

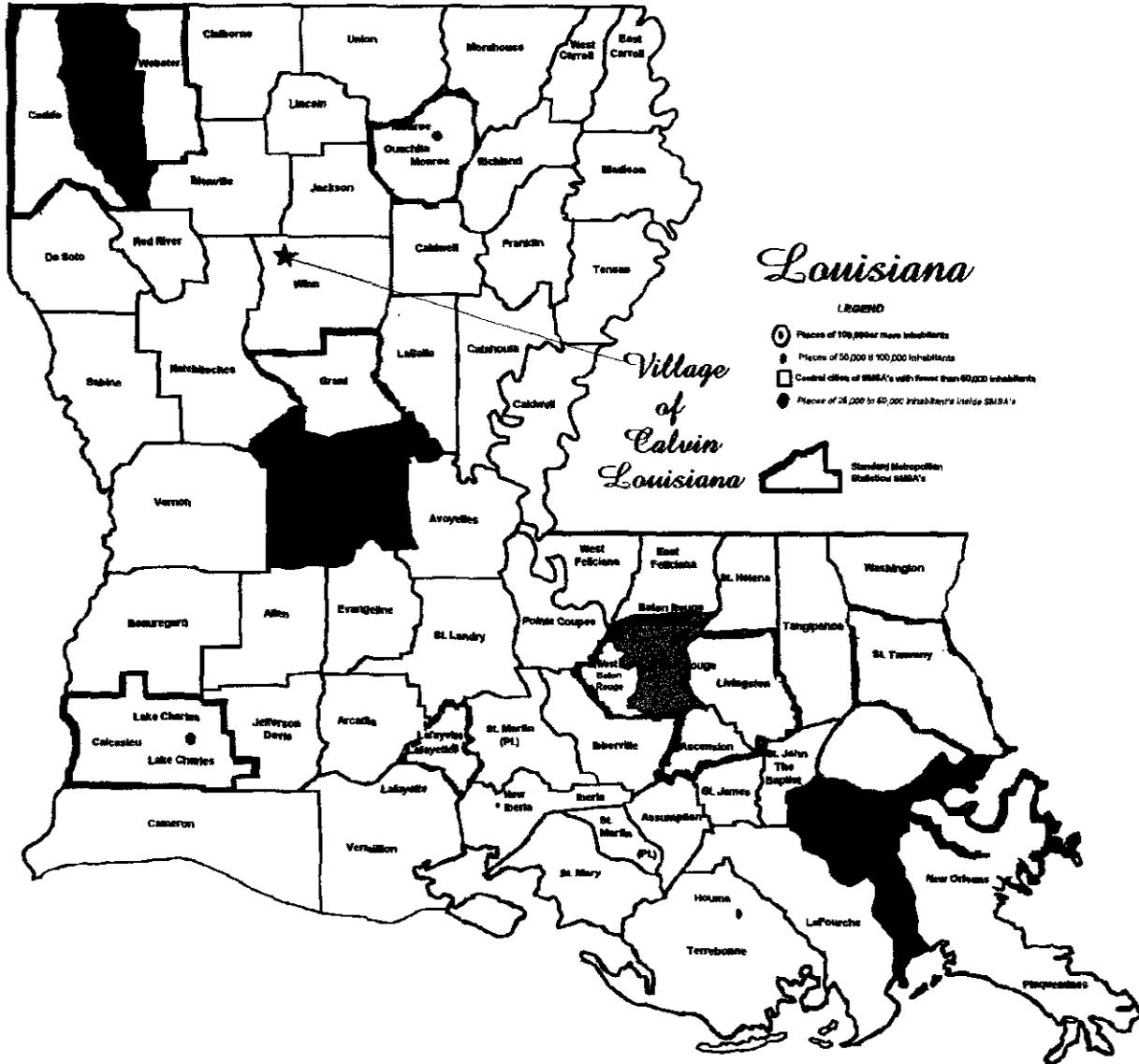
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**VILLAGE OF CALVIN
LOUISIANA**
Annual Financial Statements
JUNE 30, 2004

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 12-1-04

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, 2004

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Village of Calvin

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MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on the next page. For governmental activities these statements tell how the services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Village's operation in more detail than the government-wide statements by providing information about the Village's most significant funds.

