

1000-2 10/03

VILLAGE OF PIONEER, LOUISIANA

Financial Report

As of and For the Year Ended June 30, 2003

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 Clerk's Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/03

VILLAGE OF PIONEER, LOUISIANA

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

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Luffey
Huffman
& Monroe

AN PROFESSIONAL ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

RONALD HUFFMAN, CPA
L. Scott Monroe, CPA
Dwain Montgomery, CPA

John L. Luffey, MBA, CPA (1982-2002)

ACCOUNTANT'S 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 as of and for the year ended June 30, 2002, and the accompanying information listed as Supplementary Information in the Table of Contents, which is presented only for supplementary analysis purposes, 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 and supplementary 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 supplementary information, and, accordingly, do not express an opinion or any other form of assistance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we issued a report, dated September 23, 2002, on the results of our agreed-upon procedures.

(A Professional Accounting Corporation)

September 23, 2002

**GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINED STATEMENTS - OVERVIEW**

VILLAGE OF PRONER, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2003

| | GOVERNMENTAL FUND TYPE - GENERAL FUND | PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND | ACCOUNT GROUP - GENERAL FUND ASSOCI | TOTAL (GOVERNMENTAL FUNDS) |
|---|---|--|--|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 13,864 | \$ 10,001 | \$ - | \$ 23,865 |
| Accounts receivable, net | 2,026 | 1,233 | - | 3,259 |
| Due from other funds | - | 1,278 | - | 1,278 |
| Other deposits | 269 | - | - | 269 |
| Inventory, plant, and equipment (net of accumulated depreciation) | - | 186,122 | 150,000 | 336,122 |
| TOTAL ASSETS | \$ 16,159 | \$ 198,634 | \$ 150,000 | \$ 364,793 |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 206 | \$ - | \$ - | \$ 206 |
| Unpaid taxes payable | 100 | 41 | - | 141 |
| Due to other funds | 1,058 | - | - | 1,058 |
| Customer deposits | - | 1,171 | - | 1,171 |
| Total Liabilities | 1,364 | 1,212 | - | 2,576 |
| Fund Equity | | | | |
| Assigned to general fund assets | - | - | 150,000 | 150,000 |
| Contributed capital (net of accumulated depreciation on fixed assets acquired with Federal grant) | - | 204,204 | - | 204,204 |
| Retained earnings - unreserved | - | 15,079 | - | 15,079 |
| Fund balance - unassigned | 14,895 | - | - | 14,895 |
| Total Fund Equity | 14,895 | 219,283 | 150,000 | 404,178 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 16,159 | \$ 198,634 | \$ 150,000 | \$ 364,793 |

(See accompanying notes and accountant's compilation report)

**VILLAGE OF PIONEER, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2002**

| | GENERAL FUND | SPECIAL REVENUE FUND | TOTAL (MEMORANDUM ONLY) |
|---|-------------------------|----------------------------|-------------------------------|
| REVENUES | | | |
| Franchise fees | \$ 3,499 | \$ - | \$ 3,499 |
| Occupational licenses | 675 | - | 675 |
| Insurance licenses | 13,500 | - | 13,500 |
| Intergovernmental revenue - federal | - | 136,585 | 136,585 |
| Intergovernmental revenue - state | 3,428 | - | 3,428 |
| Fees | 4,128 | - | 4,128 |
| Interest income | 13 | - | 13 |
| Other revenues | 2,959 | - | 2,959 |
| Total revenues | <u>34,202</u> | <u>136,585</u> | <u>168,787</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 14,300 | - | 14,300 |
| Public Safety: | | | |
| Police Department | 354 | - | 354 |
| Public Works | 4,876 | - | 4,876 |
| Economic development | - | 136,585 | 136,585 |
| Capital Outlay | <u>7,428</u> | <u>-</u> | <u>7,428</u> |
| Total Expenditures | <u>27,358</u> | <u>136,585</u> | <u>163,943</u> |
| Excess of Revenues over Expenditures | 7,844 | - | 7,844 |
| Fund Balance at beginning of year | <u>3,261</u> | <u>-</u> | <u>3,261</u> |
| FUND BALANCE AT END OF YEAR | \$ <u>11,104</u> | \$ <u>-</u> | \$ <u>11,104</u> |

See accompanying notes and auditor's compilation report.

