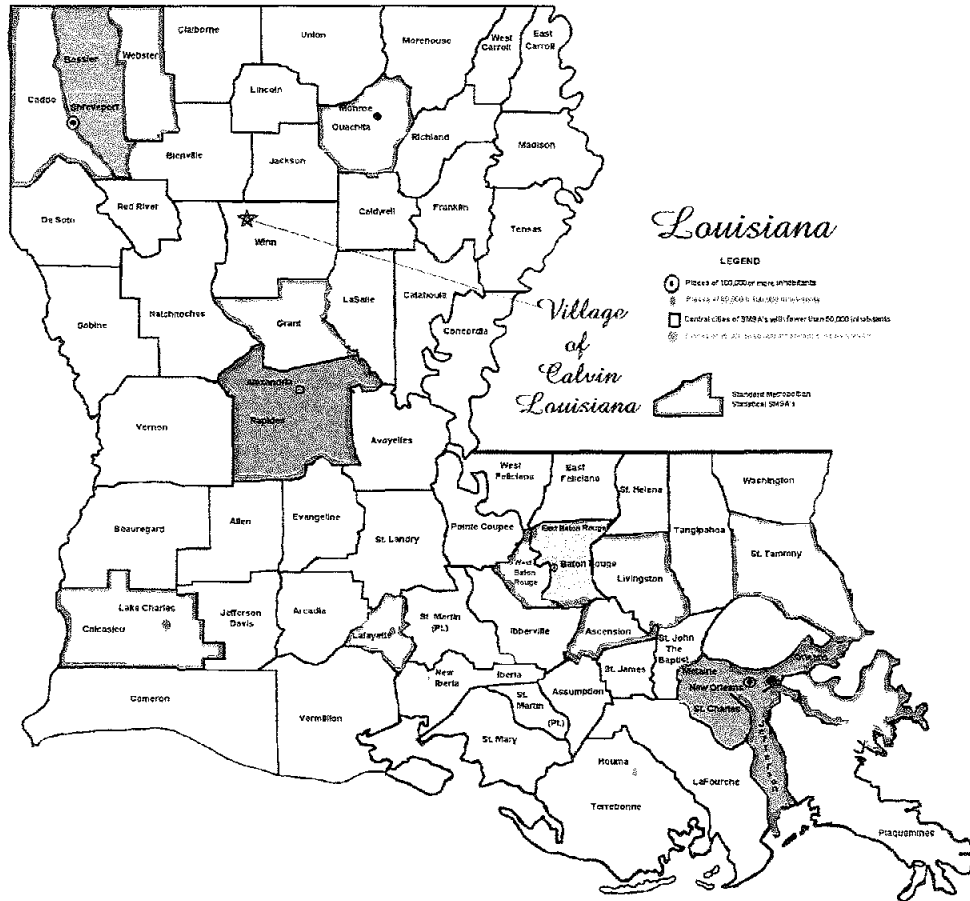


**VILLAGE OF CALVIN, LOUISIANA**

**Annual Financial Statements**

**JUNE 30, 2014**

# 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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### MEMBERS

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Certified Public Accountants

### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying basic financial statements of the governmental activities and business-type activities of the Village of Calvin, as of and for the year ended June 30, 2014, which collectively comprise the district'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. 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.

The management of the Village of Calvin is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has 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  
June 16, 2015

# Village of Calvin

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## MANAGEMENT'S DISCUSSION & ANALYSIS

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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, 2014. 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 \$56,250 (*net position*). This is a \$9,079 decrease from last year.
- The Village had total revenue of \$10,828, in which \$8,275 came from fees and charges. This is a \$1,252 decrease from last year's revenues, mainly due to a decrease in taxes in the amount of \$1,266.
- The Village had total expenditures of \$53,527, which is a \$719 increase from last year. This increase is due mainly to an increase in personnel expenses in the amount of \$3,187.

