

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2021

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

The Honorable Alvin Williams, Mayor
and Members of the Board of Aldermen
Village of South Mansfield

Management is responsible for the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Village of South Mansfield as of and for the year ended June 30, 2021, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures, and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement 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, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 11 be presented to supplement the basic financial statements. Such information, is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic or historical context. Such information is the responsibility of management. The required supplementary information was subject to my compilation engagement. I have not audited or review the required supplementary information and do not express an opinion, a conclusion, nor provide an assurance on such information.

The accompanying schedule of compensation, benefits, and other payments to agency head and the schedule of compensation paid to the mayor and board of aldermen are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the representation of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted the Management and Discussion and Analysis that accounting principles accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part or the basic financial statements, is required

by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting and for placing the basis financial statements in an appropriate operational, economic, or historical context.

Marsha O. Milligan

Certified Public Accountant

February 21, 2025

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
STATEMENT OF NET POSITION
June 30, 2021

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 3,734	\$ 6,057	\$ 9,791
Accounts receivable	18,844	11,143	29,987
Total Current Assets	22,578	17,200	39,778
Noncurrent Assets			
Restricted cash	-	8,319	8,319
Capital assets, net	419,463	1,698,763	2,118,226
Total Noncurrent Assets	419,463	1,707,082	2,126,545
Total Assets	442,041	1,724,282	2,166,323
Deferred outflows of resources	-	-	-
LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	95,608	158,058	253,666
Payroll taxes payable	18,642	43,426	62,068
Total current liabilities	114,250	201,484	315,734
Noncurrent Liabilities			
Long-term debt, net of current portion	-	98,588	98,588
Customer deposits	-	29,010	29,010
Total Noncurrent liabilities	-	127,598	127,598
Total liabilities	114,250	329,082	443,332
Deferred inflows of resources	-	-	-
NET POSITION			
Investment in capital assets, Net of related debt	419,463	1,600,175	2,019,638
Unrestricted	(91,672)	(204,975)	(296,647)
Total Net Position	\$ 327,791	\$ 1,395,200	\$ 1,722,991

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities						
General Government	\$ 164,208	\$ -	\$ -	\$ (164,208)	\$ -	\$ (164,208)
Interest	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Depreciation	27,422	-	-	(27,422)	-	(27,422)
Total Governmental Activities	191,630	-	-	(191,630)	-	(191,630)
Business-Type Activities						
Utility Fund	343,717	108,984	-	-	(234,733)	(234,733)
Total Business-Type Activities	343,717	108,984	-	-	(234,733)	(234,733)
Total Primary Government	<u>\$ 535,347</u>	<u>\$ 108,984</u>	<u>\$ -</u>	(191,630)	(234,733)	(426,363)
General Revenues						
Taxes				80,893	-	80,893
Licenses				4,660	-	24,906
Gas and mineral rights				-	13,635	13,635
Transfers (to) from other funds				(8,947)	8,947	-
Total General Revenues and Transfers				76,606	22,582	119,434
Change in Net Position				(115,024)	(212,151)	(306,929)
Net Position, Beginning of Year				442,815	1,607,351	2,050,166
Net Position, End of Year				<u>\$ 327,791</u>	<u>\$ 1,395,200</u>	<u>\$ 1,722,991</u>

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
BALANCE SHEET
GENERAL FUND
June 30, 2021

ASSETS	
Cash	\$ 3,734
Taxes receivable	<u>18,844</u>
Total Assets	<u>\$ 22,578</u>
LIABILITIES AND FUND BALANCE	
Accounts payable	\$ 95,608
Payroll taxes payable	<u>18,642</u>
Total Liabilities	<u>114,250</u>
Fund Balance	
Unassigned (Deficit)	<u>(91,672)</u>
Total Fund Balance	<u>(91,672)</u>
Total Liabilities and Fund Balances	<u>\$ 22,578</u>

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

Total Fund Balance for Governmental Funds	\$ (91,672)
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Total Net Position for governmental activities in the
statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	419,463
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Certain liabilities, such as debt, are not due and payable in the current period and therefore are not reported in the funds	<u>-</u>
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Total Net Position of Governmental Activities	<u><u>\$ 327,791</u></u>
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See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Revenues:

Occupational Licenses	\$ 4,660
Advalorem Taxes	6,149
Franchise Taxes	9,217
P& M Beer	8,773
Sales Taxes	<u>56,754</u>

Total Revenues	<u>85,553</u>
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Expenditures:

General Government	<u>165,708</u>
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Total Expenditures	<u>165,708</u>
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Other Financing Sources:

