

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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

**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have audited the general purpose financial statements of the Village of Pioneer as of June 30, 1996, and for the year then ended, and have issued my report thereon dated September 23, 1996.

In connection with my audit of the general purpose financial statements of the Village of Pioneer and with my consideration of the Village of Pioneer's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128 I have performed auditing procedures to test compliance with the requirements governing types of services allowed, reporting, and special requirements - record keeping, administrative costs, and environmental review that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village of Pioneer's compliance with those requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Village of Pioneer had not complied, in all material respects, with those requirements.

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana
Independent Auditor's Report
on Compliance With Specific
Requirements, etc.,
June 30, 1996

This report is intended for the information of the mayor and board of aldermen of the Village of Pioneer, management of the village, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Calhoun, Louisiana
September 23, 1996

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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**Independent Auditor's Report on the Internal Control
Structure Based on an Audit of General Purpose
Financial Statements Performed in Accordance with
*Government Auditing Standards***

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have audited the general purpose financial statements of the Village of Pioneer as of June 30, 1996, and for the year ended, and have issued my report thereon dated September 23, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128 *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Village of Pioneer is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana
Independent Auditor's Report
on Internal Control, etc.,
June 30, 1996

In planning and performing my audit of the general purpose financial statements of the Village of Pioneer, for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the mayor and board of aldermen of the Village of Pioneer, management of the village, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Calhoun, Louisiana
September 23, 1996

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana
Independent Auditor's Report on
Internal Control Structure, etc.,
June 30, 1996

The management of the Village of Pioneer is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting:

Revenue, receivables and receipts
Expenditures

General Requirements:

Political activity
Davis-Bacon Act
Civil rights
Cash management
Relocation assistance and real
property acquisition
Allowable costs/cost principles
Administrative requirements

Specific Requirements:

Types of services allowed
Reporting

Special requirements:

Record keeping

**Independent Auditor's Reports Required by
Government Auditing Standards, and OMB
Circular A-128, Audits of State and Local Governments**

The following independent auditor's reports on the schedule of federal financial assistance, compliance with laws, regulations, contracts, and grants and the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
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**Independent Auditor's Report on Internal Control
Structure Used in Administering Federal
Financial Assistance Programs**

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have audited the general purpose financial statements of the Village of Pioneer as of June 30, 1996, and for the year then ended, and have issued my report thereon dated September 23, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit for the year ended June 30, 1996, I considered the internal control structure of the Village of Pioneer in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of the Village of Pioneer and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of general purpose financial statements in a separate report dated September 23, 1996.

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**Independent Auditor's Report on Compliance
With General Requirements Applicable to
Federal Financial Assistance Programs**

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have audited the general purpose financial statements of the Village of Pioneer as of June 30, 1996, and for the year then ended, and have issued my report thereon dated September 23, 1996.

I have applied procedures to test the Village of Pioneer's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation Assistance and
Real Property Acquisition
- Allowable costs/cost principles
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village of Pioneer's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Village of Pioneer had not complied, in all material respects, with those requirements.

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana
Independent Auditor's Report on
Internal Control Structure, etc.,
June 30, 1996

Environmental review
Administrative costs
Claims for reimbursement


For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1996, the Village of Pioneer had no major federal financial assistance programs and expended 100 per cent of its federal financial assistance under the Community Development Block Grant nonmajor program.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for reimbursements that are applicable to the aforementioned nonmajor program. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the mayor and board of aldermen of the Village of Pioneer, management of the village, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.


Calhoun, Louisiana
September 23, 1996

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**Independent Auditor's Report on Compliance
Based on An Audit of General Purpose
Financial Statements Performed in Accordance with
*Government Auditing Standards***

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have audited the general purpose financial statements of the Village of Pioneer as of June 30, 1996, and for the year then ended, and have issued my report thereon dated September 23, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128 *Audits of State and Local Governments*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards, OMB Circular A-128, and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Pioneer, is the responsibility of the village's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Village of Pioneer's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

I noted a certain immaterial instance of noncompliance that I have reported to the management of the Village of Pioneer in a separate letter dated September 23, 1996.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

G. 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.

H. TOTAL COLUMNS ON THE COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do 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. RECEIVABLES

The following is a summary of receivables at June 30, 1996:

	General Fund	Sewer Enterprise Fund	Total
Franchise taxes	\$658		\$658
Intergovernmental revenue - state funds - tobacco tax	157		157
Other - mowing fees	921		921
Accounts		\$1,286	1,286
Allowance for doubtful accounts		(172)	(172)
Total	<u>\$1,736</u>	<u>\$1,114</u>	<u>\$2,850</u>

Bad debt expense for the year ended June 30, 1996 was \$172 which represents an estimate of the June 1996 sewer fee billing that will not be collected. This estimate is based on average monthly collections for the year ended June 30, 1996.