#### *Enterprise Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,939,985 (*net position*). This is a \$71,078 increase from last year.
- The Village had total revenue of \$285,090, including operating revenues of \$100,544, non-operating revenues of \$424, and capital contributions of \$184,122. This is a \$725,677 decrease from last year, mainly due to a decrease in capital contributions in the amount of \$753,474.
- The Village had total expenses of \$107,426 including operating expenses of \$101,404 and non-operating expenses of \$6,022. Transfers out for the year totaled \$35,785. Total expenses increased by \$43,300 compared to last year, mainly due to an increase in depreciation expense in the amount of \$37,773.

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## MD&A

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### 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, 2014:

	2013	2014	% Change
<b>Assets</b>			
Cash & Investments	\$ 7,228	\$ 10,637	47.2
Receivables (Net)	-0-	-0-	0.0
Prepaid Assets	-0-	-0-	0.0
Capital Assets, Net of Accumulated Depreciation	58,810	56,645	-3.7
<b>Total Assets</b>	<u>66,038</u>	<u>67,282</u>	1.9
<b>Liabilities &amp; Net Position</b>			
Accounts, Salaries, & Other Payables	709	11,032	1,456.0
<b>Total Liabilities</b>	<u>709</u>	<u>11,032</u>	1,456.0
<b>Net Position</b>			
Net Investment in Capital Assets	58,810	56,645	-3.7
Unrestricted	6,519	(395)	-106.1
<b>Total Net Position</b>	<u>\$ 65,329</u>	<u>\$ 56,250</u>	-13.9

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2014:

	2013	2014	% Change
<b>Revenues</b>			
Fees & Charges	\$ 8,347	\$ 8,275	-0.9
Taxes	3,733	2,467	-33.9
Other Income	-0-	86	100.0
<b>Total Revenues</b>	<u>12,080</u>	<u>10,828</u>	-10.4
<b>Expenditures</b>			
Personnel Expense	16,669	19,856	19.1
Other Administrative	19,427	18,933	-2.5
Utilities	7,616	8,717	14.5
Repairs & Maintenance	9,096	6,021	-33.8
<b>Total Expenditures</b>	<u>52,808</u>	<u>53,527</u>	1.4
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(40,728)</u>	<u>(42,699)</u>	4.8
<b>Other Financing Sources (Uses)</b>			
Transfers In (Out)	48,800	35,785	-26.7
<b>Total Other Financing Sources (Uses)</b>	<u>48,800</u>	<u>35,785</u>	-26.7
<b>Net Change in Fund Balance</b>	8,072	(6,914)	-185.7
<b>Prior Period Adjustment</b>	(1,324)	-0-	100.0
<b>Fund Balances—Beginning</b>	(229)	6,519	2,946.7
<b>Fund Balances—Ending</b>	<u>\$ 6,519</u>	<u>\$ (395)</u>	-106.1

## MD&A

### ENTERPRISE FUNDS

The following table represents a Comparative Statement of Net Position as of June 30, 2014:

	<u>2013</u>	<u>2014</u>	<u>% Change</u>
<b>Assets</b>			
Cash & Investments	\$ 148,598	\$ 152,817	2.8
Receivables (Net)	24,347	7,712	-68.3
Prepaid Assets	-0-	-0-	0.0
Capital Assets, Net of Accumulated Depreciation	1,753,153	1,885,654	7.6
<b>Total Assets</b>	<u>1,926,098</u>	<u>2,046,183</u>	6.2
<b>Liabilities &amp; Net Position</b>			
Accounts, Salaries, & Other Payables	57,191	3,149	-94.5
Capital Project Loan - Water	-0-	103,049	100.00
<b>Total Liabilities</b>	<u>57,191</u>	<u>106,198</u>	85.7
<b>Net Position</b>			
Net Investment in Capital Assets	1,714,454	1,782,605	4.0
Unrestricted	154,453	157,380	1.9
<b>Total Net Position</b>	<u>\$ 1,868,907</u>	<u>\$ 1,939,985</u>	3.8

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2014:

