

VILLAGE OF PIONEER, LOUISIANA

**Financial Report
As of and For the Year Ended June 30, 2010**

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 9/15/10

VILLAGE OF PIONEER, LOUISIANA

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying general purpose financial statements of the Village of Pioneer, Louisiana (the Village) as of and for the year ended June 30, 2010 as listed in the Table of Contents in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management of the Village of Pioneer, Louisiana. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Generally accepted accounting standards require state and local governments to adopt and report under Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and No. 37, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus." The Village is not presenting its financial statements under those standards. Those standards require that the Village report information regarding its financial position by governmental activities, business-type activities, each major fund, and the aggregate remaining fund information that comprise the Village's basic financial statements. The standards also require that a management's discussion and analysis be included as supplementary information. The effects of these departures have not been determined.

Management has elected to present the Village's financial statements under the pre- GASB 34 standards (general purpose financial statements) and to omit substantially all of the disclosures required by generally accepted accounting principles. If the GASB 34 presentation (basic financial statements) and the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Luffey, Huffman, Ragsdale, & Soignier

(A Professional Accounting Corporation)

August 27, 2010

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

VILLAGE OF PIONEER, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2010

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 2,144	\$ 191	\$ -	\$ 2,335
Investments	2,387	-	-	2,387
Accounts receivable, net	6,936	1,471	-	8,407
Due from other funds	2,332	184	-	2,516
Meter deposits	200	-	-	200
Property, plant, and equipment (net of accumulated depreciation)	-	525,754	146,461	672,215
TOTAL ASSETS	\$ 13,999	\$ 527,600	\$ 146,461	\$ 688,060
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 2,271	\$ 746	\$ -	\$ 3,017
Payroll taxes payable	846	-	-	846
Due to other funds	2,516	-	-	2,516
Customer deposits	-	3,587	-	3,587
Total Liabilities	5,633	4,333	-	9,966
Fund Equity:				
Investment in general fixed assets	-	-	146,461	146,461
Contributed capital (net of accumulated depreciation on fixed assets acquired with Federal grant)	-	539,714	-	539,714
Retained earnings - unreserved	-	(16,447)	-	(16,447)
Fund balance - undesignated	8,366	-	-	8,366
Total Fund Equity	8,366	523,267	146,461	678,094
TOTAL LIABILITIES AND FUND EQUITY	\$ 13,999	\$ 527,600	\$ 146,461	\$ 688,060

See accountants' compilation report

VILLAGE OF PIONEER, LOUISIANA
COMBINED BALANCE SHEET - GOVERNMENTAL TYPE FUNDS
JUNE 30, 2010

	<u>GENERAL FUND</u>	<u>CONSTRUCTION FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ 2,144	\$ -	\$ 2,144
Investments	2,387	-	2,387
Accounts receivable, net	4,420	2,516	6,936
Due from other funds	2,332	-	2,332
Meter deposits	200	-	200
TOTAL ASSETS	\$ 11,483	\$ 2,516	\$ 13,999
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 2,271	\$ -	\$ 2,271
Payroll taxes payable	846	-	846
Due to other funds	-	2,516	2,516
Total Liabilities	3,117	2,516	5,633
Fund Equity:			
Fund balance - undesignated	8,366	-	8,366
Total Fund Equity	8,366	-	8,366
TOTAL LIABILITIES AND FUND EQUITY	\$ 11,483	\$ 2,516	\$ 13,999

See accountants' compilation report

VILLAGE OF PIONEER, LOUISIANA
COMBINED STATEMENT OF REVENUES , EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2010

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES			
Franchise fees	\$ 5,074	\$ -	\$ 5,074
Occupational licenses	775	-	775
Insurance licenses	12,842	-	12,842
Intergovernmental revenue - state	4,813	9,996	14,809
Fines	30,367	-	30,367
Other revenue	4,799	-	4,799
Total revenues	<u>58,670</u>	<u>9,996</u>	<u>68,666</u>
EXPENDITURES			
Current:			
General government	27,357	-	27,357
Public safety:			
Police department	25,726	-	25,726
Public works	8,700	495	9,195
Capital Outlay	-	3,557	3,557
Total Expenditures	<u>61,783</u>	<u>4,052</u>	<u>65,835</u>
Excess (deficiency) of revenues over expenditures	(3,113)	5,944	2,831
Other financing sources (uses)			
Sale of assets	2,000	-	2,000
Transfers in	2,332	-	2,332
Transfers out	(500)	(5,944)	(6,444)
Total other financing sources (uses)	<u>3,832</u>	<u>(5,944)</u>	<u>(2,112)</u>
Deficiency of revenues over expenditures and other financing sources	719	-	719
Fund Balance at beginning of year	<u>7,647</u>	<u>-</u>	<u>7,647</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,366</u>	<u>\$ -</u>	<u>\$ 8,366</u>