3. FIXED ASSETS

The following presents changes in general fixed assets for the year ended June 30, 1996:

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**Independent Auditor's Report on Supplementary
Schedule of Federal Financial Assistance**

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have audited the general purpose financial statements of the Village of Pioneer as of June 30, 1996, and for the year then ended, and have issued my report thereon dated September 23, 1996. These general purpose financial statements are the responsibility of the management of the Village of Pioneer. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the Village of Pioneer taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purpose of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Carleen Dumas

Calhoun, Louisiana
September 23, 1996

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

30, 1996, accumulated depreciation on these assets is \$55,771.

6. RESTATED FUND BALANCE

The General Fund fund balance at July 1, 1995, as previously reported, was understated due to an error in the amount reported as accounts receivable and accounts payable at June 30, 1995. This understatement had no material effect on the excess of revenues over expenditures for the year ended June 30, 1995. Fund balance at July 1, 1995, as reported in the accompanying financial statements is restated as follows:

Fund balance at July 1, 1995, as previously reported	\$7,250
Adjustment for understatement of accounts receivable	671
Adjustment for overstatement of accounts payable	<u>407</u>
Fund balance at July 1, 1995, restated	<u>\$8,328</u>

7. LITIGATION, CLAIMS, AND RISK OF LOSS

The village is not involved in any pending or threatened litigation, claims, or assessments at June 30, 1996. The village maintains commercial insurance to provide protection against losses resulting from the damage or destruction of property or liability claims against the village.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

	Balance at July 1, 1995	Additions	Retirements	Balance at June 30, 1996
Buildings and improvements	\$14,728	\$1,392		\$16,120
Other improvements	NONE	88,740		88,740
Construction in progress	30,682		(\$30,682)	NONE
Office equipment	2,986	2,302		5,288
Equipment	20,635	89,260		109,895
Total	<u>\$69,031</u>	<u>\$181,694</u>	<u>(\$30,682)</u>	<u>\$220,043</u>

General fixed assets at July 1, 1995, as reported in the prior year audit report were adjusted for assets totaling \$446 that were purchased prior to July 1, 1995 but omitted from general fixed asset listing at June 30, 1995. Facilities acquisition and construction as reported on Statement B includes administration and engineering costs totaling \$32,841, that were not included in general fixed asset additions for the year ended June 30, 1996.

A summary of proprietary fund type property, plant, and equipment at June 30, 1996, follows:

	Basis	Accumulated Depreciation	Net Book Value
Sewer system	\$727,450	(\$55,771)	\$671,679
Equipment	3,798	(356)	3,442
Total	<u>\$731,248</u>	<u>(\$56,127)</u>	<u>\$675,121</u>

4. PENSION PLAN

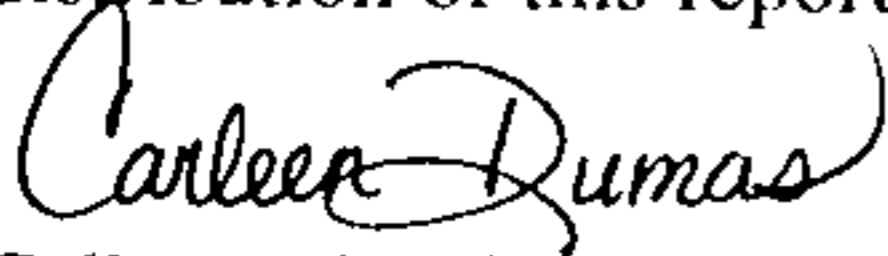
The employees of the village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the village contributes an equal amount to the Social Security System. The village does not guarantee the benefits granted by the Social Security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

5. CONTRIBUTED CAPITAL

In 1972, 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

MAYOR AND BOARD
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VILLAGE OF PIONEER
Pioneer, Louisiana
Independent Auditor's Report
on Compliance With General
Requirements, etc.,
June 30, 1996

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Calhoun, Louisiana
September 23, 1996

