

VILLAGE OF PIONEER, LOUISIANA

**Financial Report
As of and For the Year Ended June 30, 2013**

VILLAGE OF PIONEER, LOUISIANA

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

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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 balance sheet of the Village of Pioneer, Louisiana (the Village) as of June 30, 2013 and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Village is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America 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

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

(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.

Suffey, Huffman, Roydala, & Squires

(A Professional Accounting Corporation)

January 15, 2014

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

VILLAGE OF PIONEER, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2013

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 11,176	\$ 2,568	\$ -	\$ 13,744
Accounts receivable, net	5,870	1,573	-	7,443
Meter deposits	200	-	-	200
Property, plant, and equipment (net of accumulated depreciation)	-	472,738	56,660	529,398
TOTAL ASSETS	\$ 17,246	\$ 476,879	\$ 56,660	\$ 550,785
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 531	\$ 722	\$ -	\$ 1,253
Payroll liabilities	2,318	-	-	2,318
Customer deposits	-	5,493	-	5,493
Total Liabilities	2,849	6,215	-	9,064
Fund Equity:				
Investment in general fixed assets	-	-	56,660	56,660
Contributed capital (net of accumulated depreciation on fixed assets acquired with Federal grant)	-	424,542	-	424,542
Retained earnings - unreserved	-	46,122	-	46,122
Fund balance - undesignated	14,397	-	-	14,397
Total Fund Equity	14,397	470,664	56,660	541,721
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,246	\$ 476,879	\$ 56,660	\$ 550,785

See accountants' compilation report

VILLAGE OF PIONEER, LOUISIANA
COMBINED BALANCE SHEET - GOVERNMENTAL TYPE FUNDS
JUNE 30, 2013

	GENERAL FUND	CAPITAL PROJECT FUND	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash	\$ 11,176	\$ -	\$ 11,176
Accounts receivable, net	5,870		5,870
Meter deposits	200	-	200
TOTAL ASSETS	\$ 17,246	\$ -	\$ 17,246
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 531	\$ -	\$ 531
Payroll liabilities	2,318	-	2,318
Total Liabilities	2,849	-	2,849
Fund Equity:			
Fund balance - undesignated	14,397	-	14,397
Total Fund Equity	14,397	-	14,397
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,246	\$ -	\$ 17,246

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, 2013**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES			
Franchise fees	\$ 4,428	\$ -	\$ 4,428
Occupational licenses	450	-	450
Insurance licenses	13,591	-	13,591
Intergovernmental revenue - state	-	8,730	8,730
Fines	69,292	-	69,292
Other revenue	8,943	-	8,943
Total revenues	<u>96,704</u>	<u>8,730</u>	<u>105,434</u>
EXPENDITURES			
Current:			
General government	40,628	-	40,628
Public safety:			
Police department	35,971	-	35,971
Public works	9,955	-	9,955
Capital outlay	3,038	6,860	9,898
Total expenditures	<u>89,592</u>	<u>6,860</u>	<u>96,452</u>
Excess (deficiency) of revenues over expenditures	7,112	1,870	8,982
Other financing sources (uses)			
Transfers in	2,196	-	2,196
Transfers out	(692)	(1,870)	(2,562)
Total other financing sources (uses)	<u>1,504</u>	<u>(1,870)</u>	<u>(366)</u>
Deficiency of revenues over expenditures and other financing sources	8,616	-	8,616
Fund Balance at beginning of year	<u>5,781</u>	<u>-</u>	<u>5,781</u>
FUND BALANCE AT END OF YEAR	<u>\$ 14,397</u>	<u>\$ -</u>	<u>\$ 14,397</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, 2013

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
Franchise fees	\$ 4,100	\$ 4,338	\$ 238
Occupational licenses	550	450	(100)
State Grants	6,500	1,500	(5,000)
Insurance licenses	15,200	15,313	113
Fines	65,000	67,167	2,167
Other revenue	5,800	8,636	2,836
Total revenues	<u>97,150</u>	<u>97,404</u>	<u>254</u>
Expenditures			
Current:			
General government			
Salaries and benefits	33,000	31,326	1,674
Operating services	12,730	11,579	1,151
Materials and supplies	1,000	975	25
Total general government	<u>46,730</u>	<u>43,880</u>	<u>2,850</u>
Public safety			
Salaries and benefits	30,000	26,975	3,025
Police expense	9,500	8,208	1,292
Capital outlay	2,200	3,038	(838)
Total public safety	<u>41,700</u>	<u>38,221</u>	<u>3,479</u>
Public works			
Supplies	200	136	64
Tractor expenses	1,500	1,211	289
Utilities	5,700	6,041	(341)
Mosquito spraying	2,000	1,958	42
Total public works	<u>9,400</u>	<u>9,346</u>	<u>54</u>
Total expenditures	<u>97,830</u>	<u>91,447</u>	<u>6,383</u>
Excess of revenues over expenditures	(680)	5,957	6,637