	<u>2013</u>	<u>2014</u>	<u>% Change</u>
<b>Operating Revenues</b>			
Charges for Services	\$ 72,869	\$ 100,544	38.0
Operating Grant	-0-	-0-	0.0
<b>Total Operating Revenues</b>	<u>72,869</u>	<u>100,544</u>	38.0
<b>Operating Expenses</b>			
Office Expense & Supplies	7,723	10,213	32.2
Maintenance & Repair	16,410	9,815	-40.2
Depreciation	23,462	61,235	161.0
Other Operating	8,457	10,686	26.4
Utilities	8,074	9,455	17.1
<b>Total Operating Expenses</b>	<u>64,126</u>	<u>101,404</u>	58.1
<b>Operating Income (Loss)</b>	<u>8,743</u>	<u>(860)</u>	-109.8
<b>Non-Operating Revenues (Expenses)</b>			
Interest Income	302	424	40.4
Interest Expense	-0-	(6,022)	-100.00
<b>Total Non-Operating Revenues (Expenses)</b>	<u>302</u>	<u>(5,598)</u>	-1,954.0
<b>Income (Loss) Before Contributions &amp; Transfers</b>	9,045	(6,458)	-171.4
<b>Transfers In/(Out)</b>	(48,800)	(35,785)	-26.7
<b>Capital Contributions</b>	<u>937,596</u>	<u>184,122</u>	-80.4
<b>Change In Net Position</b>	897,841	141,879	-84.2
<b>Prior Period Adjustment</b>	(3,294)	-0-	100.0
<b>Total Net Position – Beginning</b>	903,559	1,798,106	99.0
<b>Total Net Position – Ending</b>	<u>\$ 1,798,106</u>	<u>\$ 1,939,985</u>	7.9



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## MD&A

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### CAPITAL ASSETS

#### Governmental Fund

At June 30, 2014, the Village had \$56,645 invested in capital assets, including the following:

	<b>Capital Assets at Year-End</b>	
	<u>2013</u>	<u>2014</u>
Capital Assets *	\$ 196,591	\$ 196,591
Accumulated Depreciation	(137,781)	(139,946)
<b>Total</b>	<u>\$ 58,810</u>	<u>\$ 56,645</u>

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

#### Enterprise Fund

At June 30, 2014, the Village had \$1,885,654 invested in capital assets, including the following:

	<b>Capital Assets at Year-End</b>	
	<u>2013</u>	<u>2014</u>
Water Capital Assets *	\$ 2,183,109	\$ 2,376,845
Sewer Capital Assets *	488,313	488,313
Water Accumulated Depreciation	(641,615)	(690,896)
Sewer Accumulated Depreciation	(276,654)	(288,608)
<b>Total</b>	<u>\$ 1,753,153</u>	<u>\$ 1,885,654</u>

\*These amounts include Land in the amount of \$16,794 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.

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Society of Louisiana  
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### **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Jeff Canerday, Mayor  
& Members of the Board of Aldermen  
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 Village of Calvin and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Calvin's compliance with certain laws and regulations during the year ended June 30, 2014, 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. 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 either for the purpose for which this report has been requested or for any other purpose.

#### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

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

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

\* Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

\* Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

\* 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).

#### *Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

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

6. Trace the budget adoption and amendments to the minute book.

\* We traced the budget adoption to the Village's minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

\* The Village had a favorable revenue variance and an unfavorable expenditure variance of \$14,054 35.6%.

#### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

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

(b) determine if payments were properly coded to the correct fund and general ledger account; and

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

(c) determine whether payments received approval from proper authorities.

\* Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

#### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

\* Discussions with the clerk and our review of the minutes found that the agendas for the meetings were posted.

## *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

\* We inspected all bank deposit entries in the books for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

## *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advances, or gifts.

\* A reading of the minutes of the Village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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 did 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 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. However, this report is a matter of public record and its distribution is not limited.

