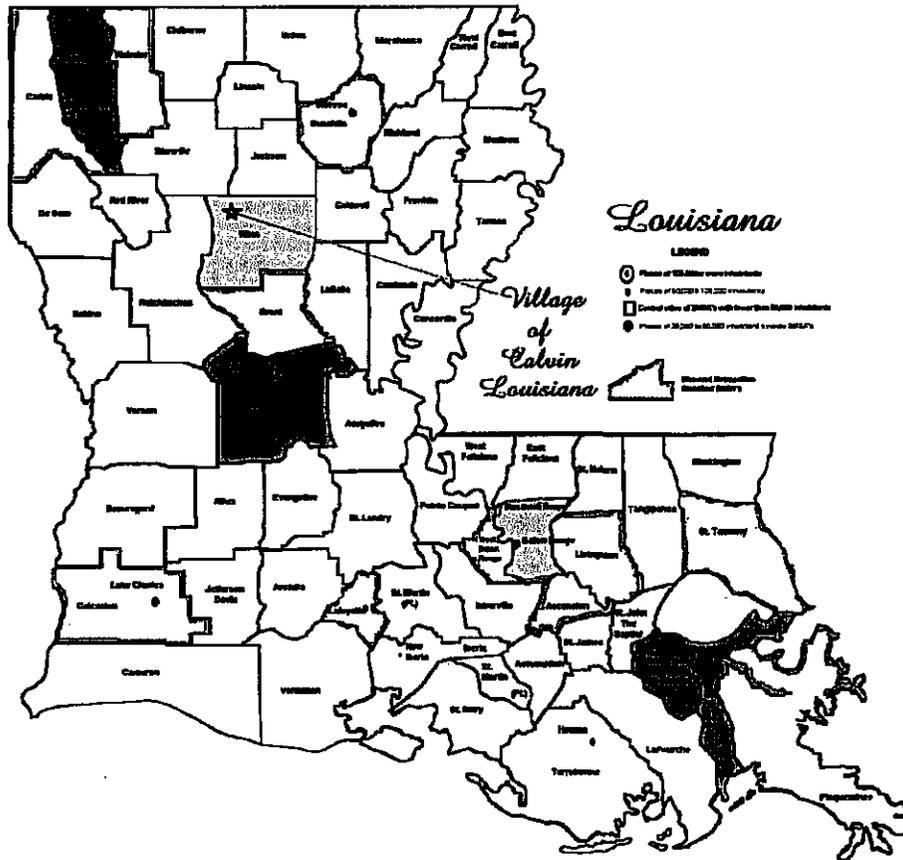


VILLAGE OF CALVIN, LOUISIANA
Annual Financial Statements
JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-1-2006

VILLAGE OF CALVIN, LOUISIANA 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, 2005

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MANAGEMENTS DISCUSSION AND 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, 2005. 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 \$140,376 (*net assets*). This is a \$(14,314) decrease from last year.
- The Village had total revenue of \$13,010, in which \$9,017 came from fees and charges. This is an \$(11,373) decrease from last year's revenues, mainly due to a decrease in grant monies.
- The Village had total expenditures of \$31,533, which is a \$(12,240) decrease from last year. This decrease is due to a large decrease in repairs and maintenance.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$544,915 (*net assets*). This is a \$(17,691) decrease from last year.
- The Village had total revenue of \$87,070, including operating revenues of \$65,872 and non-operating revenues of \$21,198. This is a \$49,262 increase from last year.
- The Village had total expenses of \$101,945, in which \$83,945 was operating expenses and \$18,000 was *non-operating expenses*. This is a \$48,519 increase from last year.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

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

Our auditor has provided assurance in his independent auditor's report, located immediately following this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor'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

**Comparative Statement of Net Assets
Governmental Funds**

The following table represents a condensed Comparative Statement of Net Assets as of June 30, 2004 and 2005:

	<u>2004</u>	<u>2005</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 4,403	\$ 5,869	33%
Receivables (Net)	2,596	102	-96%
Prepaid Assets	1,324	1,324	0%
Capital Assets, Net of Accumulated Depreciation	<u>146,669</u>	<u>134,217</u>	-8%
Total Assets	<u>154,992</u>	<u>141,512</u>	-9%
Liabilities & Net Assets			
Accounts, Salaries, & Other Payables	<u>302</u>	<u>1,136</u>	276%
Total Liabilities	<u>302</u>	<u>1,136</u>	276%
Net Assets			
Invested in Capital Assets, Net of Related Debt Restricted For Debt Service	146,669	134,217	-8%
Unrestricted	<u>8,021</u>	<u>6,159</u>	-23%
Total Net Assets	<u>154,690</u>	<u>140,376</u>	-9%
Total Liabilities & Net Assets	<u>\$ 154,992</u>	<u>\$ 141,512</u>	-9%