(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, 2012**

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Other financing sources (uses)			
Sale of investments	-	1,034	1,034
Transfers in	-	2,320	2,320
Transfers out	-	(450)	(450)
Total other financing sources (uses)	-	2,904	1,870
Excess of revenue over expenditures and other financing sources (uses)	(680)	8,861	8,507
Cash Balance at beginning of year	<u>2,315</u>	<u>2,315</u>	<u>-</u>
CASH BALANCE AT END OF YEAR	<u>\$ 1,635</u>	<u>\$ 11,176</u>	<u>\$ 8,507</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, 2013**

Operating revenue	
Sewer fees	\$ 19,927
Operating expenses	
Collection fees	2,548
Depreciation	19,990
Dues and fees	784
Insurance	1,434
Professional Fees	48
Repairs	7,196
Salaries and wages	2,687
Supplies and chemicals	1,080
Utilities	4,095
Total operating expenses	<u>39,862</u>
Operating loss	(19,935)
Other financing sources	
Transfers in	692
Transfers out	<u>(326)</u>
Total other financing sources	<u>366</u>
Adjustment for depreciation on fixed assets acquired with Federal grant	<u>14,535</u>
Net decrease in retained earnings	(5,034)
Retained Earnings at beginning of year, restated (Note 1)	<u>51,156</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$ 46,122</u></u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF CASH FLOWS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

Cash flows from operating activities	
Operating loss	\$ (19,935)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	19,990
Changes in assets and liabilities:	
Receivables	142
Accounts payable	(137)
Customer deposits	781
Total adjustments	<u>20,776</u>
Net cash provided by operating activities	<u>841</u>
 Cash flows from noncapital financing activities	
Transfers in	692
Transfers out	<u>(326)</u>
Net cash provided by noncapital financing activities	<u>366</u>
 Net increase in cash	 1,207
 Cash at beginning of year	 <u>1,361</u>
 CASH AT END OF YEAR	 \$ <u><u>2,568</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 December 31, 2012, covering the compilation of the financial statements of the Village of Pioneer (the Village) as of and for the year ended June 30, 2012.

Local Government Budget Act

Actual expenditures exceeded Budgeted expenditures for the year ended June 30, 2012 by 27%. 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 in compliance with the Local Government Budget Act during the year ended June 30, 2013.

Customer Deposits and Sewer User Fees

At June 30, 2012, liabilities for deposits held for sewer customers totaled \$4,712 while cash in the sewer fund only totaled \$1,361. This was a violation of contractual agreement between the Village and its sewer customers.

Status:

At June 30, 2013, the Village still did not maintain sufficient funds in the Sewer Fund to cover customer deposit liabilities.

Capital Project Fund

During 2012, the Village operated a checking account for the Capital Project Fund which was not accounted for in the Village's general ledger.

Status:

The account was closed during 2012 and the Village now accounts for all financial transactions on the general ledger.

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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, 2013, 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 December 31, 2013 on the financial statements of the Village.

Customer Deposits and Sewer User Fees:

Customer deposits are funds held by the Village on behalf of its sewer customers as required by contractual agreement. The Village should maintain sufficient funds to cover customer deposit liabilities, however, as of June 30, 2013, the Sewer Fund maintained \$2,568 in cash and had \$5,493 in liabilities for customer deposits.

Recommendation:

We recommend that the Village evaluate its sewer user fees to ensure that sufficient cash is available at all times to liquidate operating liabilities and be able to liquidate the customer deposits.

Management's Corrective Action Plan:

The Village will evaluate its sewer user fees and bank accounts to ensure that sufficient cash is available at all times to cover customer deposits.

Luffey, Huffman, Ragsdale, & Soignier

(A Professional Accounting Corporation)

January 15, 2014