## *The Vercher Group*

Jena, Louisiana  
June 16, 2015

## **Basic Financial Statements**

**Village of Calvin, Louisiana**  
**Statement of Net Position**  
**June 30, 2014**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-	
	ACTIVITIES	TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	TOTAL
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 10,637	\$ 123,049	\$ 133,686
Investments	-0-	29,768	29,768
Receivables, Net of Allowances	-0-	7,712	7,712
<b>TOTAL CURRENT ASSETS</b>	<u>10,637</u>	<u>160,529</u>	<u>171,166</u>
<b>NON-CURRENT ASSETS</b>			
Capital Assets, Net of Accumulated Depreciation	56,645	1,885,654	1,942,299
<b>TOTAL NON-CURRENT ASSETS</b>	<u>56,645</u>	<u>1,885,654</u>	<u>1,942,299</u>
<b>TOTAL ASSETS</b>	<u>67,282</u>	<u>2,046,183</u>	<u>2,113,465</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	11,032	677	11,709
Accrued Interest	-0-	2,472	2,472
<b>TOTAL CURRENT LIABILITIES</b>	<u>11,032</u>	<u>3,149</u>	<u>14,181</u>
<b>NON-CURRENT LIABILITIES</b>			
Capital Project Loan-Water	-0-	103,049	103,049
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-0-</u>	<u>103,049</u>	<u>103,049</u>
<b>TOTAL LIABILITIES</b>	<u>11,032</u>	<u>106,198</u>	<u>117,230</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	56,645	1,782,605	1,839,250
Unrestricted	(395)	157,380	156,985
<b>TOTAL NET POSITION</b>	<u>\$ 56,250</u>	<u>\$ 1,939,985</u>	<u>\$ 1,996,235</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2014**

	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
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ (55,692)	\$ 8,275	\$ -0-	\$ (47,417)	\$ (47,417)		\$ (47,417)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	(55,692)	8,275	-0-	(47,417)	(47,417)		(47,417)
<b>BUSINESS TYPE ACTIVITIES</b>							
Sewer	(16,453)	15,742	-0-	(711)		(711)	(711)
Water	(84,951)	84,802	184,122	183,973		183,973	183,973
Interest on Long-Term Debt	(6,022)	-0-	-0-	(6,022)		(6,022)	(6,022)
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	(107,426)	100,544	184,122	177,240		177,240	177,240
<b>TOTAL PRIMARY GOVERNMENT</b>	\$ (163,118)	\$ 108,819	\$ 184,122	\$ 129,823			129,823
			<b>GENERAL REVENUES</b>				
			Taxes		2,467	-0-	2,467
			Interest Revenue		-0-	424	424
			Other Income		86	-0-	86
			<b>TOTAL GENERAL REVENUES</b>		2,553	424	2,977
			<b>TRANSFERS IN/(OUT)</b>		35,785	(35,785)	-0-
			<b>CHANGE IN NET POSITION</b>		(9,079)	141,879	132,800
			<b>NET POSITION - BEGINNING</b>		65,329	1,798,106	1,863,435
			<b>NET POSITION - ENDING</b>		\$ 56,250	\$ 1,939,985	\$ 1,996,235

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Balance Sheet, Governmental Funds**  
**June 30, 2014**

		<u>GENERAL FUND</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$	10,637
Receivables, Net of Allowances		-0-
Prepaid Assets		-0-
<b>TOTAL ASSETS</b>		<u>10,637</u>
<b>LIABILITIES</b>		
Accounts, Salaries, & Other Payables		<u>11,032</u>
<b>TOTAL LIABILITIES</b>		<u>11,032</u>
<b>FUND BALANCE</b>		
Non-spendable		-0-
Unassigned		<u>(395)</u>
<b>TOTAL FUND BALANCE</b>		<u>(395)</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$</b>	<u><u>10,637</u></u>

The accompanying notes are an integral part of this statement.



**Village of Calvin, Louisiana**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2014**

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

Fund Balance, Total Governmental Funds (Statement C)		\$	(395)
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.	<u>(139,946)</u>	
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.			56,645
Other			<u>-0-</u>
Net Position of Governmental Activities (Statement A)		\$	<u>56,250</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Fees & Charges	\$ 8,275
Taxes	2,467
Other Income	86
<b>TOTAL REVENUES</b>	<u>10,828</u>
 <b>EXPENDITURES</b>	
Personnel Expense	19,856
Other Administrative	18,933
Utilities	8,717
Repairs & Maintenance	6,021
<b>TOTAL EXPENDITURES</b>	<u>53,527</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>	
<b>EXPENDITURES</b>	<u>(42,699)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In (Out)	<u>35,785</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>35,785</u>
 <b>NET CHANGE IN FUND BALANCE</b>	(6,914)
 <b>FUND BALANCES—BEGINNING</b>	6,519
<b>FUND BALANCES—ENDING</b>	<u>\$ (395)</u>

The accompanying notes are an integral part of this statement.