FINANCIAL HIGHLIGHTS:

- Net assets decreased in governmental activities by \$(23,679) and net assets decreased by \$(15,618) in business-type activities, which include sewer and water funds. The decrease in net assets of the business-type activities was a result of depreciation taken on the fixed assets that were financed with grants.
- The Village had overall expenses from governmental activities of \$56,225 and expenses from business-type activities of \$45,263 for a total expense for the year of \$101,488.
- The general fund operated with excess revenues over expenditures of \$(19,390) and ended the year with a net change in fund balance of \$(11,227).
- In the business-type activities – enterprise funds, the water/sewer fund had operating loss of \$(7,986). The water/sewer fund had a cash flow from operating activities of \$10,939.
- The Village amended its budget during the year and the final budget shows that there were excess expenditures over appropriations of \$29,679. The general fund had an unfavorable expense budget variance of \$(29,679) or 211% and a favorable revenue variance of \$13,183. This unfavorable variance was due to an increase in repairs and maintenance.
- The Village had no major capital outlay or new debt during the year.
- This is the first year for the entity to implement GASB 34.
- A comparative analysis will be provided in future years when prior year information is available.

CONTACTING THE AUTHORITY'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
Certified Public Accountant

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Jena, Louisiana 71342
Tel: (318) 20002-6348
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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 basic financial statements and supplemental information of the Village of Calvin, Louisiana, as of and for the year ended June 30, 2004, 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.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, I have issued a report, dated October 31, 2004, on the results of our agreed-upon procedures.

John R. Vercher

October 31, 2004
Jena, Louisiana

JOHN R. VERCHER PC
Certified Public Accountant

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Jena, Louisiana 71342
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of Calvin, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Calvin, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2004, 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. Consequently, I 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 \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

* I found no such expenditures.

Ethics

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 me 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 me 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.

* The Village provided a copy of the budget for its general fund for the fiscal year ended June 30, 2004. The budget was not amended during the year.

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

* I traced the budget adaptation to the 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%.

* I compared the revenues and expenditures of the budget to actual revenues and expenditures and found that the Village overspent its general fund budget by \$29,679 or 211% during the year.

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;

* I examined supporting documentation for each of the six selected disbursements and found that each 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;

* All of the payments were properly coded to the correct fund and 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 mayor and one council member.

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).

* The Village meets on the third Monday of each month.

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.

* I inspected copies of 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 which may constitute bonuses, advances, or gifts.

* I inspected disbursement records and read the minutes for the year and noted no instances that would indicate payments to employees which would constitute bonuses, advances or gifts.

I was 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, I did not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Village of Calvin, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

Jena, Louisiana
October 31, 2004

BASIC FINANCIAL STATEMENTS

Village of Calvin, Louisiana
Statement of Net Assets
June 30, 2004

	PRIMARY GOVERNEMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
Cash and Cash Equivalents	\$ 4,403	\$ 8,659	\$ 13,062
Investments	-0-	50,822	50,822
Receivables (Net of Allowances for Uncollectable)	2,596	7,801	10,397
Other	-0-	5,838	5,838
Prepaid Assets	1,324	-0-	1,324
Capital Assets	146,669	489,882	636,551
TOTAL ASSETS	\$ 154,992	\$ 563,002	\$ 717,994
LIABILITIES			
Accounts, Salaries, and Other Payables	\$ 302	\$ 396	\$ 698
Other Liabilities	-0-	-0-	-0-
Bonds and Notes Payable	-0-	-0-	-0-
TOTAL LIABILITIES	\$ 302	\$ 396	\$ 698
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 146,669	\$ 489,882	\$ 636,551
Restricted For:			
Repairs	-0-	-0-	-0-
Debt Service	-0-	-0-	-0-
Unrestricted	8,021	72,724	80,745
TOTAL NET ASSETS	\$ 154,690	\$ 562,606	\$ 717,296

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, 2004

	PROGRAM REVENUES		
Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities			
General Government	\$ 56,225	\$ 8,833	\$ 15,000
Business-type Activities			
Water and Sewer	\$ 45,263	\$ 37,277	\$ -0-
Total Primary Government	\$ 101,488	\$ 46,110	\$ 15,000

General Revenues:

Taxes

Interest Revenue

Transfers In/(Out)

Total General Revenues**Change in Net Assets****Net Assets – Beginning****Net Assets - Ending**

See Accountant's Report
The accompanying notes are an integral part of this statement.