See accountants' compilation report

VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
Franchise fees	\$ 6,450	\$ 4,843	\$ (1,607)
Occupational licenses	100	775	675
State Grants	5,500	4,813	(687)
Insurance licenses	13,000	15,655	2,655
Fines	125,000	30,367	(94,633)
Interest income	200	-	(200)
Other revenue	3,450	4,787	1,337
Total revenues	<u>153,700</u>	<u>61,240</u>	<u>(92,460)</u>
Expenditures			
Current:			
General government			
Salaries and benefits	32,000	21,512	10,488
Operating services	20,060	11,580	8,480
Materials and supplies	600	329	271
Capital Outlay	500	-	500
Total general government	<u>53,160</u>	<u>33,421</u>	<u>19,739</u>
Public safety			
Salaries and benefits	43,000	12,676	30,324
Insurance	-	569	(569)
Police expense	15,000	10,330	4,670
Total Public Safety	<u>58,000</u>	<u>23,575</u>	<u>34,425</u>
Public works			
Street expenses	1,200	342	858
Supplies	1,200	944	256
Tractor expenses	1,200	1,694	(494)
Utilities	5,000	4,351	649
Mosquito spraying	800	220	580
Total public works	<u>9,400</u>	<u>7,551</u>	<u>1,849</u>
Total expenditures	<u>120,560</u>	<u>64,547</u>	<u>56,013</u>
Excess of revenues over expenditures	33,140	(3,307)	(36,447)

(Continued)

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -
GENERAL FUND (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Other financing sources (uses)			
Sale of assets	-	2,000	2,000
Excess of revenue over expenditures and other financing sources (uses)	33,140	(1,307)	(34,447)
Cash Balance at beginning of year	2,451	2,451	-
CASH BALANCE AT END OF YEAR	<u>\$ 35,591</u>	<u>\$ 1,144</u>	<u>\$ (34,447)</u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

Operating revenue	
Sewer fees	\$ 17,445
Operating expenses	
Collection fees	2,082
Depreciation	18,968
Dues and fees	324
Insurance	2,402
Legal and accounting	453
Office supplies	125
Payroll taxes	400
Repairs	6,394
Salaries and wages	4,608
Supplies and chemicals	1,968
Utilities	2,412
Total Operating expenses	<u>40,136</u>
Operating loss	(22,691)
Transfers In	4,112
Adjustment for depreciation on fixed assets acquired with Federal grant	<u>14,549</u>
Net decrease in retained earnings	(4,030)
Retained Earnings at beginning of year	<u>(12,417)</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$ (16,447)</u></u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF CASH FLOWS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

Cash flows from operating activities	
Operating loss	\$ (22,390)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	18,968
Changes in assets and liabilities:	
Receivables	(21)
Accounts payable	(758)
Customer deposits	989
Total adjustments	<u>19,178</u>
Net cash used by operating activities	<u>(3,212)</u>
 Cash flows from capital and related financing activities	
Purchase of property, plant, and equipment	<u>(2,248)</u>
 Cash flows from noncapital financing activities	
Transfers in	<u>3,928</u>
 Net decrease in cash	(1,532)
 Cash at beginning of year	<u>1,723</u>
 CASH AT END OF YEAR	<u>\$ 191</u>
 Noncash capital and related financing activities	
Due from other funds	<u>\$ 184</u>

See accountants' compilation report

**VILLAGE OF PIONEER
SUMMARY STATUS OF PRIOR YEAR MANAGEMENT LETTER**

The following is a summary of the status of the prior year Management Letter included in Luffey, Huffman, Ragsdale & Soignier, CPA's compilation report dated December 22, 2009, covering the compilation of the financial statements of the Village of Pioneer (the Village) as of and for the year ended June 30, 2009.

Actual expenditures for the year ended June 30, 2009 exceeded budgeted expenditures by 77%. This was a violation of the Local Government Budget Act, which requires that originally adopted budgets be amended if expenditures and other financing uses are above budget by 5% or more.

Status:

The Village was not in compliance with the Local Government Budget Act again during the year ended June 30, 2010.

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MANAGEMENT LETTER

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

During our compilation of the general purpose financial statements of the Village of Pioneer (the Village) for the year ended June 30, 2010, we became aware of a certain matter that is an opportunity for strengthening the Village's internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding this matter. This letter does not affect our compilation report dated August 27, 2010 on the financial statements of the Village.

Finding:

The Local Government Budget Act requires that originally adopted budgets be amended if revenues and other financing sources are below budget by 5% or more. However, the total actual revenues and other financing sources of the General Fund were below the total budgeted amount by \$90,460 or 59%.

Recommendation:

We recommend that the Village perform a comprehensive review of budget to actual variances in April or May of each year prior to the commencement of the process for adopting final amended budgets for the current operating period and proposed budgets for the subsequent period. This type of review could also be made quarterly during the year to detect potential material variances as early as possible.

Management's Corrective Action Plan:

Over the past year, we have had numerous changes in our Police Chief's position. Whether or not we have the position filled determines the income generated by the police department. We will review (and amend if necessary) our budget more often in order for it to be more accurate.

Luffey, Huffman, Ragsdale, & Soignier

(A Professional Accounting Corporation)

August 27, 2010