**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, 2014**

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (6,914)
--	------------

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-
--	--------------

Changes in Net Position of Governmental Activities, Statement B	\$ <u>(9,079)</u>
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**Village of Calvin, Louisiana**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2014**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 17,157	\$ 105,892	\$ 123,049
Investments	-0-	29,768	29,768
Receivables, Net of Allowances	1,334	6,378	7,712
<b>TOTAL CURRENT ASSETS</b>	<u>18,491</u>	<u>142,038</u>	<u>160,529</u>
<b>NON-CURRENT ASSETS</b>			
Capital Assets, Net of Accumulated Depreciation	199,705	1,685,949	1,885,654
<b>TOTAL NON-CURRENT ASSETS</b>	<u>199,705</u>	<u>1,685,949</u>	<u>1,885,654</u>
<b>TOTAL ASSETS</b>	<u>218,196</u>	<u>1,827,987</u>	<u>2,046,183</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	182	495	677
Accrued Interest	-0-	2,472	2,472
<b>TOTAL CURRENT LIABILITIES</b>	<u>182</u>	<u>2,967</u>	<u>3,149</u>
<b>NON-CURRENT LIABILITIES</b>			
Capital Project Loan-Water	-0-	103,049	103,049
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-0-</u>	<u>103,049</u>	<u>103,049</u>
<b>TOTAL LIABILITIES</b>	<u>182</u>	<u>106,016</u>	<u>106,198</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	199,705	1,582,900	1,782,605
Unrestricted	18,309	139,071	157,380
<b>TOTAL NET POSITION</b>	<u>\$ 218,014</u>	<u>\$ 1,721,971</u>	<u>\$ 1,939,985</u>

The accompanying notes are an integral part of this statement

**Village of Calvin, Louisiana**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 15,742	\$ 84,802	\$ 100,544
<b>TOTAL OPERATING REVENUES</b>	<u>15,742</u>	<u>84,802</u>	<u>100,544</u>
<b>OPERATING EXPENSES</b>			
Office Expense & Supplies	127	10,086	10,213
Maintenance & Repair	2,096	7,719	9,815
Depreciation	11,954	49,281	61,235
Other Operating	-0-	10,686	10,686
Utilities	2,276	7,179	9,455
<b>TOTAL OPERATING EXPENSES</b>	<u>16,453</u>	<u>84,951</u>	<u>101,404</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(711)</u>	<u>(149)</u>	<u>(860)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	4	420	424
Interest Expense	-0-	(6,022)	(6,022)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>4</u>	<u>(5,602)</u>	<u>(5,598)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	(707)	(5,751)	(6,458)
<b>TRANSFERS IN/(OUT)</b>	(2,330)	(33,455)	(35,785)
<b>CAPITAL CONTRIBUTIONS</b>	<u>-0-</u>	<u>184,122</u>	<u>184,122</u>
<b>CHANGE IN NET POSITION</b>	(3,037)	144,916	141,879
<b>TOTAL NET POSITION – BEGINNING</b>	221,051	1,577,055	1,798,106
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 218,014</u>	<u>\$ 1,721,971</u>	<u>\$ 1,939,985</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2014**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers & Users	\$ 15,771	\$ 101,402	\$ 117,173
Payments to Suppliers	(4,452)	(53,528)	(57,980)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>11,319</u>	<u>47,874</u>	<u>59,193</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers To Other Funds	(2,330)	(33,455)	(35,785)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(2,330)</u>	<u>(33,455)</u>	<u>(35,785)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Capital Grants Received	-0-	184,122	184,122
Capital Outlay	-0-	(193,735)	(193,735)
Principal Paid on Capital Debt	-0-	(6,451)	(6,451)
Interest Paid on Capital Debt	-0-	(3,549)	(3,549)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>-0-</u>	<u>(19,613)</u>	<u>(19,613)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	4	420	424
(Increase) Decrease in Investments	-0-	(402)	(402)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>4</u>	<u>18</u>	<u>22</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	8,993	(5,176)	3,817
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>8,164</u>	<u>111,068</u>	<u>119,232</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>17,157</u>	<u>105,892</u>	<u>123,049</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	(711)	(149)	(860)
Depreciation Expense	11,954	49,281	61,235
(Increase) Decrease in Accounts Receivable	123	(8)	115
(Increase) Decrease in Grants Receivable	-0-	16,614	16,614
Increase (Decrease) in Accounts Payables	(47)	(17,864)	(17,911)
<b>TOTAL ADJUSTMENTS</b>	<u>12,030</u>	<u>48,023</u>	<u>60,053</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 11,319</u>	<u>\$ 47,874</u>	<u>\$ 59,193</u>