VILLAGE OF PROPER, ILLINOIS
COMBINED STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BASED BASIS) -
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1992

| | GENERAL FUNDS | | | SPECIAL REVENUE FUNDS | | |
|---|----------------|-----------------|------------------|-----------------------|---------------|---------------|
| | GALE | GALE | VARIOUS | GALE | GALE | VARIOUS |
| | BASE | BASE | FAVORABLE | BASE | BASE | FAVORABLE |
| | BUDGET | ACTUAL | (UNAVAILIBLE) | BUDGET | ACTUAL | (UNAVAILIBLE) |
| REVENUES | | | | | | |
| Transfer In | \$ 4,000 | \$ 2,000 | \$ (1,700) | \$ - | \$ - | \$ - |
| Competition Income | 100 | 87 | 13 | - | - | - |
| Insurance Income | 11,000 | 10,500 | 1,000 | - | - | - |
| Intergovernmental revenue - Federal | 31,000 | - | (21,000) | 15,000 | 15,000 | 0(100) |
| Intergovernmental revenue - State | 1,000 | 7,807 | 1,407 | - | - | - |
| Fees | 2,000 | 4,100 | 1,014 | - | - | - |
| Interest Income | 40 | 37 | 370 | - | - | - |
| Other revenue | 2,000 | 1,200 | (1,000) | - | - | - |
| Total revenues | 49,000 | 21,000 | 9 (1,000) | 15,000 | 15,000 | 0(100) |
| EXPENSE FUNDS | | | | | | |
| Current | | | | | | |
| General Government | | | | | | |
| Finance/Administration | 15,000 | 13,781 | 1,200 | - | - | - |
| Public Safety | 2,000 | 174 | 1,000 | - | - | - |
| Public Works | | | 1,000 | - | - | - |
| Health and Welfare | | | | | | |
| Housing/Recreation | - | - | | 10,000 | 10,000 | 0(100) |
| Capital Budget | 1,000 | 7,807 | 0(100) | - | - | - |
| Total Expenditures | 18,000 | 22,762 | 1,000 | 10,000 | 10,000 | 0(100) |
| Excess (Deficiency) of Revenues Over Expenditures | (1,000) | 0(100) | 1,000 | - | - | - |
| Other Financing Sources (Uses) | | | | | | |
| Transfer In | - | 1,000 | 1,000 | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) | (1,000) | 0(100) | 1,000 | - | - | - |
| Fund Balances at Beginning of Year | 1,000 | 7,900 | - | - | - | - |
| Fund Balances at End of Year | \$ - | \$ 7,800 | \$ 1,000 | \$ - | \$ - | \$ - |

This accompanying notes and schedules complete report.

VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002

| | |
|---|------------------|
| Operating revenue | |
| Sewer fees | \$ <u>14,877</u> |
| Operating expenses | |
| Salaries and wages | 3,136 |
| Payroll taxes | 364 |
| Utilities | 1,654 |
| Repairs | 3,079 |
| Legal and accounting | 425 |
| Insurance | 1,136 |
| Supplies and chemicals | 31 |
| Collection fees | 1,647 |
| Office dues and fees | 200 |
| Other expenses | 48 |
| Depreciation | <u>15,826</u> |
| Total Operating expenses | 28,633 |
| Operating loss | (12,356) |
| Non-operating revenue | |
| Interest income | <u>26</u> |
| Net Loss | (12,330) |
| Adjustment for depreciation on fixed assets acquired with Federal grant | <u>14,540</u> |
| Net increase in retained earnings | 2,210 |
| Retained Earnings at beginning of year | <u>11,660</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>\$ 13,870</u> |

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF CASH FLOWS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002

| | | |
|--|----|---------------|
| Cash flows from operating activities | | |
| Operating loss | \$ | (12,506) |
| Adjustment to reconcile operating loss to net cash provided by operating activities: | | |
| Depreciation | | 15,028 |
| Changes in assets and liabilities: | | |
| Receivables | | (147) |
| Due from other funds | | (1,158) |
| Accounts payable | | (808) |
| Payroll taxes payable | | (108) |
| Customer deposits | | 298 |
| Total adjustments | | <u>13,105</u> |
| Net cash provided by operating activities | | 547 |
| | | |
| Cash flows from investing activities | | |
| Interest income | | <u>26</u> |
| | | |
| Net increase in cash | | 573 |
| | | |
| Cash at beginning of year | | <u>10,482</u> |
| | | |
| CASH AT END OF YEAR | \$ | <u>11,055</u> |

See accompanying notes and accountant's compilation report

VILLAGE OF PIONEER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

Item 1 – Summary of Significant Accounting Policies

FINANCIAL REPORTING ENTITY

The accompanying financial statements include all funds and account groups of the Village of Pioneer, Louisiana (the Village). The general-purpose financial statements have been prepared in accordance with accounting principals generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting standards.