VILLAGE OF PIONEER
Pioneer, Louisiana

Schedule of Federal Financial Assistance
For the Year Ended June 30, 1996

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>PASS- THROUGH GRANTOR'S NUMBER</u>	<u>ACCRUED REVENUE AT JULY 1, 1995</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>	<u>ACCRUED REVENUE AT JUNE 30, 1996</u>
United States Department Housing and Urban Development Passed through Office of the Governor, Division of Administration - Community Development Block Grant (States Program)	14.228	101-5091	<u>\$8,340</u>	<u>\$207,991</u>	<u>\$207,991</u>	<u>NONE</u>

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, 1996

OPERATING REVENUES	
Sewer fees	<u>\$11,978</u>
OPERATING EXPENSES	
Salaries	2,635
Payroll taxes	105
Utilities	1,106
Repairs	884
Insurance	643
Office supplies	110
Supplies and chemicals	506
Bank charges	15
Collection fees	1,484
Other dues and fees	480
Legal and accounting	437
Depreciation	14,774
Bad debt expense	172
Total operating expenses	<u>23,351</u>
OPERATING LOSS	<u>(11,373)</u>
NON-OPERATING REVENUES - interest income	<u>550</u>
INCOME (Loss) BEFORE OPERATING TRANSFERS	(10,823)
Operating transfers from other funds	<u>3,100</u>
NET INCOME (Loss)	(7,723)
Adjustment for depreciation on fixed assets acquired with federal grant	<u>14,549</u>
NET INCREASE IN RETAINED EARNINGS	6,826
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>16,582</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$23,408</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PIONEER
Pioneer, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1996
With Supplemental Information Schedule

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MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana
Independent Auditor's Report,
June 30, 1996

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Village of Pioneer. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 23, 1996 on my consideration of the Village of Pioneer's internal control structure and a report dated September 23, 1996, on the village's compliance with laws, regulations, contracts, and grants.



Calhoun, Louisiana
September 23, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

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

Combined Balance Sheet, June 30, 1996

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$8,329	\$20,461		\$28,790
Receivables (net of allowance for doubtful accounts)	1,736	1,114		2,850
Meter deposits	200			200
Sewer system plant and equipment (net of accumulated depreciation)		675,121		675,121
Buildings and equipment			\$220,043	220,043
TOTAL ASSETS	<u>\$10,265</u>	<u>\$696,696</u>	<u>\$220,043</u>	<u>\$927,004</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$2,458	\$996		\$3,454
Payroll taxes payable	275	46		321
Customer meter deposits		568		568
Total Liabilities	<u>2,733</u>	<u>1,610</u>	<u>NONE</u>	<u>4,343</u>
Fund Equity:				
Investment in general fixed assets			\$220,043	220,043
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grant)		671,678		671,678
Retained earnings - unreserved		23,408		23,408
Fund balance - unreserved - undesignated	7,532			7,532
Total Fund Equity	<u>7,532</u>	<u>695,086</u>	<u>220,043</u>	<u>922,661</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$10,265</u>	<u>\$696,696</u>	<u>\$220,043</u>	<u>\$927,004</u>

The accompanying notes are an integral part of this statement.

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VILLAGE OF PIONEER
Pioneer, Louisiana

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1996
With Supplemental Information Schedule**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 NOV 20 1996

VILLAGE OF PIONEER
Pioneer, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - franchise	\$3,316	\$3,458	\$142
Occupational licenses	525	550	25
Insurance licenses	9,912	11,225	1,313
Intergovernmental - state funds	10,627	10,627	
Use of money and property - interest earnings	260	259	(1)
Other revenues	2,419	3,327	908
Total revenues	<u>27,059</u>	<u>29,446</u>	<u>2,387</u>
EXPENDITURES			
General government - current:			
Personal services and related benefits	10,042	9,167	875
Operating services	10,256	9,874	382
Materials and supplies	1,693	1,557	136
Capital outlay	9,538	6,544	2,994
Total expenditures	<u>31,529</u>	<u>27,142</u>	<u>4,387</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(4,470)	2,304	6,774
OTHER FINANCING USE - operating transfer out	<u>NONE</u>	<u>(3,100)</u>	<u>(3,100)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	(4,470)	(796)	3,674
FUND BALANCES AT BEGINNING OF YEAR	<u>10,226</u>	<u>8,328</u>	<u>(1,898)</u>
FUND BALANCES AT END OF YEAR	<u>\$5,756</u>	<u>\$7,532</u>	<u>\$1,776</u>

The accompanying notes are an integral part of this statement.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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

September 23, 1996

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

In planning and performing my audit of the Village of Pioneer's general purpose financial statements for the year ended June 30, 1996, a certain matter came to my attention which I feel should be conveyed to management of the village. This matter, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, is an item which I feel should be brought to your attention.

