

**TOWN OF MANGHAM, LOUISIANA**

*Financial Statements  
For the Year Ended June 30, 2021*

**TOWN OF MANGHAM, LOUISIANA**

Annual Financial Statements  
As of and for the Year Ended June 30, 2021  
With Supplemental Information Schedules

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**TOWN OF MANGHAM, LOUISIANA**

Annual Financial Statements  
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With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen of  
The Town of Mangham, Louisiana

*Report on the Financial Statements*

I have audited the accompanying financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Mangham, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information for the Town of Mangham, Louisiana, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5-10), budgetary comparison information (page 32) and the schedules of employer's share of net pension liability (page 35), and the schedules of contributions to pension plans (page 36) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

#### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mangham, Louisiana basic financial statements. The Schedule of Compensation, Benefits, Reimbursements, and other Payments to Agency Head or Executive Officer and the Schedule of Compensation Paid to Elected Officials are presented for purposes of additional analysis and are not a required part of the financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Schedule of Compensation Paid to Elected Officials are the responsibility of management and were derived directly from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Schedule of Compensation Paid to Elected Officials are fairly stated in all material respects in relation to the financial statements as a whole.

Honorable Mayor and Board of Aldermen of  
Town of Mangham, Louisiana  
Page 3

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated February 4, 2022, on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Town of Mangham, Louisiana's internal control over financial reporting and compliance.

David M. Nant, CPA (RPAE)

West Monroe, Louisiana  
February 4, 2022

REQUIRED SUPPLEMENTAL INFORMATION (PART A)  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**TOWN OF MANGHAM, LOUISIANA**  
**Management Discussion and Analysis**  
As of and for the Year Ended June 30, 2021

Management's Discussion and Analysis is a fact-based analysis of the Town's financial activities during the fiscal year ended June 30, 2021. Its purpose is to provide an overview of activities within the Town based on currently known facts, decision, and conditions.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government issued June 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. The Town of Mangham has adopted the GASB 68 reporting requirements concerning retirements.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplementary Information ("RSI") that is provided in addition to this Management Discussion and Analysis.

### **Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$3,192,131 (net position). Of this amount, \$1,679,552 (unrestricted net position) represents the portion of net position that is not invested in capital assets or otherwise restricted.
- The government's total net position decreased by \$10,482.
- As of the close of the current fiscal year, the Town's governmental activities reported combined ending net position of \$1,511,733, an increase of \$61,519 in comparison with the prior year. Of this total amount, \$1,233,292 is available for spending at the government's discretion (unassigned fund balance).
- The Town's total debt decreased by approximately \$8,541 during the current fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Mangham's basic financial statements. The Town of Mangham's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Mangham's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Town of Mangham's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Mangham is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses



## Town of Mangham, Louisiana

### Management Discussion and Analysis (continued)

are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Mangham that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Mangham include general government, public safety, sanitation, public works and Community Center. The business-type activities of the Town of Mangham include water and sewer.

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Mangham like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Mangham can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Mangham maintains 2 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Sales Tax Fund all of which are considered to be major funds.

The Town of Mangham adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

**Proprietary funds.** The Town of Mangham maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information the government-wide financial statements, only in more detail.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Town of Mangham, Louisiana**  
Management Discussion and Analysis (continued)

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Mangham's compliance with budgets for its major funds.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Mangham, assets exceeded liabilities by approximately \$3,192,131 at the close of the most recent fiscal year.

By far the largest amount of the Town of Mangham's net assets (\$1,479,279) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Mangham uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Mangham's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