Net (Expenses) Revenue	Net (Expenses) Revenues and Changes of Primary Government	
	Governmental Activities	Business-type Activities
\$ (32,392)	\$ (32,392)	\$ -0-
\$ (7,986)	\$ -0-	\$ (7,986)
<u>\$ (40,378)</u>	<u>\$ (32,392)</u>	<u>\$ (7,986)</u>
	550	-0-
	-0-	531
	8,163	<u>(8,163)</u>
	8,713	(7,632)
	(23,679)	(15,618)
	178,369	578,224
	<u>\$ 154,690</u>	<u>\$ 562,606</u>

Village of Calvin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2004

		<u>General Fund</u>
ASSETS		
Cash and Cash Equivalents	\$	4,403
Investments		-0-
Receivables (Net of Allowances for Uncollectibles)		2,596
Prepaid Assets		<u>1,324</u>
TOTAL ASSETS	\$	<u>8,323</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts, Salaries, and Other Payables	\$	<u>302</u>
TOTAL LIABILITIES	\$	<u>302</u>
Fund Balances:		
Reserved for Debt Service		-0-
Unreserved, Reported in:		
General Fund	\$	<u>8,021</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>8,323</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, 2004**

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 8,021
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	146,669
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	-----0-
Net Assets of Governmental Activities (Statement A)	<u>\$ 154,690</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, 2004

		<u>General</u>
Revenues:		
Fees and Charges	\$	8,833
Taxes		550
Grants		15,000
		<hr style="border-top: 1px dashed black;"/>
Total Revenues	\$	<u>24,383</u>
 Expenditures:		
Personnel Expense	\$	10,989
Other Administrative		757
Utilities		2,555
Professional Fees		840
Other Repairs & Maintenance		28,632
		<hr style="border-top: 1px dashed black;"/>
Total Expenditures	\$	<u>43,773</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	<u>(19,390)</u>
 Other Financing Sources (Uses):		
Transfers In/(Out)	\$	<u>8,163</u>
 Total Other Financing Sources and Uses	\$	<u>8,163</u>
 Net Change in Fund Balance	\$	(11,227)
 Fund Balances--Beginning		19,248
Fund Balances--Ending	\$	<u>8,021</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, 2004**

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

Net Change in Fund Balances, Total governmental Funds, Statement E	\$ (11,227)
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.	(12,452)
Changes in Net Assets of Governmental Activities, statement B	<u>\$ 23,679</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, 2004

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	(Major Enterprise Funds)		
	Water Fund	Sewer Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,934	\$ 3,725	\$ 8,659
Investments	50,822	-0-	50,822
Receivables (Net of Allowances for Uncollectibles)	5,821	1,980	7,801
Other	5,820	18	5,838
TOTAL CURRENT ASSETS	\$ 67,397	\$ 5,723	\$ 73,120
Non-Current Assets			
Capital Assets (Net of Accumulated Depreciation)	\$ 367,407	\$ 122,475	\$ 489,882
Total Non-Current Assets	\$ 367,407	\$ 122,475	\$ 489,882
TOTAL ASSETS	\$ 434,804	\$ 128,198	\$ 563,002
LIABILITIES			
Liabilities			
Accounts, Salaries, and Other Payables	\$ 8	\$ 388	\$ 396
Total Current Liabilities	\$ 8	\$ 388	\$ 396
NET ASSETS			
Invested in Capital Assets Net of Related Debt	\$ 367,407	\$ 122,475	\$ 489,882
Unrestricted	67,389	5,335	72,724
TOTAL NET ASSETS	\$ 434,796	\$ 127,810	\$ 562,606

