

**VILLAGE OF CALVIN, LOUISIANA**  
**Annual Financial Statements**  
**JUNE 30, 2010**

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 4/6/11



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**ACCOUNTANT'S COMPILATION REPORT**

The Honorable Carlos Mike Carpenter, Mayor  
& Members of the Board of Aldermen  
Calvin, Louisiana

We have compiled the accompanying basic 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, 2010, 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. We 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 2 through 6 and page 26, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

*John R. Vercher PC*

March 28, 2011  
Jena, Louisiana

# 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, 2010. 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 \$90,146 (*net assets*). This is a \$5,508 decrease from last year.
- The Village had total revenue of \$12,771, in which \$9,003 came from fees and charges. This is a \$1,483 increase from last year's revenues, mainly due to an increase in fees & charges in the amount of \$2,091.
- The Village had total expenditures of \$48,304, which is a \$1,737 increase from last year. This increase is due mainly to an increase in personnel expense in the amount of \$2,230.

#### *Enterprise Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$452,575 (*net assets*). This is a \$21,106 decrease from last year.
- The Village had total revenue of \$92,013, including operating revenues of \$62,488 and non-operating revenues of \$29,525. This is a \$29,902 increase from last year, mainly due to an increase in capital grants in the amount of \$28,500.
- The Village had total expenses of \$72,455 and total transfers out in the amount of \$40,664. Total expenses increased by \$15,449 compared to last year, mainly due to an increase in maintenance and repair in the amount of \$10,603.

See accountant's report.

## **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.*

See accountant's report.

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**MD&A**

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**Comparative Statement of Net Assets  
Governmental Funds**

The following table represents a Comparative Statement of Net Assets as of June 30, 2010:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
<b>Assets</b>			
Cash & Investments	\$ 11,290	\$ 16,421	45.4%
Receivables (Net)	102	102	0.0%
Prepaid Assets	1,324	1,324	0.0%
Capital Assets, Net of Accumulated Depreciation	<u>84,413</u>	<u>73,774</u>	-12.6%
<b>Total Assets</b>	<u>97,129</u>	<u>91,621</u>	-5.7%
<b>Liabilities &amp; Net Assets</b>			
Accounts, Salaries, & Other Payables	<u>1,475</u>	<u>1,475</u>	0.0%
<b>Total Liabilities</b>	<u>1,475</u>	<u>1,475</u>	0.0%
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	84,413	73,774	-12.6%
Unrestricted	<u>11,241</u>	<u>16,372</u>	45.6%
<b>Total Net Assets</b>	<u>\$ 95,654</u>	<u>\$ 90,146</u>	-5.8%

**Comparative Statement of Net Assets  
Enterprise Funds**

The following table represents a Comparative Statement of Net Assets as of June 30, 2010:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
<b>Assets</b>			
Cash & Investments	\$ 107,221	\$ 92,668	-13.6%
Receivables (Net)	14,198	14,198	0.0%
Prepaid Assets & Other	51	51	0.0%
Capital Assets, Net of Accumulated Depreciation	<u>352,211</u>	<u>345,658</u>	-1.9%
<b>Total Assets</b>	<u>473,681</u>	<u>452,575</u>	-4.5%
<b>Liabilities &amp; Net Assets</b>			
Accounts, Salaries, & Other Payables	<u>-0-</u>	<u>-0-</u>	0.0%
<b>Total Liabilities</b>	<u>-0-</u>	<u>-0-</u>	0.0%
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	352,211	345,658	-1.9%
Unrestricted	<u>121,470</u>	<u>106,917</u>	-12.0%
<b>Total Net Assets</b>	<u>\$ 473,681</u>	<u>\$ 452,575</u>	-4.5%

See accountant's report.

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**MD&A**

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**Comparative Changes in Fund Balances  
Governmental Funds**

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2010:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
Total Revenues	\$ 11,288	\$ 12,771	13.1%
Total Expenditures	(46,567)	(48,304)	3.7%
Total Transfers In (Out)	<u>28,527</u>	<u>40,664</u>	42.5%
Increase (Decrease) in Fund Balances	<u>(6,752)</u>	<u>5,131</u>	24.0%
Prior Period Adjustment	(3,001)	-0-	100.0%
<b>Beginning Fund Balances</b>	<u>20,994</u>	<u>11,241</u>	-46.5%
<b>Ending Fund Balances</b>	<u>\$ 11,241</u>	<u>\$ 16,372</u>	45.6%