|                             | Governmental Activities |                    | Business-Type Activities |                    | Totals             |                    |
|-----------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
|                             | 6/30/2021               | 6/30/2020          | 6/30/2021                | 6/30/2020          | 6/30/2021          | 6/30/2020          |
| Current & other assets      | \$1,275,620             | \$1,190,020        | \$509,176                | \$472,327          | \$1,784,796        | \$1,662,347        |
| Capital assets              | 278,441                 | 284,930            | 1,633,337                | 1,747,414          | 1,911,778          | 2,032,344          |
| Total assets                | <u>\$1,554,061</u>      | <u>\$1,474,950</u> | <u>\$2,142,513</u>       | <u>\$2,219,741</u> | <u>\$3,696,574</u> | <u>\$3,694,691</u> |
| Deferred Outflows           | \$30,658                | \$14,959           | \$0                      | \$0                | \$30,658           | \$14,959           |
| Current & other liabilities | \$11,535                | \$6,462            | \$29,616                 | \$26,303           | \$41,151           | \$32,765           |
| Net pension liability       | 58,126                  | 31,813             | \$0                      | \$0                | 58,126             | 31,813             |
| Long-term liabilities       | 0                       | 0                  | 432,499                  | 441,039            | 432,499            | 441,039            |
| Total liabilities           | <u>\$69,661</u>         | <u>\$38,275</u>    | <u>\$462,115</u>         | <u>\$467,342</u>   | <u>\$531,776</u>   | <u>\$505,617</u>   |
| Deferred Inflows            | \$3,325                 | \$1,420            | \$0                      | \$0                | \$3,325            | \$1,420            |
| <b>Net Position:</b>        |                         |                    |                          |                    |                    |                    |
| Invested in Capital Assets  |                         |                    |                          |                    |                    |                    |
| net of related debt         | \$278,441               | \$284,930          | \$1,200,838              | \$1,306,375        | \$1,479,279        | \$1,591,305        |
| Restricted                  | 0                       | 0                  | 33,300                   | 30,636             | 33,300             | 30,636             |
| Unrestricted                | 1,233,292               | 1,165,284          | 446,260                  | 415,388            | 1,679,552          | 1,580,672          |
| Total net position          | <u>\$1,511,733</u>      | <u>\$1,450,214</u> | <u>\$1,680,398</u>       | <u>\$1,752,399</u> | <u>\$3,192,131</u> | <u>\$3,202,613</u> |

The balance of \$1,233,292 in unrestricted net position in the governmental activities represents the accumulated results of all past year's operations. Net position increased by \$61,519 overall from the prior year. The changes in net position are discussed later in this MD&A.

**Governmental activities.** Governmental activities increased the Town of Mangham's net position by \$80,076. Key elements of the changes in net position are as follows:

**Town of Mangham, Louisiana**  
**Management Discussion and Analysis (continued)**

**TOWN OF MANGHAM CHANGES IN NET POSITION**  
**06/30/2021 and 2020**

|  | Governmental Activities |                  | Business-Type Activities |                 | Totals         |                 |
|--|-------------------------|------------------|--------------------------|-----------------|----------------|-----------------|
|  | 6/30/2021               | 6/30/2020        | 6/30/2021                | 6/30/2020       | 6/30/2021      | 6/30/2020       |
| Revenues:  |                         |                  |                          |                 |                |                 |
| Program Revenues:                                    |                         |                  |                          |                 |                |                 |
| Charges for services                                 | 219,385                 | 186,205          | \$152,389                | \$148,155       | \$371,774      | \$334,360       |
| Operating grants & contributions                     | 21,530                  | 0                | 0                        | 0               | 21,530         | 0               |
| Capital grants & contributions                       | 26,754                  | 0                | 0                        | 153,626         | 26,754         | 153,626         |
| General Revenues:                                    |                         |                  |                          |                 | 0              | 0               |
| Property taxes                                       | 49,955                  | 47,536           | 8,497                    | 8,533           | 58,452         | 56,069          |
| Sales taxes  | 109,994                 | 108,036          |                          |                 | 109,994        | 108,036         |
| Other taxes  | 9,918                   | 13,450           |                          |                 | 9,918          | 13,450          |
| Other general revenues                               | 39,565                  | 7,811            | 449                      | 5,166           | 40,014         | 12,977          |
| Total revenues                                       | <u>477,101</u>          | <u>363,038</u>   | <u>161,335</u>           | <u>315,480</u>  | <u>638,436</u> | <u>678,518</u>  |
| Expenses:  |                         |                  |                          |                 |                |                 |
| General Government                                   | 106,445                 | 119,576          |                          |                 | 106,445        | 119,576         |
| Public Safety and Protection                         | 181,646                 | 181,725          |                          |                 | 181,646        | 181,725         |
| Public Works   | 52,828                  | 20,369           |                          |                 | 52,828         | 20,369          |
| Sanitation   | 29,901                  | 28,841           |                          |                 | 29,901         | 28,841          |
| Culture and Recreation                               | 26,205                  | 14,146           |                          |                 | 26,205         | 14,146          |
| Water  |                         |                  | 157,263                  | 154,039         | 157,263        | 154,039         |
| Sewer  |                         |                  | 57,888                   | 60,844          | 57,888         | 60,844          |
| Interest on long term debt                           |                         |                  | 18,185                   | 17,905          | 18,185         | 17,905          |
| Total expenses                                       | <u>397,025</u>          | <u>364,657</u>   | <u>233,336</u>           | <u>232,788</u>  | <u>630,361</u> | <u>597,445</u>  |
| Increase (decrease) in net position before transfers | 80,076                  | (1,619)          | (72,001)                 | 82,692          | 8,075          | 81,073          |
| Transfers  | 0                       | 0                | 0                        | 0               | 0              | 0               |
| Increase (decrease) in net position                  | <u>\$80,076</u>         | <u>(\$1,619)</u> | <u>(\$72,001)</u>        | <u>\$82,692</u> | <u>\$8,075</u> | <u>\$81,073</u> |

