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VILLAGE OF PIONEER
Pioneer, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
June 30, 2001
With Supplemental Information Schedules

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 1-16-02

VILLAGE OF PIONEER

Pioneer, Louisiana

General Purpose Financial Statements
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and Agreed-Upon Procedures Report
As of and for the Year Ended
June 30, 2001
With Supplemental Information Schedules

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

Accountant's Compilation Report

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Village of Pioneer as of June 30, 2001, and for the year then ended, in accordance with standards established by *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 and schedules information that is the representation of management of the Village of Pioneer. I 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.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated October 24, 2001, on the results of my agreed-upon procedures.

Carleen Dumas

Calhoun, Louisiana
October 24, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF PIONEER
Pioneer, Louisiana
ALL FUND TYPES AND ACCOUNT GROUP

Combined Balance Sheet, June 30, 2001

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$6,972	\$10,402		\$17,374
Receivables (net of allowance for doubtful accounts)	2,758	1,188		3,946
Meter deposits	200			200
Sewer system plant and equipment (net of accumulated depreciation)		601,339		601,339
Buildings and equipment			\$256,998	256,998
TOTAL ASSETS	\$9,930	\$612,929	\$256,998	\$879,857
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$1,441	\$800		\$2,241
Payroll taxes payable	728	249		977
Customer meter deposits		1,887		1,887
Total Liabilities	2,169	2,936	NONE	5,105
Fund Equity:				
Investment in general fixed assets			\$256,998	256,998
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grant)		598,933		598,933
Retained earnings - unreserved		11,060		11,060
Fund balance - unreserved - undesignated	7,761			7,761
Total Fund Equity	7,761	609,993	256,998	874,752
TOTAL LIABILITIES AND FUND EQUITY	\$9,930	\$612,929	\$256,998	\$879,857

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2001

	GENERAL FUND	SHARE GRANT SPECIAL REVENUE FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Taxes - franchise	\$4,811		\$4,811
Occupational licenses	710		710
Insurance licenses	11,359		11,359
Intergovernmental:			
Federal grant	13,750	\$29,315	43,065
State grant	11,250		11,250
Fines	1,145		1,145
Use of money and property - interest earnings	41		41
Other revenues	3,369		3,369
Total revenues	<u>46,435</u>	<u>29,315</u>	<u>75,750</u>
EXPENDITURES			
General government - current:			
Personal services and related benefits	10,123		10,123
Operating services	11,171		11,171
Materials and supplies	776		776
Public safety - police department expenses	3,148		3,148
Economic development and assistance - housing rehabilitation		29,324	29,324
Capital outlay	25,141		25,141
Total expenditures	<u>50,359</u>	<u>29,324</u>	<u>79,683</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(3,924)</u>	<u>(9)</u>	<u>(3,933)</u>
OTHER FINANCING SOURCES (Uses)			
Operating transfer in	5,000	9	5,009
Operating transfer out	(9)		(9)
Total other financing sources (uses)	<u>4,991</u>	<u>9</u>	<u>5,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,067	NONE	1,067
FUND BALANCES AT BEGINNING OF YEAR	<u>6,694</u>	NONE	<u>6,694</u>
FUND BALANCES AT END OF YEAR	<u>\$7,761</u>	NONE	<u>\$7,761</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
 Pioneer, Louisiana
 GOVERNMENTAL FUND TYPE -
 GENERAL AND SPECIAL REVENUE FUNDS

Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (Cash Basis) and Actual
 For the Year Ended June 30, 2001

GENERAL FUND.....		SHARE GRANT	
	BUDGET	ACTUAL	BUDGET	ACTUAL
				VARIANCE
				FAVORABLE
				(UNFAVORABLE)
REVENUES				
Taxes - franchise	\$4,647	\$4,647		
Occupational licenses	710	710		
Insurance licenses	11,235	11,219	(\$16)	
Intergovernmental:				
Federal grants			\$22,197	\$29,315
State funds	11,407	11,407		\$7,118
Fines	1,040	910	(130)	
Use of money and property - interest earnings	41	41		
Other revenues	4,082	3,392	(690)	
Total revenues	<u>33,162</u>	<u>32,326</u>	<u>(836)</u>	<u>7,118</u>
EXPENDITURES				
General government - current:				
Personal services and related benefits	12,402	10,513	1,889	
Operating services	11,876	11,910	(34)	
Materials and supplies	854	854		
Public safety - police expenses	3,103	3,103		
Economic development and assistance - housing rehabilitation			22,197	29,324
				(7,127)