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, 2004

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	(Major Enterprise Funds)		
	Water Fund	Sewer Fund	Totals
Operating Revenues			
Charges for Services	\$ 28,837	\$ 8,440	\$ 37,277
Total Operating Revenues	\$ 28,837	\$ 8,440	\$ 37,277
Operating Expenses			
Office Expense	\$ 155	\$ 26	\$ 181
Maintenance & Repair	4,612	6,174	10,786
Depreciation Exp Water	19,994	8,006	28,000
Other Operating	1,209	800	2,009
Utilities	2,081	2,206	4,287
Total Operating Expenses	\$ 28,051	\$ 17,212	\$ 45,263
Operating Income (Loss)	\$ 786	\$ (8,772)	\$ (7,986)
Nonoperating Revenue (Expenses)			
Interest Income	\$ 527	\$ 4	\$ 531
Transfers In/(Out)	(5,950)	(2,213)	(8,163)
Total Nonoperating Revenue (Expenses)	\$ (5,423)	\$ (2,209)	\$ (7,632)
Change in Net Assets	\$ (4,637)	\$ (10,981)	\$ (15,618)
Total Net Assets - Beginning	\$ 439,433	\$ 138,791	\$ 578,224
Total Net Assets - Ending	\$ 434,796	\$ 127,810	\$ 562,606

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, 2004

		BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS (Major Enterprise Funds) Water and Sewer Fund
Cash Flows From Operating Activities		
Receipts From Customers and Users	\$	32,854
Payments to Suppliers		(21,915)
Net Cash Provided by Operating Activities	\$	10,939
Cash Flows From NonCapital Financing Activities		
Transfers to Other Funds		(8,163)
Other		(8,148)
Net Cash Provided (used) by NonCapital Financing Activities		(16,311)
Cash Flows From Capital and Related Financing Activities		
Principal on Capital Debt	\$	-0-
Interest Paid on Capital Debt		-0-
Capital Outlay		-0-
Net Cash Provided (used) by Capital and Related Financing Activities	\$	-0-
Cash Flows From Investing Activities		
Proceeds From Sales and Maturities of Investments	\$	-0-
Purchase of Investments		(50,882)
Net Cash Provided (used) by Investing Activities	\$	(50,882)
Net Increase (Decrease) in Cash and Cash Equivalents	\$	(56,254)
Cash and Cash Equivalents, Beginning of Year	\$	64,913
Cash and Cash Equivalents, End of Year	\$	8,659
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities		
Operating Income (Loss)	\$	(7,986)
Depreciation Expense		28,000
(Increase) Decrease in Accounts Receivable		(3,451)
(Increase) Decrease in Prepaid Items		(4,873)
Increase (Decrease) in Accounts Payables		221
Increase (Decrease) Customer Deposits		(972)
Total Adjustments	\$	78,925
Net Cash Provided by Operating Activities	\$	10,939

See Accountant's Report
The accompanying notes are an integral part of this statement.

*NOTES
To
FINANCIAL STATEMENTS*

VILLAGE OF CALVIN, LOUISIANA

NOTES TO 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 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 FINANCIAL STATEMENTS
(CONTINUED)**

C. FIXED ASSETS

For the year ended June 30, 2004, 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:

	Life In Years
Buildings	40
Water System	40
Sewer System	40
Equipment	5-10

D. BUDGETS AND 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 AND 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.

Bank	Book Balance 6-30-2004
Southern Heritage Bank	\$ 60,159

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

Description	Market Value
FDIC (<i>Category 1</i>)	\$ 60,159

VILLAGE OF CALVIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

F. INVENTORIES

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

G. ACCOUNTS RECEIVABLE AND BAD DEBTS - GENERAL FUND AND ALLOWANCE FOR BAD DEBTS - ENTERPRISE FUND

At June 30, 2004 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-	\$ 2,596
Customer	7,166	2,653	-0-
Allowance for Bad Debts	(1,346)	(673)	-0-
Total	\$ 5,820	\$ 1,980	\$ 2,596