**Comparative Changes in Net Assets  
Enterprise Funds**

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2010:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
Operating Revenues	\$ 60,361	\$ 62,488	3.5%
Non-Operating Revenues	1,750	29,525	1,587.1%
<b>Total Revenues</b>	<u>62,111</u>	<u>92,013</u>	48.1%
Operating Expenses	(57,006)	(72,455)	27.1%
Transfers Out	<u>(28,527)</u>	<u>(40,664)</u>	42.5%
<b>Total Expenses</b>	<u>(85,533)</u>	<u>(113,119)</u>	32.3%
Increase (Decrease) in Net Assets	<u>(23,422)</u>	<u>(21,106)</u>	9.9%
<b>Beginning Net Assets</b>	<u>497,103</u>	<u>473,681</u>	-4.7%
<b>Ending Net Assets</b>	<u>\$ 473,681</u>	<u>\$ 452,575</u>	-4.5%

See accountant's report.

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**MD&A**

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**CAPITAL ASSETS**

*Capital Assets – Governmental Fund*

At June 30, 2010, the Village had \$73,774 invested in capital assets, including the following:

	<b>Capital Assets at Year-End</b>	
	<u>2009</u>	<u>2010</u>
Capital Assets *	\$ 196,591	\$ 196,591
Accumulated Depreciation	(112,178)	(122,817)
<b>Total</b>	<u>\$ 84,413</u>	<u>\$ 73,774</u>

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

*Capital Assets – Enterprise Fund*

At June 30, 2010, the Village had \$345,658 invested in capital assets, including the following:

	<b>Capital Assets at Year-End</b>	
	<u>2009</u>	<u>2010</u>
Water Capital Assets *	\$ 834,102	\$ 856,654
Sewer Capital Assets *	323,556	323,556
Water Accumulated Depreciation	(564,850)	(586,120)
Sewer Accumulated Depreciation	(240,597)	(248,432)
<b>Total</b>	<u>\$ 352,211</u>	<u>\$ 345,658</u>

\* This amount includes 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 Carlos Mike Carpenter at the Town Hall, phone number (318)727-9276.

See accountant's report.

## **Basic Financial Statements**

**Village of Calvin, Louisiana**  
**Statement of Net Assets**  
**June 30, 2010**

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 16,421	\$ 42,210	\$ 58,631
Investments	-0-	50,458	50,458
Receivables (Net of Allowances for Uncollectible)	102	14,198	14,300
Prepaid Assets	1,324	51	1,375
Capital Assets (Net of Accumulated Depreciation)	73,774	345,658	419,432
<b>TOTAL ASSETS</b>	<u>91,621</u>	<u>452,575</u>	<u>544,196</u>
<b>LIABILITIES</b>			
Accounts, Salaries, & Other Payables	1,475	-0-	1,475
<b>TOTAL LIABILITIES</b>	<u>1,475</u>	<u>-0-</u>	<u>1,475</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	73,774	345,658	419,432
Unrestricted	16,372	106,917	123,289
<b>TOTAL NET ASSETS</b>	<u>\$ 90,146</u>	<u>\$ 452,575</u>	<u>\$ 542,721</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, 2010**

		<u>GENERAL FUND</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$	16,421
Receivables (Net of Allowances for Uncollectible)		102
Prepaid Assets		<u>1,324</u>
<b>TOTAL ASSETS</b>		<u><u>17,847</u></u>
<b>LIABILITIES</b>		
Accounts, Salaries, & Other Payables		<u>1,475</u>
<b>TOTAL LIABILITIES</b>		<u><u>1,475</u></u>
<b>FUND BALANCE</b>		
Unassigned, Unreserved		<u>16,372</u>
<b>TOTAL FUND BALANCE</b>		<u><u>16,372</u></u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$</b>	<u><u>17,847</u></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, 2010**

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

Fund Balance, Total Governmental Funds (Statement C)		\$	16,372
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>(122,817)</u>	
			73,774
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>90,146</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, 2010**

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Fees & Charges	\$ 9,003
Taxes	3,465
Other Income	303
<b>TOTAL REVENUES</b>	<u>12,771</u>
 <b>EXPENDITURES</b>	
Personnel Expense	32,109
Other Administrative	3,808
Utilities	6,928
Repairs & Maintenance	5,459
<b>TOTAL EXPENDITURES</b>	<u>48,304</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>	
<b>EXPENDITURES</b>	<u>(35,533)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In (Out)	40,664
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>40,664</u>
 <b>NET CHANGE IN FUND BALANCE</b>	5,131
 <b>FUND BALANCES—BEGINNING</b>	<u>11,241</u>
<b>FUND BALANCES—ENDING</b>	<u>\$ 16,372</u>