(Continued)

VILLAGE OF PIONEER
 Pioneer, Louisiana
 GOVERNMENTAL FUND TYPE -
 GENERAL AND SPECIAL REVENUE FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (Cash Basis) and Actual
 For the Year Ended June 30, 2001

GENERAL FUND.....		SHARE GRANT	
	BUDGET	ACTUAL	BUDGET	ACTUAL
Expenditures (Contd.):				
Capital outlay	\$11,250	\$11,250		
Total expenditures	39,485	37,630	\$22,197	\$29,324
		\$1,855		(\$7,127)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(6,323)	(5,304)	NONE	(9)
		1,019		(9)
OTHER FINANCING SOURCES (Uses)				
Operating transfers in	5,000	5,000		9
Operating transfers out		(9)		
Total other financing sources (uses)	5,000	4,991	NONE	9
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,323)	(313)	NONE	NONE
		1,010		NONE
CASH AT BEGINNING OF YEAR	5,794	7,285	NONE	NONE
CASH AT END OF YEAR	\$4,471	\$6,972	NONE	NONE

(Concluded)

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
PROPRIETARY FUND TYPE -
SEWER ENTERPRISE FUND

Statement of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended June 30, 2001

OPERATING REVENUES	
Sewer fees	<u>\$13,313</u>
OPERATING EXPENSES	
Salaries	4,426
Payroll taxes	356
Utilities	1,410
Customer refunds	56
Repairs	4,603
Legal and accounting	318
Insurance	489
Supplies and chemicals	585
Collection fees	1,478
Other dues and fees	232
Lab fees	744
Depreciation	<u>15,026</u>
Total operating expenses	<u>29,723</u>
OPERATING LOSS	<u>(16,410)</u>
NON-OPERATING REVENUES (Expenses)	
Interest income	92
Transfer to General Fund	<u>(5,000)</u>
Total non-operating revenues (expenses)	<u>(4,908)</u>
NET INCOME (Loss)	(21,318)
Adjustment for depreciation on fixed assets acquired with federal grant	<u>14,549</u>
NET DECREASE IN RETAINED EARNINGS	(6,769)
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>17,829</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$11,060</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
PROPRIETARY FUND TYPE -
SEWER ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended June 30, 2001

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	<u>(\$16,410)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	15,026
Increase in accounts receivable	(111)
Increase in customer deposits	385
Decrease in taxes payable	(18)
Decrease in accounts payable	31
Total adjustments	<u>15,313</u>
Net cash provided by operating activities	<u>(1,097)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer to General Fund	(5,000)
Payment of interfund receivable	<u>7,792</u>
Net cash provided by noncapital financing activities	<u>2,792</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	<u>92</u>
NET INCREASE IN CASH	1,787
CASH AT BEGINNING OF PERIOD	<u>8,615</u>
CASH AT END OF PERIOD	<u><u>\$10,402</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Pioneer was incorporated under the provisions of the Lawrason Act on May 12, 1911. The village operates under a Mayor-Board of Aldermen form of government. The mayor and aldermen serve four-year terms which expire on December 31, 2002. The mayor and board of aldermen serve the village without benefit of compensation. The village has three part-time employees and a chief of police.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Village of Pioneer have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Pioneer is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Pioneer for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
Notes to the Financial Statements (Continued)

includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the village.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the village has determined that there are no component units that are part of the reporting entity.

C. FUND ACCOUNTING

The village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
Notes to the Financial Statements (Continued)

a description of each existing fund type follow:

Governmental Funds:

Governmental funds are used to account for all or most of the village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund

The General Fund is the general operating fund of the village. It accounts for all financial resources, except those required to be accounted for in other funds.