Expenses are classified by functions/programs. General government accounts for approximately \$106,000 while public safety, public works, sanitation, and community center accounts for approximately \$291,000 for the fiscal year 2021. The related program revenues for fiscal 2021 directly related to these expenses totaled \$219,000 which resulted in net program revenues of \$80,000. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the Town of Mangham. It provides approximately \$110,000 of general fund revenue.
- Insurance premium taxes are the second largest revenue source to the Town, generating approximately \$20,000 of general fund revenue.

**Business-type activities.** Business-type activities decreased the Town of Mangham's net position by approximately (\$72,000). Key elements of this decrease are as follows.

- Water Fund activities decreased net position by approximately \$49,000.
- Sewer Fund activities decreased net position by approximately \$23,000.

## **Town of Mangham, Louisiana**

### **Management Discussion and Analysis (continued)**

#### **Financial Analysis of the Government's Funds**

As noted earlier, the Town of Mangham uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Town of Mangham's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Mangham's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Mangham's governmental funds reported combined ending fund balances of \$1,263,634 an increase of \$80,076 in comparison with the prior year. All of this total amount (\$1,263,634) constitutes unreserved fund balance, which is available for spending at the Town's discretion.

#### **General Fund Budgetary Highlights**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 et seq), the Town of Mangham must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget for the Town was adopted in June 2017 with one amendment for the year.

**Revenues:** Overall revenues for the General Fund were projected to decrease during FY 2021 by \$81,000 from the previous year. All other revenues were expected to remain the same for 2021.

**Expenditures:** General governmental expenditures comprise 31% of the General Funds Appropriations.

#### **Capital Asset and Debt Administration**

**Capital assets.** The Town of Mangham's investment in capital assets for its governmental and business type activities as of June 30, 2021, amounts to \$1,911,778 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment and street improvements.

No assets were purchased or constructed in the Water or Sewer Funds. Police department purchased radios with a grant and the Street department purchased mowing equipment and a gator with grant funds. The Recreation Complex is still in progress.

**Town of Mangham, Louisiana**  
 Management Discussion and Analysis (continued)

**Town of Mangham Capital Assets**

|                               | <u>6/30/2021</u>   | <u>6/30/2020</u>   |
|-------------------------------|--------------------|--------------------|
| Land                          | \$43,750           | \$43,750           |
| Building & Improvements       | 193,751            | 193,751            |
| Machines & Equipment          | 110,876            | 82,187             |
| Vehicles                      | 53,677             | 53,677             |
| Infrastructure                | 257,233            | 257,233            |
| Construction in Progress      | 81,520             | 81,520             |
| Sewer System                  | 1,099,613          | 1,099,613          |
| Water System                  | 2,323,543          | 2,323,543          |
| Total                         | <u>4,163,963</u>   | <u>4,135,274</u>   |
| Less Accumulated Depreciation | <u>(2,252,185)</u> | <u>(2,102,933)</u> |
| Total Capital Assets          | <u>\$1,911,778</u> | <u>\$2,032,341</u> |

**Town of Mangham Outstanding Debt**

|             |                  |                  |
|-------------|------------------|------------------|
| Water Notes | \$432,499        | \$449,405        |
| Sewer Notes | 0                | 0                |
|             | <u>\$432,499</u> | <u>\$449,405</u> |

**Economic Factors and Next Year's Budgets and Rates**

Factors considered in preparing the Town of Mangham's budget for the 2021 fiscal year included the impact that the property tax reassessments that were completed which increased property values for the Town and determining the amount of revenue that will be generated from sales tax. Sales taxes account for approximately 23% of the Town's total revenue. With current economic conditions, sales tax revenue is projected to remain flat for the next fiscal year. All other revenues are expected to remain constant.