The accompanying notes are an integral part of this statement.

**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.

#### Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012.

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



## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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.

#### **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.

## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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.

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.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### 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:

Invested 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 "invested in capital assets."

## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### D. FIXED ASSETS

For the year ended June 30, 2014, 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	40
Water System	40
Sewer System	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.

#### F. INVENTORIES

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

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS**

At June 30, 2014, no reserve for bad debts was required in the general fund since the estimated uncollectible receivables outstanding were considered immaterial. At June 30, 2014 the receivables were as follows:

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Customer	\$ 6,714	\$ 1,404	\$ 8,118
Allowance for Bad Debts	(336)	(70)	(406)
<b>Total</b>	\$ 6,378	\$ 1,334	\$ 7,712

**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.

<b>Property Tax Calendar</b>	
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:

	<b>Mills</b>
General Alimony	5.37

**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, 2014, is as follows:

	<b>Balance 6-30-2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6-30-2014</b>
<b>Water</b>				
Distribution System & Equipment*	\$ 2,183,110	\$ 193,735	\$ -0-	\$ 2,376,845
Accumulated Depreciation	(641,615)	(49,281)	-0-	(690,896)
<b>Net</b>	<u>1,541,495</u>	<u>144,454</u>	<u>-0-</u>	<u>1,685,949</u>
<b>Sewer</b>				
Plant & Equipment*	488,313	-0-	-0-	488,313
Accumulated Depreciation	(276,654)	(11,954)	-0-	(288,608)
<b>Net</b>	<u>\$ 211,659</u>	<u>\$ (11,954)</u>	<u>\$ -0-</u>	<u>\$ 199,705</u>

\*Water - Land in the amount of \$7,597 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.

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

**GOVERNMENTAL FUND**

A summary of governmental fund depreciable assets at June 30, 2014, is as follows:

	<b>Balance 6-30-2013</b>	<b>Additions (Deletions)</b>	<b>Balance 6-30-2014</b>
Fixed Assets*	\$ 196,591	\$ -0-	\$ 196,591
Accumulated Depreciation	(137,781)	(2,165)	(139,946)
<b>Net</b>	<u>\$ 58,810</u>	<u>\$ (2,165)</u>	<u>\$ 56,645</u>

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

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings & Improvements	40 Years

## 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, 2014.

	<b>Water Revenue Bonds</b>	<b>Total</b>
Bonds & Notes Payable - Beginning	\$ 109,500	\$ 109,500
Additions	-0-	-0-
Principal Retirements	(6,451)	(6,451)
<b>Total</b>	<b>\$ 103,049</b>	<b>\$ 103,049</b>

Bonds payable at June 30, 2014, 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%.	\$ 103,049
<b>Total</b>	<b>\$ 103,049</b>

The annual requirements to amortize all debt outstanding as of June 30, 2014, including interest payments, are as follows:

<b>Year Ending June 30,</b>	<b>Total</b>
2015	\$ 9,841
2016	9,841
2017	9,841
2018	9,841
2019-2023	49,205
2024-2027	39,364
<b>Total</b>	<b>\$ 127,933</b>

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**(5) ELECTED OFFICIAL'S SALARIES**