The Village was incorporated under the provisions of the Louisiana Act on May 12, 1941. The Village operates under a Mayor-Board of Aldermen form of government. The mayor and board of aldermen serve four-year terms that expire on December 31, 2002, without the benefit of compensation. The Village also has two part-time employees and an elected Chief of Police. The Village's major operations include police protection, street maintenance, and administrative services. In addition, the Town operates a Sewer Enterprise fund to provide sanitary sewer services.

As the municipal governing authority, for reporting purposes, the Village 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 Village are such the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 establishes the criteria for determining which component units should be considered part of the Village for financial statement purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Financial accountability encompasses:

1. Appointing a voting majority of an organization's governing body and the ability of the Village to impose its will on that organization or 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 exclusion would render the reporting entity's financial statements incomplete or misleading.

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

VILLAGE OF PRONER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

A. Fund Accounting

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental monies are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and account groups as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise fund of the Village is the Sewer Enterprise Fund, which is used to account for the operations of the Village's sewer system.

B. Total columns on Combined Statement - Overview

The total columns on the Combined Statement - Overview are captioned "Memorandum Only" to indicate that they are presented to facilitate financial analysis. Data in these columns do not present the financial position, results of operations, or changes in financial position 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.

VILLAGE OF PROSSER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

C. Basis of Accounting

Basis of accounting refers to the point at which expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village uses the following practices in recognizing and reporting revenues in the governmental fund types:

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 are 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.

The Sewer Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when they are incurred. In accordance with GASB Statement No. 24, the Village has not elected to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989 to its proprietary activity unless they are adopted by the GASB.

D. Budgets and Budgetary Accounting

The Village Clerk prepares the proposed budgets on the cash basis and submits them to the Mayor and the Board of Aldermen in June. The budgets are 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.

**VILLAGE OF PIONEER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

In the accompanying financial statements, the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis) presents comparisons of the legally adopted budgets for the General Fund and the Share Grant Special Revenue Fund with data on the budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used in present financial statements in conformity with GAAP, a reconciliation of differences in the General Fund excess of revenues over expenditures for the year ended June 30, 2002 is presented below:

| | <u>General Fund</u> |
|---|-------------------------|
| Excess of revenues over expenditures as reported on Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis) | \$ 6,332 |
| Receivable adjustment | 2,228 |
| Accounts Payable and accrued liabilities adjustment | (357) |
| Unrecorded payable adjustment | <u>(1,157)</u> |
| Excess of revenues over expenditures as reported on Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types | <u>\$ 7,043</u> |

E. Cash and Cash Equivalents

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.

For purposes of the Statement of Cash Flows, cash equivalents include all highly liquid investments with a maturity date of three months or less when purchased.

F. Fixed Assets

Fixed assets used in governmental type operations (general fund assets) are accounted for in the General Fixed Assets Account Group rather than in the governmental funds. Assets are recorded at cost on the date purchased or if donated, at the fair market value at the date of donation. Assets in the General Fixed Asset Account are not depreciated. Public Domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including

VILLAGE OF PIONEER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

roads, bridges, sidewalks, and drainage systems have not been capitalized and are not included in the general fixed assets.

Fixed assets of the proprietary fund type operations are recorded at cost, if purchased, and at fair market value at the date of the gift, if donated. Major additions are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense. Contributions in aid of construction are credited to contribution accounts and do not reduce the cost of the assets acquired with such contributions.

Contributed capital is amortized based on the depreciation recognized on the 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. The amount of depreciation taken on assets acquired with such contributed capital for the year ended June 30, 2002 was \$14,549.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged to an expense against operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method over the estimated lives as follows:

| | |
|----------------|----------|
| Street systems | 50 years |
| Equipment | 10 years |

Depreciation charged to expense at June 30, 2002, was \$13,036.