**Covid-19**

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Town and the duration cannot be estimated at this time.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Mangham's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Clerk, Post Office 94 Mangham, Louisiana 71295.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

## TOWN OF MANGHAM, LOUISIANA

## Statement of Net Position

June 30, 2021

|   | PRIMARY GOVERNMENT         |                             | TOTAL              |
|---|----------------------------|-----------------------------|--------------------|
|   | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES |                    |
| <b>ASSETS</b>   |                            |                             |                    |
| Cash and cash equivalents                             | \$554,730                  | \$1,119,894                 | \$1,674,624        |
| Receivables (net of allowances for<br>uncollectibles) | 87,156                     | 23,016                      | 110,172            |
| Internal balances                                     | 633,734                    | (633,734)                   | 0                  |
| Capital assets (net)                                  | 278,441                    | 1,633,337                   | 1,911,778          |
| <b>TOTAL ASSETS</b>                                   | <b>1,554,061</b>           | <b>2,142,513</b>            | <b>3,696,574</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                            |                             |                    |
| Pension   | 30,658                     | 0                           | 30,658             |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>           | <b>30,658</b>              | <b>0</b>                    | <b>30,658</b>      |
| <b>LIABILITIES</b>                                    |                            |                             |                    |
| Accounts, salaries, and other payables                | 11,535                     | 29,616                      | 41,151             |
| Capital leases payable                                | -                          | -                           | -                  |
| Loans payable   | -                          | 432,499                     | 432,499            |
| Net pension liability                                 | 58,126                     | -                           | 58,126             |
| <b>TOTAL LIABILITIES</b>                              | <b>69,661</b>              | <b>462,115</b>              | <b>531,776</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                            |                             |                    |
| Pension   | 3,325                      | 0                           | 3,325              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>            | <b>3,325</b>               | <b>0</b>                    | <b>3,325</b>       |
| <b>NET POSITION</b>                                   |                            |                             |                    |
| Net investment in capital assets                      | 278,441                    | 1,200,838                   | 1,479,279          |
| Restricted for debt service                           | -                          | 33,300                      | 33,300             |
| Unrestricted  | 1,233,292                  | 446,260                     | 1,679,552          |
| <b>TOTAL NET POSITION</b>                             | <b>1,511,733</b>           | <b>1,680,398</b>            | <b>\$3,192,131</b> |

The accompanying notes are an integral part of this financial statement.