**Comparative Statement of Net Assets
Enterprise Funds**

The following table represents a condensed Comparative Statement of Net Assets as of June 30, 2004 and 2005:

	<u>2004</u>	<u>2005</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 59,481	\$ 68,782	16%
Receivables (Net)	7,801	14,198	82%
Prepaid Assets & Other	5,838	51	-99%
Capital Assets, Net of Accumulated Depreciation	<u>489,882</u>	<u>461,884</u>	-6%
Total Assets	<u>563,002</u>	<u>544,915</u>	-3%
Liabilities and Net Assets			
Accounts, Salaries, & Other Payables	<u>396</u>	<u>-0-</u>	100%
Total Liabilities	<u>396</u>	<u>-0-</u>	100%
Net Assets			
Invested in Capital Assets, Net of Related Debt Restricted For Debt Service	489,882	461,884	-6%
Unrestricted	<u>72,724</u>	<u>83,031</u>	14%
Total Net Assets	<u>562,606</u>	<u>544,915</u>	-3%
Total Liabilities and Net Assets	<u>\$ 563,002</u>	<u>\$ 544,915</u>	-3%

MD&A

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2004 and 2005:

	<u>2004</u>	<u>2005</u>	<u>% Change</u>
Total Revenues	\$ 24,383	\$ 13,010	-47%
Total Expenditures	(43,773)	(31,533)	28%
Total Transfers In (Out)	8,163	18,000	121%
Increase (Decrease) in Fund Balances	<u>(11,227)</u>	<u>(523)</u>	95%
 Ending Fund Balances	 \$ 6,682	 \$ 6,159	 -8%

Comparative Changes in Net Assets Enterprise Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2004 and 2005:

	<u>2004</u>	<u>2005</u>	<u>% Change</u>
Operating Revenues	\$ 37,277	\$ 65,872	77%
Non-Operating Revenues	531	21,198	3,892%
Total Revenues	<u>37,808</u>	<u>87,070</u>	130%
 Operating Expenses	 45,263	 83,945	 85%
Non-Operating Expenses	8,163	18,000	121%
Total Expenses	<u>53,426</u>	<u>101,945</u>	91%
 Increase (Decrease) in Net Assets	 <u>(15,618)</u>	 <u>(14,875)</u>	 5%
 Ending Net Assets	 \$ 559,790	 \$ 544,915	 -3%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2005, the Village had \$134,217 invested in capital assets, including the following:

Capital Assets at Year-End	
Land	\$ 7,162
Fire Station	49,700
Fire Truck	84,735
Recreation Facility	36,868
Other	18,126
Accumulated Depreciation	(62,374)
Total	\$ 134,217

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

Capital Assets – Enterprise Fund

At June 30, 2005, the Village had \$461,884 invested in capital assets, including the following:

Capital Assets at Year-End	
Sewer System	\$ 323,556
Water System	834,102
Accumulated Depreciation	(695,774)
Totals	\$ 461,884

* Land in the amount of \$16,794 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 Bob Carpenter at the Town Hall, phone number (318)727-9276.

JOHN R. VERCHER PC
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ACCOUNTANT'S COMPILATION REPORT ON
BASIC FINANCIAL STATEMENTS

The Honorable Bob Carpenter, Mayor
and Members of the Board of Aldermen
Calvin, Louisiana

I have compiled the accompanying financial statements of the governmental activities, the business type activities, and each major fund of the Village of Calvin, Louisiana, as of and for the year ended June 30, 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, on pages 1 through 5 and page 25, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

John R. Vercher

November 21, 2005
Jena, Louisiana

Basic Financial Statements

Village of Calvin, Louisiana
Statement of Net Assets
June 30, 2005

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 5,869	\$ 24,109	\$ 29,978
Investments	-0-	44,673	44,673
Receivables (Net of Allowances for Uncollectable)	102	14,198	14,300
Prepaid Assets	1,324	51	1,375
Capital Assets (Net of Accumulated Depreciation)	134,217	461,884	596,101
TOTAL ASSETS	141,512	544,915	686,427
LIABILITIES			
Accounts, Salaries, & Other Payables	1,136	-0-	1,136
TOTAL LIABILITIES	1,136	-0-	1,136
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	134,217	461,884	596,101
Restricted For Debt Service	-0-	-0-	-0-
Unrestricted	6,159	83,031	89,190
TOTAL NET ASSETS	\$ 140,376	\$ 544,915	\$ 685,291