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, 2010**

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

Net Change in Fund Balances, Total governmental Funds, Statement E	\$ 5,131
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.	(10,639)
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.	<u>-0-</u>
Changes in Net Assets of Governmental Activities, statement B	\$ <u>(5,508)</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, 2010**

	<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	\$ 18,327	\$ 23,883	\$ 42,210
Investments	-0-	50,458	50,458
Receivables (Net of Allowances for Uncollectible)	1,980	12,218	14,198
Prepaid Insurance	18	33	51
<b>TOTAL CURRENT ASSETS</b>	<u>20,325</u>	<u>86,592</u>	<u>106,917</u>
<b>NON-CURRENT ASSETS</b>			
Capital Assets (Net of Accumulated Depreciation)	75,124	270,534	345,658
<b>TOTAL NON-CURRENT ASSETS</b>	<u>75,124</u>	<u>270,534</u>	<u>345,658</u>
<b>TOTAL ASSETS</b>	<u>95,449</u>	<u>357,126</u>	<u>452,575</u>
<b>LIABILITIES</b>			
Accounts, Salaries, & Other Payables	-0-	-0-	-0-
<b>TOTAL LIABILITIES</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	75,124	270,534	345,658
Unrestricted	20,325	86,592	106,917
<b>TOTAL NET ASSETS</b>	<u>\$ 95,449</u>	<u>\$ 357,126</u>	<u>\$ 452,575</u>

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, 2010**

	<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	\$ 22,470	\$ 40,018	\$ 62,488
<b>TOTAL OPERATING REVENUES</b>	<u>22,470</u>	<u>40,018</u>	<u>62,488</u>
<b>OPERATING EXPENSES</b>			
Office Expense	324	1,608	1,932
Maintenance & Repair	820	16,859	17,679
Depreciation	7,835	21,269	29,104
Other Operating	1,144	12,671	13,815
Utilities	3,742	6,183	9,925
<b>TOTAL OPERATING EXPENSES</b>	<u>13,865</u>	<u>58,590</u>	<u>72,455</u>
<b>OPERATING INCOME (LOSS)</b>	<u>8,605</u>	<u>(18,572)</u>	<u>(9,967)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital Grant	-0-	28,500	28,500
Interest Income	18	1,007	1,025
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>18</u>	<u>29,507</u>	<u>29,525</u>
<b>TRANSFERS IN/(OUT)</b>	<u>(11,034)</u>	<u>(29,630)</u>	<u>(40,664)</u>
<b>CHANGE IN NET ASSETS</b>	(2,411)	(18,695)	(21,106)
<b>TOTAL NET ASSETS – BEGINNING</b>	97,860	375,821	473,681
<b>TOTAL NET ASSETS – ENDING</b>	<u>\$ 95,449</u>	<u>\$ 357,126</u>	<u>\$ 452,575</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, 2010**

**BUSINESS TYPE ACTIVITIES**  
**ENTERPRISE FUNDS**

	<u>SEWER FUND</u>	<u>WATER FUND</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers & Users	\$ 22,470	\$ 40,018	\$ 62,488
Payments to Suppliers	(6,030)	(37,321)	(43,351)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>16,440</u>	<u>2,697</u>	<u>19,137</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers To Other Funds	(11,034)	(29,630)	(40,664)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(11,034)</u>	<u>(29,630)</u>	<u>(40,664)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Capital Grants Received	-0-	28,500	28,500
Capital Outlay	-0-	(22,552)	(22,552)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>-0-</u>	<u>5,948</u>	<u>5,948</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	18	1,007	1,025
(Increase) Decrease in Investments	-0-	6,903	6,903
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>18</u>	<u>7,910</u>	<u>7,928</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	5,424	(13,075)	(7,651)
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>12,903</u>	<u>36,958</u>	<u>49,861</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>18,327</u>	<u>23,883</u>	<u>42,210</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	8,605	(18,572)	(9,967)
Depreciation Expense	7,835	21,269	29,104
(Increase) Decrease in Accounts Receivable	-0-	-0-	-0-
(Increase) Decrease in Prepaid Assets	-0-	-0-	-0-
Increase (Decrease) in Accounts Payables	-0-	-0-	-0-
<b>TOTAL ADJUSTMENTS</b>	<u>7,835</u>	<u>21,269</u>	<u>29,104</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 16,440</u>	<u>\$ 2,697</u>	<u>\$ 19,137</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 & 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.

## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary fund:

- Enterprise Fund-Water and Sewer

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 government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

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 assets are available.