TOWN OF MANGHAM, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2021

|                                      | Program Revenues |                         |  |                                   | Net<br>(Expenses)/<br>Revenue | Net (Expenses) Revenues and<br>Changes of Primary Government |                             |                    |
|--------------------------------------|------------------|-------------------------|--|-----------------------------------|-------------------------------|--|-----------------------------|--------------------|
|                                      | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants &<br>Contributions |                               | Governmental<br>Activities                                   | Business-type<br>Activities | Total              |
| <b>Governmental Activities</b>       |                  |                         |  |                                   |                               |  |                             |                    |
| General government                   | \$125,133        |                         | \$21,530                                 |                                   | (\$103,603)                   | (\$103,603)  |                             | (\$103,603)        |
| Public safety and protection         | 186,053          | 149,742                 |  | 4,706                             | (\$31,605)                    | (31,605)   |                             | (31,605)           |
| Public works                         | 47,905           |                         |  | 22,048                            | (\$25,857)                    | (25,857)   |                             | (25,857)           |
| Sanitation                           | 29,901           | 30,756                  |  |                                   | \$855                         | 855  |                             | 855                |
| Culture & Recreation                 | 28,360           | 3,150                   |  |                                   | (\$25,210)                    | (25,210)   |                             | (25,210)           |
| Total Governmental Activities        | <u>417,352</u>   | <u>183,648</u>          | <u>21,530</u>                            | <u>26,754</u>                     | <u>(185,420)</u>              | <u>(185,420)</u>   |                             | <u>(185,420)</u>   |
| <b>Business-type Activities</b>      |                  |                         |  |                                   |                               |  |                             |                    |
| Water                                | 175,448          | 117,582                 |  |                                   | (\$57,866)                    | (57,866)   |                             | (57,866)           |
| Sewer                                | 57,888           | 34,807                  |  |                                   | (\$23,081)                    | (23,081)   |                             | (23,081)           |
| Total Business-type Activities       | <u>233,336</u>   | <u>152,389</u>          |  | <u>0</u>                          | <u>(80,947)</u>               |  |                             | <u>(80,947)</u>    |
| Total Primary Government             | <u>\$650,688</u> | <u>\$336,037</u>        | <u>\$21,530</u>                          | <u>\$26,754</u>                   | <u>(\$266,367)</u>            | <u>(\$185,420)</u>   | <u>(\$80,947)</u>           | <u>(\$266,367)</u> |
| General Revenues:                    |                  |                         |  |                                   |                               |  |                             |                    |
| Property taxes                       |                  |                         |  |                                   |                               | \$49,955   | \$8,497                     | \$58,452           |
| Sales taxes                          |                  |                         |  |                                   |                               | 109,994  |                             | 109,994            |
| Franchise taxes                      |                  |                         |  |                                   |                               | 9,918  |                             | 9,918              |
| Occupational licenses                |                  |                         |  |                                   |                               | 18,079   |                             | 18,079             |
| Insurance premium tax                |                  |                         |  |                                   |                               | 20,718   |                             | 20,718             |
| Investment earnings                  |                  |                         |  |                                   |                               | 221  | 449                         | 670                |
| Other general revenues               |                  |                         |  |                                   |                               | 38,054   |                             | 38,054             |
| Transfers                            |                  |                         |  |                                   |                               |  |                             | 0                  |
| Total general revenues and transfers |                  |                         |  |                                   |                               | <u>246,939</u>   | <u>8,946</u>                | <u>255,885</u>     |
| Change in Net Position               |                  |                         |  |                                   |                               | <u>61,519</u>  | <u>(72,001)</u>             | <u>(10,482)</u>    |
| Net position-beginning               |                  |                         |  |                                   |                               | 1,450,214  | 1,752,399                   | 3,202,613          |
| Prior period adjustment              |                  |                         |  |                                   |                               | 0  |                             | 0                  |
| Net position-ending                  |                  |                         |  |                                   |                               | <u>\$1,511,733</u>   | <u>\$1,680,398</u>          | <u>\$3,192,131</u> |

The accompanying notes are an integral part of this financial statement.



FINANCIAL STATEMENTS

**TOWN OF MANGHAM, LOUISIANA**  
**Balance Sheet, Governmental Funds**

June 30, 2021

|  | GENERAL<br>FUND    | MAJOR FUNDS<br>SALES TAX<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|--------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>                                      |                    |                                   |                                |
| Cash and cash equivalents                          | \$508,276          | \$46,454                          | \$554,730                      |
| Receivables (net of allowances for uncollectibles) | 76,167             | 10,989                            | 87,156                         |
| Due from other funds                               | 633,734            | 43,182                            | 676,916                        |
| <b>TOTAL ASSETS</b>                                | <b>\$1,218,177</b> | <b>\$100,625</b>                  | <b>\$1,318,802</b>             |
| <b>LIABILITIES AND FUND BALANCES</b>               |                    |                                   |                                |
| Liabilities:                                       |                    |                                   |                                |
| Accounts, salaries, and other payables             | 11,986             | 0                                 | 11,986                         |
| Due to other funds                                 | 43,182             | 0                                 | 43,182                         |
| Total Liabilities                                  | 55,168             |                                   | 55,168                         |
| Fund balances:                                     |                    |                                   |                                |
| Assigned   |                    | 100,625                           | 100,625                        |
| Unassigned   | 1,163,009          |                                   | 1,163,009                      |
| Total Fund Balances                                | 1,163,009          | 100,625                           | 1,263,634                      |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>         | <b>\$1,218,177</b> | <b>\$100,625</b>                  | <b>\$1,318,802</b>             |

**Reconciliation of The Governmental Fund Balance Sheet  
to The Government-Wide Financial Statement of Net Position, June 30, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

|  |                    |
|--|--------------------|
| Fund Balances, Total Governmental Funds:   | \$1,263,634        |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.   |                    |
| Governmental assets  | 740,806            |
| Less Accumulated Depreciation  | <u>(462,365)</u>   |
|  | 278,441            |
| Retirement payments are reported as expenditures in the governmental funds. In the government-wide statements the payments and other state retirement system deferrals are reported as Deferred Outflows-Pension | 30,658             |
| Government-wide statements report the Town's share of state retirement system deferrals as Deferred Inflows-Pension  | (3,325)            |
| Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:   |                    |
| Net Pension Liability  | <u>(57,675)</u>    |
| Net Position of Governmental Activities (Statement A)  | <u>\$1,511,733</u> |

The accompanying notes are an integral part of this financial statement.

