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VILLAGE OF PIONEER, LOUISIANA

**Financial Report
As of and For the Year Ended June 30, 2008**

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 4/8/09

VILLAGE OF PIONEER, LOUISIANA

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2008

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2008 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)

March 2, 2009

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

VILLAGE OF PIONEER, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2008

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 8,667	\$ 2,238	\$ -	\$ 10,905
Investments	5,000	-	-	5,000
Accounts receivable, net	962	876	-	1,838
Meter deposits	200	-	-	200
Property, plant, and equipment (net of accumulated depreciation)	-	561,498	252,654	814,152
TOTAL ASSETS	\$ 14,829	\$ 564,612	\$ 252,654	\$ 832,095
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 2,564	\$ 500	\$ -	\$ 3,064
Payroll taxes payable	1,461	108	-	1,569
Customer deposits	-	2,348	-	2,348
Total Liabilities	4,025	2,956	-	6,981
Fund Equity:				
Investment in general fixed assets	-	-	252,654	252,654
Contributed capital (net of accumulated depreciation on fixed assets acquired with Federal grant)	-	568,812	-	568,812
Retained earnings - unreserved	-	(7,156)	-	(7,156)
Fund balance - undesignated	10,804	-	-	10,804
Total Fund Equity	10,804	561,656	252,654	825,114
TOTAL LIABILITIES AND FUND EQUITY	\$ 14,829	\$ 564,612	\$ 252,654	\$ 832,095

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, 2008**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES			
Franchise fees	\$ 5,610	\$ -	\$ 5,610
Occupational licenses	100	-	100
Insurance licenses	16,244	-	16,244
Intergovernmental revenue - state	-	18,750	18,750
Fines	17,576	-	17,576
Other revenue	3,734	-	3,734
Total revenues	<u>43,264</u>	<u>18,750</u>	<u>62,014</u>
EXPENDITURES			
Current:			
General government	32,964	-	32,964
Public safety:			
Police department	16,919	-	16,919
Public works	9,410	-	9,410
Capital Outlay	797	13,453	14,250
Total Expenditures	<u>60,090</u>	<u>13,453</u>	<u>73,543</u>
Excess (deficiency) of revenues over expenditures	(16,826)	5,297	(11,529)
Other financing sources (uses)			
Transfers in	5,031	-	5,031
Transfers out	-	(5,297)	(5,297)
Total other financing sources (uses)	<u>5,031</u>	<u>(5,297)</u>	<u>(266)</u>
Deficiency of revenues over expenditures and other financing sources	(11,795)	-	(11,795)
Fund Balance at beginning of year	<u>22,599</u>	<u>-</u>	<u>22,599</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,804</u>	<u>\$ -</u>	<u>\$ 10,804</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, 2008

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
Franchise fees	\$ 6,075	\$ 5,553	\$ (522)
Occupational licenses	175	125	(50)
Insurance licenses	15,700	16,264	564
Fines	13,200	17,576	4,376
Interest income	350	-	(350)
Other revenue	4,500	7,761	3,261
Total revenues	<u>40,000</u>	<u>47,279</u>	<u>7,279</u>
Expenditures			
Current:			
General government			
Salaries and benefits	9,700	16,589	(6,889)
Operating services	7,600	9,795	(2,195)
Repairs - building	100	1,500	(1,400)
Materials and supplies	500	3,531	(3,031)
Total general government	<u>17,900</u>	<u>31,415</u>	<u>(13,515)</u>
Public safety			
Salaries and benefits	8,900	10,714	(1,814)
Insurance	2,400	1,845	555
Police expense	2,500	2,259	241
Total Public Safety	<u>13,800</u>	<u>14,818</u>	<u>(1,018)</u>
Public works			
Street expenses	200	-	200
Supplies	500	2,379	(1,879)
Tractor expenses	750	1,080	(330)
Utilities	4,500	4,267	233
Mosquito spraying	1,000	120	880
Total public works	<u>6,950</u>	<u>7,846</u>	<u>(896)</u>
Total expenditures	<u>38,650</u>	<u>54,079</u>	<u>(15,429)</u>
Excess of revenues over expenditures	1,350	(6,800)	(8,150)