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 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, 2004, is as follows:

	Balance 6-30-2003	Additions (Deletions)	Balance 6-30-2004
<u>Water</u>			
Distribution System & Equipment	\$ 826,505	\$ -0-	\$ 826,505
Accumulated Depreciation	(200,709)	(19,994)	(220,702)
Net	\$ 625,796	\$ 19,994	\$ 605,803
<u>Sewer</u>			
Plant & Equipment	\$ 318,403	\$ -0-	\$ 318,403
Accumulated Depreciation	(193,075)	(8,006)	(201,081)
Net	\$ 125,328	\$ 8,006	\$ 117,322

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 FINANCIAL STATEMENTS
(CONTINUED)**

(3) FIXED ASSETS (CONT)

Governmental Fund:

A summary of governmental fund depreciable assets at June 30, 2004, is as follows:

	Balance 6-30-03	Additions (Deletions)	Balance 6-30-04
Fixed Assets	\$ 196,591	\$ -0-	\$ 196,591
Accumulated Depreciation	\$ (37,470)	\$ (12,452)	\$ (49,922)
Net	\$ 159,121	\$ (12,452)	\$ 146,669

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, 2004, 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-
Lelve Franks	Alderman	198
W. E. Carpenter, Jr.	Alderman	198
John D. Canerday	Alderman	198
Ronald D. Canerday	Police Chief	180

(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.

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, 2004

	Budget Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)
	Original	Final		
Revenues				
Fees and charges	\$ 11,200	\$ 11,200	\$ 8,833	\$ (2,367)
Taxes	-0-	-0-	550	550
Fines	-0-	-0-	-0-	-0-
Grants	-0-	-0-	15,000	15,000
Total Revenues	<u>\$ 11,200</u>	<u>\$ 11,200</u>	<u>\$ 24,383</u>	<u>\$ 13,183</u>
Expenditures				
Personnel Expense	\$ 8,594	\$ 8,594	\$ 10,989	\$ (2,395)
Other Administrative	2,700	2,700	757	1,943
Professional Fees	1,400	1,400	840	560
Utilities	-0-	-0-	2,555	(2,555)
Other Repairs & Maintenance	1,400	1,400	28,632	(27,232)
Total Expenditures	<u>\$ 14,094</u>	<u>\$ 14,094</u>	<u>\$ 43,773</u>	<u>\$ (29,679)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,894)	(2,894)	(19,390)	(16,496)
Other Financing Sources (uses)				
Transfers In/(Out)	\$ -0-	\$ -0-	\$ 8,163	\$ 8,163
Total Other Financing Sources (uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,163</u>	<u>\$ 8,163</u>
Net Change in Fund Balance	(2,894)	(2,894)	(11,227)	(8,333)
Fund Balance (Deficit) at Beginning of Year	<u>19,248</u>	<u>19,248</u>	<u>19,248</u>	<u>-0-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 16,354</u>	<u>\$ 16,354</u>	<u>\$ 8,021</u>	<u>\$ (8,333)</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 noted for improvement, my recommendation for improvement and the Village's response.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

Reference	Description of Finding	Recommendation
<i>2004-M-1</i>	<p><u>Budget Variances</u></p> <p>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%.</p>	<p>I recommend that the Village review its expenditures during the year and amend its budget when expenditures exceed appropriations by more than 5%.</p>

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 audit for the year ended June 30, 2003.

Prior Year Findings

There were no prior year findings or management letter comments.

LOUISIANA ATTESTATION QUESTIONNAIRE

October 31, 2004

JOHN R. VERCHER PC

Certified Public Accountant

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

In connection with your compilation of our financial statements as of June 30, 2004 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 October 31, 2004 (date of completion/representations).

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 [x] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [x] No []

Meetings

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

Yes [x] 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 [x] 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 [x] 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.

<u>Lee M. Carson</u>	Secretary	<u>11-17-04</u>	Date
<u>Lee M. Carson</u>	Treasurer	<u>11-17-04</u>	Date
<u>Bob Carpenter</u>	<u>Magge</u> President	<u>11-17-04</u>	Date