**TOWN OF MANGHAM, LOUISIANA**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

|   | GENERAL<br>FUND    | MAJOR FUNDS<br>SALES TAX<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|--------------------|----------------------------------|--------------------------------|
| <b>REVENUES</b>   |                    |                                  |                                |
| Taxes:  |                    |                                  |                                |
| Sales and use   | \$ -               | \$109,994                        | \$109,994                      |
| Franchise tax   | 9,918              |                                  | 9,918                          |
| Ad valorem tax  | 49,955             |                                  | 49,955                         |
| Licenses and permits                                      | 38,797             |                                  | 38,797                         |
| Intergovernmental revenues:                               |                    |                                  |                                |
| State funds:  |                    |                                  |                                |
| Grant   | 48,284             |                                  | 48,284                         |
| Charges for services                                      | 30,756             |                                  | 30,756                         |
| Fines and forfeitures                                     | 149,742            |                                  | 149,742                        |
| Investment earnings                                       | 131                | 90                               | 221                            |
| Other revenues  | 39,434             |                                  | 39,434                         |
| Total Revenues  | <u>367,017</u>     | <u>110,084</u>                   | <u>477,101</u>                 |
| <b>EXPENDITURES</b>                                       |                    |                                  |                                |
| General government  | 105,197            | 1,248                            | 106,445                        |
| Public safety and protection                              | 176,940            |                                  | 176,940                        |
| Public works  | 28,849             |                                  | 28,849                         |
| Sanitation  | 29,901             |                                  | 29,901                         |
| Culture and recreation                                    | 26,205             |                                  | 26,205                         |
| Capital outlay  | 28,685             |                                  | 28,685                         |
| Total Expenditures  | <u>395,777</u>     | <u>1,248</u>                     | <u>397,025</u>                 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (28,760)           | 108,836                          | 80,076                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                    |                                  |                                |
| Transfers in  | 108,836            |                                  | 108,836                        |
| Transfers out   | 0                  | (108,836)                        | (108,836)                      |
| Total Other Financing Sources and Uses                    | <u>108,836</u>     | <u>(108,836)</u>                 | <u>0</u>                       |
| Net Change in Fund Balance                                | 80,076             | 0                                | 80,076                         |
| Fund balances -- beginning                                | 1,082,933          | 100,625                          | 1,183,558                      |
| Fund balances -- ending                                   | <u>\$1,163,009</u> | <u>\$100,625</u>                 | <u>\$1,263,634</u>             |

**Reconciliation of The Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Fund  
To the Statement of Activities**

For the Year Ended June 30, 2020

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds \$80,076

Governmental funds report capital outlays 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 capital outlays exceeded depreciation in the current period.

|                      |                 |         |
|----------------------|-----------------|---------|
| Capital Outlay       | 28,685          |         |
| Depreciation Expense | <u>(35,174)</u> | (6,489) |

Governmental funds report retirement expenditures as a payment when remitted to the retirement system. However, in the government-wide statement of activities, retirement is reported based on the allocation stated in the retirement system report. (13,838)

Government-wide statement of activities reports the Town's share of Non-employers pension contribution as part of general revenue. 1,770

Change in Net Position of Governmental Activities, Statement B \$61,519

The accompanying notes are an integral part of this financial statement.