<u>Name</u>	<u>Title</u>	<u>Compensation</u>
Jeff Canerday	Mayor	-0-
Bobby D. Canerday	Alderman	-0-
John Wayne Canerday	Alderman	-0-
Ronald Abels	Alderman	-0-

**(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**

<u>Transfers From/To Other Funds</u>			
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General	\$ 35,785	\$ -0-	\$ 35,785
Water	-0-	(33,455)	(33,455)
Sewer	-0-	(2,330)	(2,330)
<b>Total</b>	<b>\$ 35,785</b>	<b>\$ (35,785)</b>	<b>\$ -0-</b>

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

**(9) DEFECIT FUND BALANCE**

The Village ended the year with a deficit fund balance of \$395 in the general fund.

**(10) EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The Village overspent its budget by \$14,054 or 35.6%.

**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, 2014**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Fees & Charges	\$ -0-	\$ -0-	\$ 8,275	\$ 8,275
Taxes	12,126	10,742	2,467	(8,275)
Other Income	-0-	86	86	-0-
<b>TOTAL REVENUES</b>	<u>12,126</u>	<u>10,828</u>	<u>10,828</u>	<u>-0-</u>
<b>EXPENDITURES</b>				
Personnel Expense	26,122	24,972	19,856	5,116
Other Administrative	12,278	1,926	18,933	(17,007)
Utilities	7,533	8,385	8,717	(332)
Repairs & Maintenance	8,753	4,190	6,021	(1,831)
<b>TOTAL EXPENDITURES</b>	<u>54,686</u>	<u>39,473</u>	<u>53,527</u>	<u>(14,054)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(42,560)</u>	<u>(28,645)</u>	<u>(42,699)</u>	<u>(14,054)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	48,800	41,702	35,785	(5,917)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>48,800</u>	<u>41,702</u>	<u>35,785</u>	<u>(5,917)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 6,240</u>	<u>\$ 13,057</u>	<u>(6,914)</u>	<u>\$ (19,971)</u>
<b>PRIOR PERIOD ADJUSTMENT</b>				
<b>FUND BALANCES--BEGINNING</b>			<u>6,519</u>	
<b>FUND BALANCES--ENDING</b>			<u>\$ (395)</u>	

The accompanying notes are an integral part of this statement.



**Other Reports**

## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT LETTER COMMENTS

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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

##### **2014-1 Annual Filing of Financial Statements**

***Finding:*** The Village did not file their financial statements with the legislative auditor on a timely basis. LSA-RS 24:415, 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:*** The Village should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's end closing.

***Management's Response:*** The Village will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

##### **2014-2 Fund Balance Deficit**

***Finding:*** The Village had a deficit balance in the general fund of \$(395) at June 30, 2014.

***Recommendation:*** The Village should assess its financial condition and identify methods to reduce expenditures and increase revenues going forward.

***Management's Response:*** The Village will assess its financial condition and identify methods to reduce expenditures and increase revenues going forward.

##### **2014-3 Budget Variances**

***Finding:*** The Village had an unfavorable expenditure variance of \$14,054, 35.6% in the general fund.

***Recommendation:*** Revenues and expenditures should be monitored to determine if the budget should be amended before year end.

***Management's Response:*** Discussed with the Village clerk and Village officials. The Village will begin monitoring revenues and expenditures to determine if the budget should be amended.

## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT LETTER COMMENTS

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#### **2014-4 Reconciling Cash With Books**

***Finding:*** The cash per books of the governmental and enterprise funds are not reconciled with cash per bank reconciliations. Good internal controls require cash per bank reconciliations to be reconciled to cash per books on a monthly basis.

***Recommendation:*** We recommend that the Village reconcile cash per bank reconciliations to cash per books on a monthly basis.

***Management's Response:*** The Village will reconcile cash per bank reconciliations to cash per books on a monthly basis.

#### **2014-5 Books Not Maintained on Grant and Loan Proceeds and Expenditures**

***Finding:*** Books were not maintained on capital grant transactions and some bond transactions. Accounting books and records must be maintained on all grant and loan transactions to assure that they are included in the yearend financial statements and that the yearend financial statements are accurate.