**MINUTES OF BOARD MEETINGS
SHOULD BE PUBLISHED IN
OFFICIAL JOURNAL**

Louisiana Revised Statutes 43:143-144 requires that the village publish in its official journal, all minutes, ordinances, resolutions, budgets and other official proceedings of the village within ten days from the date of the meeting at which the official proceedings were had. The Louisiana Attorney General opined in Opinion Number 94-376 that the minutes to be published in the official journal need not be a verbatim transcript of the meeting; however, the publication should include the substance of all matters decided in the meeting and a record, by individual member, of any votes taken.

GENERAL

I am available to assist the village with any problems or questions they may have concerning the above or any other matters.

Respectfully,



Carleen Dumas

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

Statement of Cash Flows
For the Year Ended June 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	<u>(\$11,373)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:	
Depreciation	14,774
Bad debt expense	172
Decrease in accounts receivable	855
Increase in customer deposits	83
Decrease in taxes payable	(49)
Increase in accounts payable	247
Total adjustments	<u>16,082</u>
Net cash provided by operating activities	4,709
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	<u>550</u>
NET INCREASE IN CASH	5,259
CASH AT BEGINNING OF PERIOD	<u>15,202</u>
CASH AT END OF PERIOD	<u><u>\$20,461</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PIONEER
Pioncer, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

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, 1998. The mayor and board of aldermen serve the village without benefit of compensation.

A. 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 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.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

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.

B. 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. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

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

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

**Community Development Block Grant
Capital Projects Fund**

The Community Development Block Grant Capital Projects Fund accounts for a grant from the United States Department of Housing and Urban Development, Division of Administration to provide fire protection to the residents of the village.

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.

C. 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 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 and intergovernmental 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.

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

E. 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 and national banks having principal offices in Louisiana.

At June 30, 1996, the village has cash in interest-bearing demand deposits (book balances) totaling \$28,790. 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 (bank balances) at June 30, 1996, total \$28,839, and are fully secured by federal deposit insurance.

F. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay and facilities acquisition and construction) in governmental funds and the related assets are reported in the general fixed assets account group. All general fixed assets at June 30, 1996 are valued at actual cost. No depreciation has been provided on general fixed assets. There are no general long-term obligations at June 30, 1996.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal current expenditure of the governmental funds. Public domain or infrastructure general fixed assets such as roads, sidewalks, bridges, and drainage systems are not capitalized, as these assets are immovable and of value only to the village.

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

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana
Independent Auditor's Report
on Compliance, etc.,
June 30, 1996

This report is intended for the information of the mayor and board of aldermen of the Village of Pioneer, management of the village, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Calhoun, Louisiana
September 23, 1996

VILLAGE OF PIONEER
Pioneer, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	GENERAL FUND	COMMUNITY DEVELOPMENT BLOCK GRANT CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Taxes - franchise	\$3,458		\$3,458
Occupational licenses	550		550
Insurance licenses	11,225		11,225
Intergovernmental revenues:			
Federal grant		\$207,991	207,991
State funds	10,627		10,627
Use of money and property - interest earnings	259		259
Other revenues	3,327		3,327
Total revenues	<u>29,446</u>	<u>207,991</u>	<u>237,437</u>
EXPENDITURES			
General government - current:			
Personal services and related benefits	9,167		9,167
Operating services	9,874		9,874
Materials and supplies	1,557		1,557
Capital outlay	6,544		6,544
Facilities acquisition and construction		207,991	207,991
Total expenditures	<u>27,142</u>	<u>207,991</u>	<u>235,133</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,304	NONE	2,304
OTHER FINANCING USE - operating transfer out	<u>(3,100)</u>	<u>NONE</u>	<u>(3,100)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	(796)	NONE	(796)
FUND BALANCES AT BEGINNING OF YEAR	<u>8,328</u>	<u>NONE</u>	<u>8,328</u>
FUND BALANCES AT END OF YEAR	<u>\$7,532</u>	<u>NONE</u>	<u>\$7,532</u>

The accompanying notes are an integral part of this statement.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditor's Report

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have audited the general purpose financial statements of the Village of Pioneer as of June 30, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Pioneer's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Village of Pioneer, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund for the year then ended, in conformity with generally accepted accounting principles.