Transfers to Other Funds	<u>8,947</u>
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Net changes in fund balance	(89,102)
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Fund Balance, Beginning of Year (Deficit)	<u>(2,570)</u>
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Fund Balances, End of Year (Deficit)	<u><u>\$ (91,672)</u></u>
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See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net changes in Fund Balances - Total Government Funds	\$ (89,102)
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The change in Net Position reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$27,422) exceeds capital outlay (\$1,500) in the current period.	(25,922)
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Payments on debt are recorded as expenditures in the funds, but are reported in the statement of net position as a reduction of liabilities	-
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Changes in Net Position of Governmental Activities	<u><u>\$(115,024)</u></u>
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See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2021

Assets	
Current Assets	
Cash	\$ 6,057
Accounts receivable	11,143
Total Current Assets	<u>17,200</u>
Noncurrent Assets	
Restricted cash	8,319
Capital Assets, Net	1,698,763
Total Noncurrent Assets	<u>1,707,082</u>
Total Assets	<u>1,724,282</u>
Deferred Outflows of Resources	
	<u>-</u>
Liabilities and Net Position	
Liabilities	
Accounts payable	\$ 158,058
Payroll taxes payable	43,426
Total Current Liabilities	<u>201,484</u>
Noncurrent Liabilities	
Advances from DOTD	98,588
Customer deposits	29,010
Total Noncurrent Liabilities	<u>127,598</u>
Total Liabilities	<u>329,082</u>
Deferred Inflows of Resources	
	<u>-</u>
Net Position	
Investments in capital assets,	
Net of related debt	1,600,175
Unrestricted (Deficit)	(204,975)
Total Net Position	<u>\$1,395,200</u>

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

OPERATING REVENUES

Charges for Services	\$ 108,984
Miscellaneous	-
Total Operating Revenues	<u>108,984</u>

OPERATING EXPENSES

Personal Services	76,880
Utilities	91,442
Repair and maintenance	10,937
Other supplies and expenses	64,864
Depreciation	99,594
Total Operating Expenses	<u>343,717</u>

Change in Net Position before other financing sources	(234,733)
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OTHER FINANCING SOURCES:

Gas and mineral rights	13,635
Transfer from other funds	<u>8,947</u>

Change in Net Position	(212,151)
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Net Position, Beginning of Year	<u>1,607,351</u>
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Net Position, End of Year	<u><u>\$1,395,200</u></u>
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See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GENERAL FUND
BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original</u>	<u>Amended *</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes, Licenses, and Permits	\$ 64,700	\$ 64,700	\$ 85,553	\$ 20,853
Miscellaneous	-	-	-	-
Total Revenues	<u>64,700</u>	<u>64,700</u>	<u>85,553</u>	<u>20,853</u>
Expenditures				
General Government	<u>180,000</u>	<u>180,000</u>	<u>165,708</u>	<u>14,292</u>
Total Expenditures	<u>180,000</u>	<u>180,000</u>	<u>165,708</u>	<u>14,292</u>
Net Changes in Fund Balances before Other Sources	(115,300)	(115,300)	(80,155)	35,145
Other Sources				
Transfers (to) from Other Funds	-	-	(8,947)	8,947
Total Other Sources	<u>-</u>	<u>-</u>	<u>(8,947)</u>	<u>8,947</u>
Net Changes in Fund Balances	(115,300)	(115,300)	(89,102)	26,198
Fund Balances, Beginning of Year	<u>(2,570)</u>	<u>(2,570)</u>	<u>(2,570)</u>	<u>-</u>
Fund Balances, End of year	<u>\$ (117,870)</u>	<u>\$ (117,870)</u>	<u>\$ (91,672)</u>	<u>\$ 26,198</u>

* The budget was not amended during the year.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO
MAYOR AND ALDERMEN

FOR THE YEAR ENDED JUNE 30, 2021

Kevin VanZant, Mayor	\$ 6,600
Ola Mae Evans	4,800
Merlean Woods	4,800
Dianne Hudson	<u>4,800</u>
Total	<u><u>\$21,000</u></u>

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head: Honorable Kevin Vanzant, Mayor

Salary	<u>\$ 6,600</u>
Payroll Taxes	<u>\$ 505</u>

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-1: The segregation of duties is inadequate to provide effective internal control.

Criteria: Effective internal control requires the segregation of duties.

Condition: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to space and economic limitations.

Effect: Unknown.

Recommendation: Whether or not it would be cost effective to correct a condition is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all conditions reported under accounting standards generally accepted in the United States of America. In this case, both management and the independent accountant do not believe that correcting the condition described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan: We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding #2021-2: The Village did not file its financial statements within the time frame required by state law.