See accountant's report.
The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana
Statement of Activities
For the Year Ended June 30, 2005**

	PROGRAM REVENUES				NET (EXPENSES) REVENUES & CHANGES OF PRIMARY GOVERNMENT	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Net (Expenses) Revenue</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Governmental Activities						
General Government	\$ 43,985	\$ 9,017	\$ -0-	\$ (34,968)	\$ (34,968)	\$
Total Governmental Activities	<u>43,985</u>	<u>9,017</u>	<u>-0-</u>	<u>(34,968)</u>	<u>(34,968)</u>	
Business Type Activities						
Sewer	24,802	20,882	-0-	(3,920)		(3,920)
Water	59,143	44,990	20,000	5,847		5,847
Total Business Type Activities	<u>83,945</u>	<u>65,872</u>	<u>20,000</u>	<u>1,927</u>		<u>1,927</u>
Total Primary Government	<u>\$ 127,930</u>	<u>\$ 74,889</u>	<u>\$ 20,000</u>	<u>\$ (33,041)</u>		
			General Revenues			
			Taxes	3,993		-0-
			Interest Revenue	-0-		1,198
			Transfers In (Out)	18,000		(18,000)
			Total General Revenues	<u>21,993</u>		<u>(16,802)</u>
			Change in Net Assets	(12,975)		(14,875)
			Net Assets - Beginning	153,351		559,790
			Net Assets - Ending	<u>\$ 140,376</u>		<u>\$ 544,915</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2005**

		<u>General Fund</u>
ASSETS		
Cash & Cash Equivalents	\$	5,869
Investments		-0-
Receivables (Net of Allowances for Uncollectable)		102
Prepaid Assets		<u>1,324</u>
TOTAL ASSETS		<u>7,295</u>
LIABILITIES		
Accounts, Salaries, & Other Payables		<u>1,136</u>
TOTAL LIABILITIES		<u>1,136</u>
FUND BALANCES		
Unreserved, Reported In:		
General Fund		<u>6,159</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>7,295</u>

See accountant's report.
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 Assets
June 30, 2005

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 6,159
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	134,217
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	<u>-0-</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 140,376</u>

See accountant's report.
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, 2005

	General
REVENUES	
Fees & Charges	\$ 9,017
Taxes	3,993
Grants	-0-
TOTAL REVENUES	13,010
EXPENDITURES	
Personnel Expense	17,777
Other Administrative	6,182
Utilities	6,161
Professional Fees	-0-
Other Repairs & Maintenance	1,413
TOTAL EXPENDITURES	31,533
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	
EXPENDITURES	(18,523)
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	18,000
TOTAL OTHER FINANCING SOURCES (USES)	18,000
NET CHANGE IN FUND BALANCE	(523)
FUND BALANCES—BEGINNING	6,682
FUND BALANCES—ENDING	\$ 6,159

See accountant's report.
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, 2005

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

Net Change in Fund Balances, Total governmental Funds, Statement E	\$ (523)
Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	-0-
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 assets. 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-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(12,452)</u>
Changes in Net Assets of Governmental Activities, statement B	<u>\$ (12,975)</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Statement of Net Assets, Proprietary Funds
June 30, 2005

BUSINESS TYPE ACTIVITIES			
ENTERPRISE FUNDS			
	Sewer Fund	Water Fund	Total
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 7,917	\$ 16,192	\$ 24,109
Investments	-0-	44,673	44,673
Receivables (Net of Allowances for Uncollectable)	1,980	12,218	14,198
Prepaid Insurance	18	33	51
TOTAL CURRENT ASSETS	9,915	73,116	83,031
NON-CURRENT ASSETS			
Capital Assets (Net of Accumulated Depreciation)	114,469	347,415	461,884
TOTAL NON-CURRENT ASSETS	114,469	347,415	461,884
TOTAL ASSETS	124,384	420,531	544,915
LIABILITIES			
Accounts, Salaries, & Other Payables	-0-	-0-	-0-
TOTAL LIABILITIES	-0-	-0-	-0-
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	114,469	347,415	461,884
Unrestricted	9,915	73,116	83,031
TOTAL NET ASSETS	\$ 124,384	\$ 420,531	\$ 544,915