C. Compensated Absences

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

Note 2 - Cash and Investments

At June 30, 2002, the Village had cash in interest-bearing accounts totaling \$24,939, and the bank balances were \$27,502. All of the deposits of the Village at June 30, 2002 were fully secured by federal deposit insurance.

**VILLAGE OF PIONEER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

Note 3 – Receivables

The following is a summary of the receivables at June 30, 2002:

| | General Fund | Sewer Enterprise Fund | Total |
|---------------------------------|-----------------|-----------------------------|-----------------|
| Franchise taxes | \$ 785 | \$ - | \$ 785 |
| Fines | 12 | - | 12 |
| Customer Accounts | 1,449 | 1,587 | 2,996 |
| Allowance for doubtful accounts | <u>-</u> | <u>(172)</u> | <u>(172)</u> |
| Total | <u>\$ 2,226</u> | <u>\$ 1,335</u> | <u>\$ 3,561</u> |

Note 4 – Fixed Assets

Changes in fixed assets are categorized as follows:

| | Balance June 30, 2000 | Additions | Retirements | Balance June 30, 2002 |
|------------------------------|--------------------------|-------------|-------------|--------------------------|
| Building and improvements | \$ 24,180 | \$ - | \$ - | \$ 24,180 |
| Other improvements | 88,740 | - | - | 88,740 |
| Office equipment | 3,589 | - | - | 3,589 |
| Equipment | <u>127,849</u> | <u>-</u> | <u>-</u> | <u>127,849</u> |
| Total | <u>\$ 224,358</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 224,358</u> |

A summary of proprietary fund type property, plant, and equipment at June 30, 2002, follows:

| | |
|--|--------------------------|
| Sewer system | \$ 727,449 |
| Equipment | <u>4,775</u> |
| Total | 732,224 |
| Less: accumulated depreciation | <u>(145,911)</u> |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | <u>\$ 586,313</u> |

**VILLAGE OF PIONEER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

Note 5 – Interfund Receivables and Payables

Individual fund balances due from/to other funds at June 30, 2002, are as follows:

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|-----------------------|---------------------------------|-------------------------------|
| General Fund | \$ - | \$ 1,158 |
| Sewer Enterprise Fund | <u>1,158</u> | <u>-</u> |
| Total | \$ <u>1,158</u> | \$ <u>1,158</u> |

Note 6 – Employee Benefit Plans

The Village provides no post-employment benefits for employees.

Note 7 – Contributed Capital

In 1988, the Village received a grant totaling \$777,450 for 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 the depreciation expense recognized on fixed assets constructed or acquired with the grant funds. At June 30, 2002, accumulated depreciation on these assets is \$443,060.

Supplementary Information

VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -
GENERAL FUND - BOARD OF ALDERMEN LEVEL OF CONTROL
FOR THE YEAR ENDED JUNE 30, 2002

| | <u>CASH BASE BUDGET</u> | <u>CASH BASE ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|---------------------------------|---------------------------------|---|
| Revenues | | | |
| Franchise fees | \$ 4,508 | \$ 2,739 | \$ (1,769) |
| Occupational licenses | 699 | 879 | 280 |
| Insurance licenses | 11,900 | 12,508 | 608 |
| Intergovernmental revenue - Federal | 22,500 | - | (22,500) |
| Intergovernmental revenue - state | 3,800 | 7,427 | 3,627 |
| Fees | 3,806 | 4,116 | 310 |
| Interest income | 48 | 13 | (35) |
| Other revenue | 1,342 | 1,918 | 576 |
| Total revenues | <u>48,813</u> | <u>31,870</u> | <u>(17,043)</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Salaries and benefits | 12,578 | 6,301 | 6,277 |
| Operating services | 4,700 | 6,262 | (1,562) |
| Materials and supplies | 1,758 | 1,318 | 440 |
| Total General Government | <u>19,036</u> | <u>13,881</u> | <u>5,155</u> |
| Public Safety | | | |
| Police Expenses | 3,308 | 754 | 2,554 |
| Public Works | | | |
| Street Expenses | 16,658 | 819 | 15,839 |
| Tractor Expenses | 1,800 | 1,223 | 577 |
| Utilities | 3,600 | 2,803 | 797 |
| Total Public Works | <u>21,858</u> | <u>4,845</u> | <u>17,013</u> |
| Capital Outlay | <u>3,879</u> | <u>7,427</u> | <u>(3,548)</u> |
| Total Expenditures | <u>50,136</u> | <u>36,803</u> | <u>13,333</u> |
| Excess (deficiency) of revenues over expenditures | (1,853) | 5,174 | 6,387 |