**C. FIXED ASSETS**

For the year ended June 30, 2010, 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.

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

(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.

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.

**G. ACCOUNTS RECEIVABLE & BAD DEBTS – GENERAL FUND &  
ALLOWANCE FOR BAD DEBTS – ENTERPRISE FUND**

At June 30, 2010 no reserve for bad debts was required in the general fund since the estimated uncollectible receivables outstanding were considered immaterial.

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

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**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	5.5

**(3) FIXED ASSETS**

**PROPERTY ENTERPRISE FUND: PLANT & EQUIPMENT**

A summary of enterprise fund property, plant and equipment at June 30, 2010, is as follows:

	<b>Balance 6-30-2009</b>	<b>Additions (Deletions)</b>	<b>Balance 6-30-2010</b>
<b>Water</b>			
Distribution System & Equipment	\$ 834,102	\$ 22,552	\$ 856,654
Accumulated Depreciation	(564,851)	(21,269)	(586,120)
<b>Net</b>	<b>269,251</b>	<b>1,283</b>	<b>270,534</b>
<b>Sewer</b>			
Plant & Equipment	323,556	-0-	323,556
Accumulated Depreciation	(240,597)	(7,835)	(248,432)
<b>Net</b>	<b>\$ 82,959</b>	<b>\$ (7,835)</b>	<b>\$ 75,124</b>

\*Land in the amount of \$16,794 is not being depreciated.

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

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, 2010, is as follows:

	Balance 6-30-2009	Additions (Deletions)	Balance 6-30-2010
Fixed Assets	\$ 196,591	\$ -0-	\$ 196,591
Accumulated Depreciation	(112,178)	(10,639)	(122,817)
Net	\$ 84,413	\$ (10,639)	\$ 73,774

\*Land in the amount of \$7,162 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

**(4) LITIGATION**

The Village of Calvin is involved in no litigation at June 30, 2010, 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
Bob Carpenter	Mayor
Bobby D. Canerday	Alderman
Jeff Canerday	Alderman
Mike Carpenter	Alderman

**(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.

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED

(7) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

(8) TRANSFERS

<i>Transfers From/To Other Funds</i>			
<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Total</b>
General	\$ 40,664	\$ -0-	\$ 40,664
Water	-0-	(29,630)	(29,630)
Sewer	-0-	(11,034)	(11,034)
<b>Total</b>	<b>\$ 40,664</b>	<b>\$ (40,664)</b>	<b>\$ -0-</b>

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

**Required Supplemental Information**

**Village of Calvin, Louisiana**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2010**

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Fees & Charges	\$ 6,601	\$ 6,800	\$ 9,003	\$ 2,203
Taxes	4,376	3,375	3,465	90
Other Income	311	311	303	(8)
<b>TOTAL REVENUES</b>	<u>11,288</u>	<u>10,486</u>	<u>12,771</u>	<u>2,285</u>
<b>EXPENDITURES</b>				
Personnel Expense	29,879	30,295	32,109	(1,814)
Other Administrative	3,162	5,131	3,808	1,323
Utilities	8,724	8,124	6,928	1,196
Repairs & Maintenance	4,801	2,467	5,459	(2,992)
<b>TOTAL EXPENDITURES</b>	<u>46,566</u>	<u>46,017</u>	<u>48,304</u>	<u>(2,287)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(35,278)</u>	<u>(35,531)</u>	<u>(35,533)</u>	<u>(2)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	28,527	28,527	40,664	12,137
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>28,527</u>	<u>28,527</u>	<u>40,664</u>	<u>12,137</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (6,751)</u>	<u>\$ (7,004)</u>	5,131	<u>\$ 12,135</u>
<b>FUND BALANCES--BEGINNING</b>			<u>11,241</u>	
<b>FUND BALANCES--ENDING</b>			<u>\$ 16,372</u>	

See accountant's report.  
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 compilation, we 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

**2010-M-1 Annual Filing of Financial Statements**

***Finding:*** The Village did not timely file their financial statements with the legislative auditor. LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

***Recommendation:*** The Village should begin filing its financial statements within six months of its year end.

***Village's Response:*** The Village will begin filing its financial statements within six months of its year end closing.

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 audit findings brought to their attention as a result of their financial compilation for the year ended June 30, 2009.

**PRIOR YEAR FINDINGS**

**2009-M-1 Budget Variances (Resolved)**

*Finding:* The Village had an unfavorable expenditure variance of \$4,266 or 10% in its governmental fund during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%.

*Response:* The Village amended the budget when there was an unfavorable variance of more than 5%.