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
June 30, 2005

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 20,882	\$ 44,990	\$ 65,872
TOTAL OPERATING REVENUES	<u>20,882</u>	<u>44,990</u>	<u>65,872</u>
OPERATING EXPENSES			
Office Expense	973	4,437	5,410
Maintenance & Repair	11,187	24,658	35,845
Depreciation Exp Water	8,006	19,993	27,999
Other Operating	1,560	5,571	7,131
Utilities	3,076	4,484	7,560
TOTAL OPERATING EXPENSES	<u>24,802</u>	<u>59,143</u>	<u>83,945</u>
OPERATING INCOME (LOSS)	<u>(3,920)</u>	<u>(14,153)</u>	<u>(18,073)</u>
NON-OPERATING REVENUES (EXPENSES)			
Grants	-0-	20,000	20,000
Interest Income	7	1,191	1,198
Transfers In/(Out)	-0-	(18,000)	(18,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>7</u>	<u>3,191</u>	<u>3,198</u>
CHANGE IN NET ASSETS	(3,913)	(10,962)	(14,875)
TOTAL NET ASSETS – BEGINNING	128,297	431,493	559,790
TOTAL NET ASSETS – ENDING	<u>\$ 124,384</u>	<u>\$ 420,531</u>	<u>\$ 544,915</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2005

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS (Water & Sewer)
Cash Flows From Operating Activities	
Receipts from Customers & Users	\$ 59,475
Payments to Suppliers	(56,393)
Net Cash Provided by Operating Activities	<u>3,082</u>
Cash Flows From NonCapital Financing Activities	
Transfers To Other Funds	(18,000)
Other	-0-
Net Cash Provided (Used) by NonCapital Financing Activities	<u>(18,000)</u>
Cash Flows From Capital and Related Financing Activities	
Principal on Capital Debt	-0-
Interest Paid on Capital Debt	-0-
Grants	20,000
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>20,000</u>
Cash Flows From Investing Activities	
Proceeds From Sales & Maturities of Investments	1,198
Sale of Investments	6,149
Net Cash Provided (Used) by Investing Activities	<u>7,347</u>
Net Increase (Decrease) in Cash & Cash Equivalents	12,429
Cash & Cash Equivalents, Beginning of Year	<u>11,680</u>
Cash & Cash Equivalents, End of Year	<u>24,109</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(18,073)
Depreciation Expense	27,999
(Increase) Decrease in Accounts Receivable	(6,397)
(Increase) Decrease in Prepaid Assets	(51)
Increase (Decrease) in Accounts Payables	(396)
Total Adjustments	<u>21,155</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,082</u>

See accountant's report.
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 Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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 AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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 segment 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, AND 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.

Village of Calvin, Louisiana

Notes to the Basic Financial Statements Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary fund:

- Enterprise Fund-Water and Sewer

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 governments 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.

Village of Calvin, Louisiana

**Notes to the Basic Financial Statements
Continued**

C. FIXED ASSETS

For the year ended June 30, 2005, 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

D. BUDGETS & BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

- (1) The Village clerk prepares a proposed budget based on departmental group budget requests, and submits the same to the Mayor and Board of Aldermen for approval.
- (2) The Village does not utilize the budget in comparison form in financial statement presentation during the year.
- (3) All budgetary appropriations lapse at the end of the fiscal year.
- (4) The Village does not utilize encumbrance accounting.
- (5) The budget was amended during the year.

E. CASH & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit as following 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 School 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.

Village of Calvin, Louisiana

**Notes to the Basic Financial Statements
Continued**

	Bank Balance 6-30-2005
Bank	
Bank of Winnfield	\$ 74,651

Amounts on deposit at the bank are secured by the following:

	Market Value
Description	
FDIC (Category 1)	\$ 74,651

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 & BAD DEBTS – GENERAL FUND &
ALLOWANCE FOR BAD DEBTS – ENTERPRISE FUND**

At June 30, 2005 no reserve for bad debts was required in the general fund since the estimated uncollectable receivables outstanding were considered immaterial.

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Tax & License	\$ -0-	\$ -0-	\$ 130
Customer	13,564	2,653	-0-
Allowance for Bad Debts	(1,346)	(673)	(28)
Total	\$ 12,218	\$ 1,980	\$ 102

H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

I. RESERVES

The Village records reserves to indicate that a portion of its retained earnings/fund balances (net assets) are legally restricted for a specific future use. The following is a list of such reserves and a description of each:

Reserved for System Maintenance

This amount represents monies reserved for repairs and replacement of the water system.