(continued)

VILLAGE OF PIONEER, LOUISIANA
COMBINED STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -
GENERAL FUND - BOARD OF ALDERMEN LEVEL OF CONTROL (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2002

| | <u>CASH BASIS BUDGET</u> | <u>CASH BASIS ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|----------------------------------|----------------------------------|---|
| Other financing sources and (uses) | | | |
| Transfers in | - | <u>1,158</u> | <u>1,158</u> |
| Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) | (1,048) | 6,302 | 7,350 |
| Fund Balance at beginning of year | <u>7,351</u> | <u>7,701</u> | - |
| Fund Balance at end of year | <u>\$ 6,303</u> | <u>\$ 14,003</u> | <u>\$ 7,700</u> |

See accountant's compilation report



A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

**Luffey
Huffman
& Monroe**

Wanda J. Luffey, CPA
L. Paul Monroe, CPA
Ethel Ambrosio, CPA

John L. Luffey, MBA, CPA, CFM (2002)

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

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

We 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 Pioneer and the Louisiana Legislative Auditor (the Specified Users), solely to assist the Specified Users in evaluating management's assertions about the Village of Pioneer's compliance with certain laws and regulations during the year ended June 30, 2007 included in the accompanying Louisiana Affidavit Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the Specified Users of the report. Consequently, we 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 \$10,000, 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).
2. There were no purchases of materials and supplies that exceeded \$10,000 made during the year nor were there any public works contracts that exceeded \$100,000.

Code of Ethics for Public Officials and Public Employees

3. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1134 (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 us with the required list including the noted information.

4. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

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Mayor and Board of Aldermen
Village of Pioneer, Louisiana

6. 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.

The village clerk for the period July 1, 2001 through December 1, 2001, was the wife of the Mayor who resigned his elected position in December 2001. The Village clerk also resigned at the time of her husband's resignation. However, the clerk was employed by the Village at least one year before her spouse was elected mayor.

Budgeting

6. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held on June 4, 2001. No amendments were made to the budget during the year.

8. 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.

We compared the General Fund revenues and expenditures per the budget to actual revenues and expenditures. Actual General Fund revenues for the year were less than the budgeted amounts by more than 5%. General Fund expenditures did not exceed those budgeted. The State Grant Special Revenue Fund's expenditures did not exceed amounts budgeted for revenues or expenditures for the year.

Accounting and Reporting

9. Randomly select 6 disbursements made during the period under examination and:
 - (a) Trace payments to supporting documentation as to proper amount and payee;

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

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the six disbursements selected 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 board of aldermen as traced to the minute book for two of the disbursements. The other four disbursements had no evidence of approval before payment.

Meetings

10. 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).

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

Debt

11. 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.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. 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 Village and a review of the payroll records for the year indicated no instances that would indicate payments to employees which would constitute bonuses, advances, or gifts.

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

A reading of the minutes of the Village and a review of the payroll records for the year indicated no instances that would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Plaquemine and the Louisiana Legislative Auditor, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

September 23, 2002

Louisiana Attribution Questionnaire

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

VILLAGE OF PIONEER

P. O. BOX 163
PIONEER, LOUISIANA 71200

LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Governance)

Leffly, Hoffman, & Monroe, CPA's
A Professional Accounting Corporation
P. O. Box 4743
Monroe, Louisiana 71211-4743

In connection with your compilation of our financial statements as of September 30, 2002 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 for 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 September 20, 2002.

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 42:1118.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1381-14) or the budget requirements of LSA-RS 39:36.

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 48:1, 48:2, 48:31, and 48:36.

We have filed our annual financial statements in accordance with LSA-RS 24:504, 24:505, and/or 24:507, as applicable. Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513. Yes No

Meetings

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

Yes 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-guarantee agreements, without the approval of the State Board of 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 29:1403.60-1410.65.

Yes No

Advances and Expenses

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 14:134, and AG opinion 79-329.

Yes 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.

Lorinda Luster Mayes Mayor 9/22/02 Date