***Recommendation:*** We recommend that cash receipt and cash disbursement journals be maintained on all grant and loan transactions. The journal should be reconciled with the bank cash accounts monthly.

***Management's Response:*** The Village will maintain cash receipt and cash disbursement journals on all grants and loan transactions and reconcile the journals to the bank cash accounts monthly.

# VILLAGE OF CALVIN, LOUISIANA

## MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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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, 2013.

### PRIOR YEAR FINDINGS

#### **2013-I-1 Reconciling Cash With Books (Material Weakness)**

**Condition:** The cash per books of the governmental and enterprise funds are not reconciled with cash per bank reconciliations.

**Criteria:** Good internal controls require cash per bank reconciliations to be reconciled to cash per books on a monthly basis.

**Cause of Condition:** Not reconciling cash per books with cash per reconciliations on a monthly basis.

**Effect of Condition:** Material internal control weakness as materially incorrect financial statements can be issued.

**Recommendation:** We recommend that the Village reconcile cash per bank reconciliations to cash per books on a monthly basis.

**Client Response:** The Village will reconcile cash per bank reconciliations to cash per books on a monthly basis.

#### **2013-I-2 Documented Approval of Utility Adjustments (Material Weakness)**

**Condition:** During a review of internal controls, the auditor found there was no documented approval of utility adjustments by the board of aldermen.

**Criteria:** Good internal controls require that any and all adjustments to utility accounts be reviewed and approved by the board of aldermen and that such approval be documented in the minutes of meetings.

**Cause of Condition:** Adjustment of utility accounts without proper documented approval.

# VILLAGE OF CALVIN, LOUISIANA

## MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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**Effect of Condition:** Material weakness in internal controls as utility accounts can be adjusted without authorization.

**Recommendation:** We recommend that any and all adjustments to utility accounts be reviewed and approved by the board of aldermen and that such approval be documented in writing in the minutes of the meeting

**Client Response:** Any and all adjustments to utility accounts will be reviewed and approved by the board of aldermen and such approvals will be documented in writing in the minutes of the meeting.

### **2013-I-3 Small Size of Entity (Significant Deficiency)**

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

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

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

**Effect of Condition:** Significant deficiency in internal controls.

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

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

### **2013-I-4 Books Not Maintained on Grant and Loan Proceeds and Expenditures (Material Weakness)**

**Condition:** Books were not maintained on capital grant transactions and some bond transactions.

**Criteria:** Accounting books and records must be maintained on all grant and loan transactions to assure that they are included in the yearend financial statements and that the yearend financial statements are accurate.

**Cause of Condition:** Not accounting for grant and loan transactions.

## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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**Effect of Condition:** Materially misstated financial statements.

**Recommendation:** We recommend that cash receipt and cash disbursement journals be maintained on all grant and loan transactions. The journal should be reconciled with the bank cash accounts monthly.

**Client Response:** The Village will maintain cash receipt and cash disbursement journals on all grants and loan transactions and reconcile the journals to the bank cash accounts monthly.

#### 2013-C-1 Annual Filing of Financial Statements

**Condition:** The Village did not file their financial statements with the legislative auditor on a timely basis.

**Criteria:** LSA-RS 24:415, 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.

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

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

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

# LOUISIANA ATTESTATION QUESTIONNAIRE

## THE VERCHER GROUP

*A Professional Corporation of*

*Certified Public Accountants*

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

In connection with your review of our financial statements as of June 30, 2014 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 June 16, 2015.

### **Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [  ] No [  ]

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

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

Yes [  ] No [  ]

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

Yes [  ] No [  ]

### **Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [  ] No [  ]

### **Accounting and Reporting**

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

Yes [  ] No [  ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [  ] No [  ]

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

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 financial officer.

Yes [  ] No [  ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

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 LSA-RS 39:1410.60.

Yes [  ] No [  ]

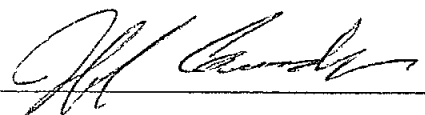
**Advances and Bonuses**

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, LSA-RS 14:138, and AG opinion 79-729.

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: 