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# **VILLAGE OF PIONEER, LOUISIANA**

**Financial Report  
As of and For the Year Ended June 30, 2011**

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 OCT 26 2011

**VILLAGE OF PIONEER, LOUISIANA**

**FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

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# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Phillip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA  
Lori Woodard, MBA, CPA

## ACCOUNTANTS' COMPILATION REPORT

**Mayor and Board of  
Aldermen  
Village of Pioneer, Louisiana**

We have compiled the accompanying general purpose financial statements of the Village of Pioneer, Louisiana (the Village) as of and for the year ended June 30, 2011 as listed in the Table of Contents in accordance with the Statements on 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 of the Village of Pioneer, Louisiana. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Generally accepted accounting standards require state and local governments to adopt and report under Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and No. 37, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus." The Village is not presenting its financial statements under those standards. Those standards require that the Village report information regarding its financial position by governmental activities, business-type activities, each major fund, and the aggregate remaining fund information that comprise the Village's basic financial statements. The standards also require that a management's discussion and analysis be included as supplementary information. The effects of these departures have not been determined.

Management has elected to present the Village's financial statements under the pre- GASB 34 standards (general purpose financial statements) and to omit substantially all of the disclosures required by generally accepted accounting principles. If the GASB 34 presentation (basic financial statements) and the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Luffey, Huffman, Ragsdale & Soignier*

(A Professional Accounting Corporation)

September 30, 2011

**GENERAL PURPOSE FINANCIAL STATEMENTS  
COMBINED STATEMENTS – OVERVIEW**

**VILLAGE OF PIONEER, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP**  
**JUNE 30, 2011**

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>				
Cash	\$ 23,832	\$ 621	\$ -	\$ 24,453
Investments	4,014	-	-	4,014
Accounts receivable, net	8,932	1,387	-	10,319
Meter deposits	200	-	-	200
Property, plant, and equipment (net of accumulated depreciation)	-	506,351	113,821	620,172
<b>TOTAL ASSETS</b>	<b>\$ 36,978</b>	<b>\$ 508,359</b>	<b>\$ 113,821</b>	<b>\$ 659,158</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 25,852	\$ 190	\$ -	\$ 26,042
Payroll liabilities	4,994	-	-	4,994
Customer deposits	-	4,225	-	4,225
<b>Total Liabilities</b>	<b>30,846</b>	<b>4,415</b>	<b>-</b>	<b>35,261</b>
<b>Fund Equity:</b>				
Investment in general fixed assets	-	-	113,821	113,821
Contributed capital (net of accumulated depreciation on fixed assets acquired with Federal grant)	-	525,165	-	525,165
Retained earnings - unreserved	-	(21,221)	-	(21,221)
Fund balance - undesignated	6,132	-	-	6,132
<b>Total Fund Equity</b>	<b>6,132</b>	<b>503,944</b>	<b>113,821</b>	<b>623,897</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 36,978</b>	<b>\$ 508,359</b>	<b>\$ 113,821</b>	<b>\$ 659,158</b>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA**  
**COMBINED BALANCE SHEET - GOVERNMENTAL TYPE FUNDS**  
**JUNE 30, 2011**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ 23,832	\$ -	\$ 23,832
Investments	4,014	-	4,014
Accounts receivable, net	8,932	-	8,932
Meter deposits	200	-	200
<b>TOTAL ASSETS</b>	<b>\$ 36,978</b>	<b>\$ -</b>	<b>\$ 36,978</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 25,852	\$ -	\$ 25,852
Payroll liabilities	4,994	-	4,994
<b>Total Liabilities</b>	<b>30,846</b>	<b>-</b>	<b>30,846</b>
<b>Fund Equity:</b>			
Fund balance - undesignated	6,132	-	6,132
<b>Total Fund Equity</b>	<b>6,132</b>	<b>-</b>	<b>6,132</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 36,978</b>	<b>\$ -</b>	<b>\$ 36,978</b>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA  
 COMBINED STATEMENT OF REVENUES , EXPENDITURES  
 AND CHANGES IN FUND BALANCES -  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>REVENUES</b>			
Franchise fees	\$ 5,292	\$ -	\$ 5,292
Occupational licenses	775	-	775
Insurance licenses	19,904	-	19,904
Intergovernmental revenue - state	25,189	5,000	30,189
Fines	61,549	-	61,549
Other revenue	1,729	-	1,729
<b>Total revenues</b>	<u>114,438</u>	<u>5,000</u>	<u>119,438</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government	42,794	-	42,794
Public safety:			
Police department	40,257	-	40,257
Public works	8,332	-	8,332
Capital outlay	25,289	-	25,289
<b>Total expenditures</b>	<u>116,672</u>	<u>-</u>	<u>116,672</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(2,234)	5,000	2,766
<b>Other financing sources (uses)</b>			
Transfers in	-	184	184
Transfers out	-	(5,184)	(5,184)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
<b>Deficiency of revenues over expenditures and other financing sources</b>	(2,234)	-	(2,234)
<b>Fund Balance at beginning of year</b>	<u>8,366</u>	<u>-</u>	<u>8,366</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 6,132</u>	<u>\$ -</u>	<u>\$ 6,132</u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>Revenues</b>			
Franchise fees	\$ 4,900	\$ 5,363	\$ 463
Occupational licenses	175	775	600
State Grants	5,000	22,688	17,688
Insurance licenses	15,000	19,245	4,245
Fines	60,000	61,549	1,549
Other revenue	2,775	2,702	(73)
Total revenues	<u>87,850</u>	<u>112,322</u>	<u>24,472</u>
<b>Expenditures</b>			
<b>Current:</b>			
<b>General government</b>			
Salaries and benefits	23,000	26,181	(3,181)
Operating services	11,810	12,841	(1,031)
Materials and supplies	970	2,380	(1,410)
Total general government	<u>35,780</u>	<u>41,402</u>	<u>(5,622)</u>
<b>Public safety</b>			
Salaries and benefits	19,000	26,107	(7,107)
Insurance	-	525	(525)
Police expense	10,000	11,516	(1,516)
Capital outlay	200	100	100
Total public safety	<u>29,200</u>	<u>38,248</u>	<u>(9,048)</u>
<b>Public works</b>			
Street expenses	250	-	250
Supplies	1,800	1,950	(150)
Tractor expenses	1,000	2,032	(1,032)
Utilities	3,800	5,048	(1,248)
Mosquito spraying	100	354	(254)
Total public works	<u>6,950</u>	<u>9,384</u>	<u>(2,434)</u>
Total expenditures	<u>71,930</u>	<u>89,034</u>	<u>(17,104)</u>
<b>Excess of revenues over expenditures</b>	<b>15,920</b>	<b>23,288</b>	<b>7,368</b>