Criteria: State law requires the Village to file its financial statements with the Louisiana Legislative Auditor (LLA) within the time frame required by state law.

Condition: The Village did not file its financial statements within the time frame required by state law.

Cause: Unknown.

Effect: The Village cannot receive state funds until the financial statements are filed with the LLA.

Recommendation: I recommend the Village file its annual financial statements within the time frame required by state law.

Management's Response and Corrective Action Plan: We agree with the finding. We will file our financial statements within the time frame required by state law in the future.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
SCHEDULE OF FINDINGS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-3: The Village did not pay payroll taxes on a timely basis.

Criteria: The Internal Revenue Service requires payroll taxes that are due must be paid by certain dates.

Condition: At June 30, 2021, the Village owed payroll taxes totaling \$62,068. The Village is making monthly payments on these overdue taxes until the balance is paid in full.

Cause: Unknown.

Effect: The Village is not in compliance with Internal Revenue Service Regulations.

Recommendation: I recommend the Village pay payroll taxes by the due dates required by the Internal Revenue Service.

Management's Response and Corrective Action Plan: We agree with the finding. We will pay payroll taxes by the due date required by the Internal Revenue Service in the future.

Finding #2021-4: The Village is not in compliance with the repayment terms of the DOTD advance.

Criteria: The repayment terms of the DOTD advance to the Village require yearly payments on the advance.

Condition: The Village did not make any payments on the DOTD advance for the year ended June 30, 2021.

Cause: The Village was not invoiced by DOTD for the year ended June 30, 2021.

Effect: The Village is not in compliance with the repayment terms of the DOTD advance.

Recommendation: I recommend the Village comply with the terms of the DOTD advance.

Management's Response and Corrective Action Plan: We agree with the finding. We will strive to comply with the repayment terms of the DOTD advance in the future.

Finding #2021-5: The Village does not have sufficient cash restricted for customer deposits to cover the liability for customer deposits.

Criteria: The Village is required to maintain restricted cash accounts in an amount equal to the liability for customer deposits.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
SCHEDULE OF FINDINGS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-5: (Continued)

Condition: The liability for customer deposits at June 30, 2021 was \$29,010. Funds restricted for customer deposits at June 30, 2021 was \$8,319 resulting in the liability for customer deposits exceeding funds on deposit by \$20,691.

Cause: The Village settled a lawsuit for the year ended June 30, 2018 for \$20,000 that was paid from cash restricted for customer deposits.

Effect: The amount of funds restricted for customer deposits is not sufficient to fund the liability for customer deposits.

Recommendation: I recommend the Village maintain funds restricted for customer deposits in an amount equal to the liability for customer deposits.

Management's Response and Corrective Action Plan: We agree with the finding. We will strive to maintain amounts restricted for customer deposits in an amount equal to the liability for customer deposits.

Finding #2021-6: The Village is not enforcing its utility cutoff policy.

Criteria: Best practices in management of utility receivables include ensuring that service is terminated when a customer fails to pay a bill on time. Additionally, elected officials should be held to a higher standard than other customers.

Condition: The balance of overdue utility bills increased from \$6,244 at June 30, 2020 to \$15,623 at June 30, 2021. An elected official was included on the past due list of accounts.

Cause: Unknown.

Effect: The Village is not enforcing its utility cutoff policy.

Recommendation: I recommend the Village comply with the Village's cutoff policy.

Management's Response and Corrective Action Plan: We agree with the finding. We will strive to comply with the Village's cutoff policy.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
SCHEDULE OF FINDINGS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-7: The Village is not in compliance with the state budget law.

Criteria: State budget law requires the total of estimated expenditures must not exceed the total of funds available for the ensuing year.

Condition: For the year ended June 30, 2021, the Village adopted a budget for the general fund whereby estimated expenditures exceeded estimated revenue by \$115,300. There was no prior year fund balance to fund the budget deficit.

Cause: Unknown.

Effect: The Village is not in compliance with the state budget law.

Recommendation: I recommend the Village comply with the state budget law.

Management's Response and Corrective Action Plan: We agree with the finding. We will comply with the state budget law in the future.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2020-1: The segregation of duties is inadequate to provide effective internal control.

Status: Unresolved.

Finding #2020-2: The Village did not file its financial statements within the time frame required by state law.

Status: Unresolved.

Finding #2020-3: The Village is not in compliance with IRS Regulations.

Status: Unresolved.

Finding #2020-4: The Village is not in compliance with repayment terms of a DOTD advance.

Status: Unresolved.

Finding #2020-5: The Village did not maintain restricted cash accounts in an amount equal to the liability for customer deposits.

Status: Unresolved.