Reserved - Revenue Bonds

This amount represents monies reserved as required by the revenue bond indentures.

Reserved for Debt Service

Certain assets have been reserved in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

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	7.06

(3) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2005, is as follows:

	Balance 6-30-2004	Additions (Deletions)	Balance 6-30-2005
Water			
Distribution System & Equipment	\$ 834,102	\$ -0-	\$ 834,102
Accumulated Depreciation	(466,694)	(19,993)	(486,687)
Net	367,408	(19,993)	347,415
Sewer			
Plant & Equipment	323,556	-0-	323,556
Accumulated Depreciation	(201,081)	(8,006)	(209,087)
Net	\$ 122,475	\$ (8,006)	\$ 114,469

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

Village of Calvin, Louisiana

**Notes to the Basic Financial Statements
Continued**

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2005, is as follows:

	Balance 6-30-04	Additions (Deletions)	Balance 6-30-05
Fixed Assets	\$ 196,591	\$ -0-	\$ 196,591
Accumulated Depreciation	\$ (49,922)	\$ (12,452)	\$ (62,374)
Net	\$ 146,669	\$ (12,452)	\$ 134,217

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

Equipment	5-10 Years
Buildings & Improvements	40 Years

(4) LITIGATION

The Village of Calvin is involved in no litigation at June 30, 2005, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

(5) ELECTED OFFICIAL'S SALARIES

Name	Title	Salary
Bob Carpenter	Mayor	\$ -0-
Gary Coleman	Alderman	198
W. E. "Sam" Carpenter, Jr.	Alderman	198
Bobby D. Canerday	Alderman	198

(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) EXPENDITURES IN EXCESS OF APPROPRIATIONS

The general fund overspent its budget by \$12,539 or 66% during the year.

Village of Calvin, Louisiana

Notes to the Basic Financial Statements
Continued

(9) TRANSFERS

<u>Transfers From/To Other Funds</u>			
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General	\$ 18,000	\$ -0-	\$ 18,000
Water	-0-	(18,000)	(18,000)
Total	\$ 18,000	\$ (18,000)	\$ -0-

The transfer to the general fund was made for general expenditures.

Required Supplemental Information

Village of Calvin, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2005

	Budget Amounts		Actual Amounts Budgetary Basis	Budget to Actual Differences Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fees & Charges	\$ 5,550	\$ 5,550	\$ 9,017	\$ 3,467
Taxes	6,200	6,200	3,993	(2,207)
Grants	-0-	-0-	-0-	-0-
TOTAL REVENUES	<u>11,750</u>	<u>11,750</u>	<u>13,010</u>	<u>1,260</u>
EXPENDITURES				
Personnel Expense	9,994	9,994	17,777	(7,783)
Other Administrative	3,000	3,000	6,182	(3,182)
Utilities	2,700	2,700	6,161	(3,461)
Professional Fees	1,400	1,400	-0-	1,400
Other Repairs & Maintenance	1,900	1,900	1,413	487
TOTAL EXPENDITURES	<u>\$ 18,994</u>	<u>\$ 18,994</u>	<u>31,533</u>	<u>\$ (12,539)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			<u>(18,523)</u>	
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)			<u>18,000</u>	
TOTAL OTHER FINANCING SOURCES (USES)			<u>18,000</u>	
NET CHANGE IN FUND BALANCE			(523)	
FUND BALANCES--BEGINNING			<u>6,682</u>	
FUND BALANCES--ENDING			<u>\$ 6,159</u>	

See accountant's report.
The accompanying notes are an integral part of this statement.

Other Reports

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT LETTER COMMENTS

During the course of my compilation, I observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

Reference	Description of Finding	Recommendation
2005-M-1	<u>Budget Variances</u> The Village overspent its general fund budget by \$12,539 or by 66% during the year. The Governmental Budget Act requires that budgets be amended when expenditures exceed appropriations by more than 5%.	I recommend that the Village review its expenditures during the year and amend its budget when expenditures exceed appropriations by more than 5%.

Village Response:

The Village will begin monitoring its expenditures in the general fund and amending the general fund budget when expenditures exceed appropriations by more than 5%.

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 audit findings brought to their attention as a result of their financial compilation for the year ended June 30, 2004.

Prior Year Findings

2004-M-1 Budget Variances (Unresolved)

Finding: The Village overspent its general fund budget by \$29,679 or by 211% during the year. The Governmental Budget Act requires that budgets be amended when expenditures exceed appropriations by more than 5%.

Village's Corrective Action: The Village began amending its budget when variances exceeded 5%.