(Continued)

See accountants' compilation report



**VILLAGE OF PIONEER, LOUISIANA  
STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -  
GENERAL FUND (CONCLUDED)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>Other financing sources (uses)</b>			
Purchase of investments	-	(1,600)	(1,600)
<b>Excess of revenue over expenditures and other financing sources (uses)</b>	15,920	21,688	5,768
<b>Cash Balance at beginning of year</b>	2,144	2,144	-
<b>CASH BALANCE AT END OF YEAR</b>	<u>\$ 18,064</u>	<u>\$ 23,832</u>	<u>\$ 5,768</u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
SEWER ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Operating revenue</b>	
Sewer fees	\$ 18,129
<b>Operating expenses</b>	
Collection fees	2,178
Depreciation	19,403
Dues and fees	909
Insurance	2,046
Legal and accounting	827
Office supplies	180
Payroll taxes	721
Repairs	15,584
Salaries and wages	2,385
Supplies and chemicals	3,002
Utilities	3,491
Total operating expenses	<u>50,726</u>
<b>Operating loss</b>	(32,597)
<b>Other financing sources (uses)</b>	
Insurance proceeds	8,274
Transfers in	5,184
Transfers out	(184)
Total other financing sources (uses)	<u>13,274</u>
Adjustment for depreciation on fixed assets acquired with Federal grant	<u>14,549</u>
<b>Net decrease in retained earnings</b>	(4,774)
<b>Retained Earnings at beginning of year</b>	<u>(16,447)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u><u>\$ (21,221)</u></u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA  
STATEMENT OF CASH FLOWS  
SEWER ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Cash flows from operating activities</b>	
Operating loss	\$ (32,597)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	19,403
Changes in assets and liabilities:	
Receivables	84
Accounts payable	(556)
Customer deposits	638
Total adjustments	<u>19,569</u>
Net cash used by operating activities	<u>(13,028)</u>
 <b>Cash flows from capital and related financing activities</b>	
Interfund borrowing/payments	<u>184</u>
 <b>Cash flows from noncapital financing activities</b>	
Insurance proceeds	8,274
Transfers in	5,184
Transfers out	(184)
Net cash provided by noncapital financing activities	<u>13,274</u>
 <b>Net increase in cash</b>	430
 <b>Cash at beginning of year</b>	<u>191</u>
 <b>CASH AT END OF YEAR</b>	<u><u>\$ 621</u></u>
 <b>Noncash capital and related financing activities</b>	
Due from other funds	<u><u>\$ 184</u></u>

See accountants' compilation report

**VILLAGE OF PIONEER  
SUMMARY STATUS OF PRIOR YEAR MANAGEMENT LETTER**

The following is a summary of the status of the prior year Management Letter included in Luffey, Huffman, Ragsdale & Soignier, CPA's compilation report dated August 18, 2010, covering the compilation of the financial statements of the Village of Pioneer (the Village) as of and for the year ended June 30, 2010.

Budgeted revenues and other financing sources for the year ended June 30, 2010 exceeded actual expenditures by 59%. This was a violation of the Local Government Budget Act, which requires that originally adopted budgets be amended if expenditures and other financing uses are above budget by 5% or more.

***Status:***

The Village was not in compliance with the Local Government Budget Act again during the year ended June 30, 2011.

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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## MANAGEMENT LETTER

**Mayor and Board of Aldermen  
Village of Pioneer, Louisiana**

During our compilation of the general purpose financial statements of the Village of Pioneer (the Village) for the year ended June 30, 2011, we became aware of a certain matter that is an opportunity for strengthening the Village's internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding this matter. This letter does not affect our compilation report dated September 30, 2011 on the financial statements of the Village.

### *Finding:*

The Local Government Budget Act requires that originally adopted budgets be amended if expenditures are above budget by 5% or more. However, the total actual expenditures of the General Fund were above the total budgeted amount by \$17,104 or 24%.

### *Recommendation:*

We recommend that the Village perform a comprehensive review of budget to actual variances in April or May of each year prior to the commencement of the process for adopting final amended budgets for the current operating period and proposed budgets for the subsequent period. This type of review could also be made quarterly during the year to detect potential material variances as early as possible.

### *Management's Corrective Action Plan:*

We will continue to monitor our budget closely and in April or May we will amend it in order for it to be more accurate.

*Luffey, Huffman, Ragsdale, & Soignier*

(A Professional Accounting Corporation)

September 30, 2011