Share Grant Special Revenue Fund

The Share Grant Special Revenue Fund is used to account for the receipt and disbursement of federal housing rehabilitation grant funds passed through the Louisiana Housing Finance Agency.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include the Sewer Enterprise Fund which is used to account for the operations of the village's sewer system. The operations are financed and operated in a manner similar to private business enterprise, where the intent of the village is that the cost (expenses, including depreciation) of providing service to the general public on a continuing basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Franchise taxes, intergovernmental revenues, fines, insurance licenses and miscellaneous revenues are recorded when the village is entitled to the funds.

Interest income on bank deposits is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they are received by the village.

Based on the above criteria, franchise taxes, intergovernmental revenues, fines, insurance licenses and other revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Sewer Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. The Sewer Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

E. BUDGET PRACTICES

Proposed budgets for the General Fund and the Share Grant Special Revenue Fund,

See accountant's compilation report.

VILLAGE OF PIONEER

Pioncer, Louisiana

Notes to the Financial Statements (Continued)

were prepared on the cash basis of accounting and presented to the board of aldermen in June 2000. The budgets were then legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and subsequent amendments.

Statement C in the accompanying financial statements presents comparisons of the legally adopted General Fund and Share Grant Special Revenue Fund budgets with actual data on the budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, and perspective differences in the General Fund excess (deficiency) of revenues over expenditures for the year ended June 30, 2001 is presented below:

	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other used as reported on Statement C (budget basis)	(\$313)
Receivable adjustments	(7,432)
Interfund receivable adjustment	7,792
Accounts and payroll taxes payable adjustment	<u>1,020</u>
Excess (deficiency) of revenues and other sources over expenditures as reported on Statement B (GAAP basis)	<u>\$1,067</u>

F. CASH

Cash includes amounts in interest-bearing demand deposits. Under state law, the village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
Notes to the Financial Statements (Continued)

G. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed asset account group. Public domain or infrastructure general fixed assets such as roads, sidewalks, bridges, and drainage systems are not capitalized. No depreciation has been provided on general fixed assets. All general fixed assets at June 30, 2001 are valued at actual cost.

The fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Sewer system	50 years
Equipment	10 years

II. VACATION AND SICK LEAVE

The village has only part-time employees. There is no vacation or sick leave granted; therefore, there is no liability for compensated absences.

I. CONTRIBUTED CAPITAL

Grants, entitlements, or shared revenues that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

**J. TOTAL COLUMN ON THE
COMBINED STATEMENT**

The total column on the combined statement is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

not present financial position nor results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 2001, the village has cash in interest-bearing demand deposits (book balances) totaling \$17,374. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances at June 30, 2001, are fully secured by federal deposit insurance.

3. RECEIVABLES

The following is a summary of receivables at June 30, 2001:

	General Fund	Sewer Enterprise Fund	Total
Franchise taxes	\$802		\$802
Insurance licenses	160		160
Fines	235		235
Accounts	1,561	\$1,360	2,921
Allowance for doubtful accounts	NONE	(172)	(172)
Total	<u>\$2,758</u>	<u>\$1,188</u>	<u>\$3,946</u>

The allowance for doubtful accounts of \$172 is an estimate of the June 2001 sewer fee billing that will not be collected.

4. FIXED ASSETS

The following presents changes in general fixed assets for the year ended June 30, 2001:

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
Notes to the Financial Statements (Continued)

	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2001</u>
Buildings and improvements	\$24,800			\$24,800
Other improvements	88,740			88,740
Office equipment	5,368	\$141		5,509
Equipment	112,949	25,000		137,949
Total	<u>\$231,857</u>	<u>\$25,141</u>	<u>NONE</u>	<u>\$256,998</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 2001, follows:

	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Sewer system	\$727,449	(\$128,516)	\$598,933
Equipment	4,775	(2,369)	2,406
Total	<u>\$732,224</u>	<u>(\$130,885)</u>	<u>\$601,339</u>

5. PENSION PLAN

The employees of the village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the village contributes an equal amount to the Social Security System. The village does not guarantee the benefits granted by the Social Security System.