(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, 2008**

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Other financing sources (uses)			
Transfers in	-	2,000	2,000
Excess of revenue over expenditures and other financing sources (uses)	1,350	(4,800)	(6,150)
Cash Balance at beginning of year	18,467	18,467	-
CASH BALANCE AT END OF YEAR	<u>\$ 19,817</u>	<u>\$ 13,667</u>	<u>\$ (6,150)</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, 2008**

Operating revenue	
Sewer fees	\$ 13,791
Operating expenses	
Collection fees	1,550
Depreciation	18,906
Dues and fees	544
Insurance	1,153
Office supplies	74
Payroll taxes	108
Repairs	6,837
Salaries and wages	1,827
Supplies and chemicals	1,015
Utilities	2,531
Total Operating expenses	<u>34,545</u>
Operating loss	(20,754)
Non-operating revenue	
Proceeds from sale of surplus assets	<u>2,000</u>
Net Loss	(18,754)
Transfers In	266
Adjustment for depreciation on fixed assets acquired with Federal grant	<u>14,549</u>
Net decrease in retained earnings	(3,939)
Retained Earnings at beginning of year	<u>(3,217)</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ (7,156)</u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF CASH FLOWS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2008**

Cash flows from operating activities	
Operating loss	\$ (20,754)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	18,906
Changes in assets and liabilities:	
Receivables	35
Accounts payable	500
Payroll taxes payable	108
Customer deposits	460
Total adjustments	<u>20,009</u>
Net cash provided (used) by operating activities	<u>(745)</u>
 Cash flows from noncapital financing activities	
Transfers in	<u>266</u>
 Cash flows from capital financing activities	
Proceeds from the sale of equipment	2,000
Purchase of equipment	<u>(1,923)</u>
Net cash provided (used) by capital financing activities	<u>77</u>
 Net increase (decrease) in cash	 (402)
 Cash at beginning of year	 <u>2,640</u>
 CASH AT END OF YEAR	 \$ <u><u>2,238</u></u>
 Supplemental disclosure of non-cash capital financing and investing activities	
Purchase of lift station and pumps by Construction Fund	\$ 8,469
Purchase of sewer pump by General Fund	<u>797</u>
Total	<u>\$ 9,266</u>

See accountants' compilation report

**VILLAGE OF PIONEER
SUMMARY STATUS OF PRIOR YEAR LETTER CONCERNING THEFT
AND INTERNAL CONTROL RECOMMENDATIONS
JUNE 30, 2008**

The following is a summary of the status of the prior year Letter Concerning Theft and Internal Control Matters included in Luffey, Huffman, & Monroe, CPA's (LH&M) compilation report dated January 2, 2008, covering the compilation of the financial statements of the Village of Pioneer (the Village) as of and for the year ended June 30, 2007.

During the year ended June 30, 2007, an investigation concerning theft, forgery, and malfeasance in office by the former Village Clerk took place. The investigation revealed that approximately \$2,700 in Village funds had been misappropriated. As a result of the investigation, the Village requested that LH&M review the Village's internal control procedures. After a meeting with the Mayor and Chief of Police, LH&M offered recommendations on strengthening the Villages internal controls over receipts and revenues, occupational licenses, disbursements and expenditures, fuel purchases, police department activities, and payroll. In addition, the Louisiana Legislative Auditor's office performed an investigation into the same issues and issued their report dated March 26, 2008.

Status:

As a result of the LH&M review and the Legislative Auditor's investigation, the Village has implemented procedures as recommended by LH&M and the Legislative Auditor's office.

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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, 2008, we became aware of a certain matter that is a violation of the Village's compliance with laws and regulations. Louisiana Revised Statute 24:513 requires that the Village submit its compiled financial statements to the Louisiana Legislative Auditor no later than six months after the end of its most recent fiscal year. However, due to a failure of the Village's computer system, the financial statements were not able to be compiled until eight months after the Village's most recent fiscal year end.

Recommendation:

We recommend that the Village implement backup procedures so that all financial data may be periodically saved and, if necessary, restored at a later date.

Management's Corrective Action Plan:

Our computer failed and was down for approximately two weeks while it was repaired and all of the programs reinstalled. We then restored all of the financial data that had been backed up externally. We now perform backups bi-weekly instead of monthly.

Luffey, Huffman, Ragsdale, & Soignier

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March 2, 2009