6. CONTRIBUTED CAPITAL

In 1988, the village received a grant totaling \$727,450 from the United States Department of Housing and Urban Development to finance the construction of the village sewer system. The grant amount, shown as contributed capital on the balance sheet, is reduced each year by the amount of depreciation expense recognized on fixed assets constructed or acquired with the grant funds. At June 30, 2001, accumulated depreciation on these assets is \$128,516.

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

7. LITIGATION, CLAIMS, AND RISK OF LOSS

The village is not involved in any pending or threatened litigation, claims, or assessments at June 30, 2001. The village maintains commercial insurance to provide protection against losses resulting from the damage or destruction of property or liability claims against the village.

8. FEDERAL GRANT CONTINGENCIES

During the year ended June 30, 2001, the Village of Pioneer received federal grant funds totaling \$43,065. These grant funds are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with the conditions of the grants. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended June 30, 2001

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 1).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 2.

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana

Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2001

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action
---------------------	--	------------------------	-------------------------------	---------------------------------

There were no prior year findings.

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, LouisianaCorrective Action Plan
For Current Year Findings
For the Year Ended June 30, 2001

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
-----------------------------	-----------------------------------	--	-----------------------------------	--

There are no current year findings.

See accountant's compilation report.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

See accountant's compilation report.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Village of Pioneer and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Pioneer's compliance with certain laws and regulations during the year ended June 30, 2001 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. The sufficiency of the procedures is solely the responsibility of the specified users of the report. 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 materials 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).

The village made one purchase that exceeded \$15,000 during the year. That purchase was made in accordance with the public bid law.

Code of Ethics for Public Officials and Public Employees

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.

Village of Pioneer
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 2001

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 the employees included in the listing obtained from management in procedure (3) above were also included in the listing obtained from management in procedure (2) above as immediate family members.

The village clerk is the mayor's spouse. However, the clerk was employed by the village at least one year before her spouse was elected as mayor.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

I obtained a copy of the legally adopted budgets and the budget amendments.

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

I traced the adoption of the budget to the June 2, 2000 board meeting. I traced the budget amendment to the June 4, 2001 board meeting.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

General Fund actual revenues failed to meet budgeted revenues by less than 5%. General Fund actual expenditures did not exceed budgeted expenditures. The Share Grant Special Revenue Fund's actual revenues exceeded budgeted revenues. The Share Grant Special Revenue Fund's actual expenditures exceeded budgeted expenditures by 32%; however, total budgeted expenditures of this special revenue fund were less than \$250,000.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and;
 - (a) trace payments to supporting documentation as to correct amount and payee;

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- (b) determine if payments were properly coded to the correct fund and general ledger account;
- (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) All six of the selected disbursements were adequately supported.
- (b) All six of the selected disbursements were properly coded to the correct fund and general ledger account.
- (c) All six of the selected disbursements were properly approved by the mayor and board of aldermen.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

Agendas for the meetings are posted as required by LSA-RS 42:7.

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 reviewed deposit records 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.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the

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expression of an opinion on management's assertions. Accordingly, I do 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 the Village of Pioneer and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.



Calhoun, Louisiana
October 24, 2001

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas
Certified Public Accountant
369 Donaldson Rd.
Calhoun, La 71225

Mrs. Dumas,

In connection with your compilation of our financial statements of the Village of Pioneer of June 30, 2001 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 regulations 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 information available to us as of OCTOBER 1, 2001.

PUBLIC BID LAW

1. 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 [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. 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 [] N/A []

3. 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 which would constitute a violation of LSA-RS 42:1119.

Yes [] No [] N/A []

BUDGETING

4. 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 39:43.

Yes [] No [] N/A []

ACCOUNTING AND REPORTING

5. 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 [] N/A []

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes [] No [] N/A []

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

Yes [] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [] No [] N/A []

DEBT

9. It is true that 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 - 1410.65.

Yes [] No [] N/A []

ADVANCES AND BONUSES

10. It is true that 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 [] No [] N/A []

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.

Harold Dondige
Mayor

10-21-01
Date