## TOWN OF MANGHAM, LOUISIANA

## Statement of Net Position, Proprietary Funds

June 30, 2021

|   | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS |                         |                              |
|---|---|-------------------------|------------------------------|
|   | (Major Enterprise Funds)<br>WATER<br>FUND | SEWER<br>FUND           | TOTAL<br>ENTERPRISE<br>FUNDS |
| <b>ASSETS</b>   |   |                         |                              |
| Current Assets:                                       |   |                         |                              |
| Cash and cash equivalents                             | \$1,015,982                               | \$103,912               | \$1,119,894                  |
| Receivables (net of allowances for<br>uncollectibles) | 18,005                                    | 5,011                   | 23,016                       |
| Total Current Assets                                  | <u>1,033,987</u>                          | <u>108,923</u>          | <u>1,142,910</u>             |
| Non-Current Assets:                                   |   |                         |                              |
| Capital assets (net of accumulated depreciation)      | 1,165,160                                 | 468,177                 | 1,633,337                    |
| Total Non-Current Assets                              | <u>1,165,160</u>                          | <u>468,177</u>          | <u>1,633,337</u>             |
| <b>TOTAL ASSETS</b>                                   | <u><u>\$2,199,147</u></u>                 | <u><u>\$577,100</u></u> | <u><u>\$2,776,247</u></u>    |
| <b>LIABILITIES</b>                                    |   |                         |                              |
| Current Liabilities:                                  |   |                         |                              |
| Accounts, salaries, and other payables                | \$4,010                                   | \$5,096                 | \$9,106                      |
| Customer Deposits Refundable                          | 20,510                                    | 0                       | 20,510                       |
| Due to other funds                                    | 271,253                                   | 362,481                 | 633,734                      |
| Total Current Liabilities                             | <u>295,773</u>                            | <u>367,577</u>          | <u>663,350</u>               |
| Non Current Liabilities:                              |   |                         |                              |
| Notes Payable-USDA                                    | 432,499                                   | 0                       | 432,499                      |
| Total Non-Current Liabilities                         | <u>432,499</u>                            | <u>0</u>                | <u>432,499</u>               |
| <b>NET POSITION</b>                                   |   |                         |                              |
| Invested in capital assets, net of related debt       | 732,661                                   | 468,177                 | 1,200,838                    |
| Restricted for debt service                           | 33,300                                    | 0                       | 33,300                       |
| Unrestricted  | 704,914                                   | (258,654)               | 446,260                      |
| <b>TOTAL NET POSITION</b>                             | <u><u>\$1,470,875</u></u>                 | <u><u>\$209,523</u></u> | <u><u>\$1,680,398</u></u>    |

The accompanying notes are an integral part of this financial statement.

## TOWN OF MANGHAM, LOUISIANA

Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds

For the Year Ended June 30, 2021

|  | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS |                  |                     |
|--|---|------------------|---------------------|
|  | (Major Enterprise Funds)                  |                  | TOTAL               |
|  | WATER<br>FUND                             | SEWER<br>FUND    | ENTERPRISE<br>FUNDS |
| <b>Operating Revenues</b>  |   |                  |                     |
| Charges for services:  |   |                  |                     |
| Water sales  | \$114,698                                 | \$0              | \$114,698           |
| Sewer charges  | 0   | 34,807           | 34,807              |
| Other services   | 2,884                                     | 0                | 2,884               |
| Total Operating Revenues   | <u>117,582</u>                            | <u>34,807</u>    | <u>152,389</u>      |
| <b>Operating Expenses</b>  |   |                  |                     |
| Salaries and wages   | 11,106                                    | 11,106           | 22,212              |
| Materials and supplies   | 3,528                                     | 1,130            | 4,658               |
| Other services and charges   | 56,652                                    | 17,552           | 74,204              |
| Depreciation   | 85,977                                    | 28,100           | 114,077             |
| Total Operating Expenses   | <u>157,263</u>                            | <u>57,888</u>    | <u>215,151</u>      |
| <b>Operating Income (Loss)</b>   | <u>(39,681)</u>                           | <u>(23,081)</u>  | <u>(62,762)</u>     |
| <b>Nonoperating Revenues (Expenses)</b>  |   |                  |                     |
| Property Taxes   | 8,497                                     | 0                | 8,497               |
| Grant  | 0   | 0                | 0                   |
| Interest earnings  | 316                                       | 133              | 449                 |
| Interest expense   | (18,185)                                  | 0                | (18,185)            |
| Total Nonoperating Revenues (Expenses)   | <u>(9,372)</u>                            | <u>133</u>       | <u>(9,239)</u>      |
| <b>Income (Loss) Before Contributions and Transfers</b>                                | <u>(49,053)</u>                           | <u>(22,948)</u>  | <u>(72,001)</u>     |
| Capital Contributions  | 0   | 0                | 0                   |
| Transfers In   | 0   | 0                | 0                   |
| Transfer Out   | 0   | 0                | 0                   |
| <b>Change in Net Position</b>  | <u>(49,053)</u>                           | <u>(22,948)</u>  | <u>(72,001)</u>     |
| Total Net Position-Beginning   | 1,519,928                                 | 232,471          | 1,752,399           |
| Total Net Position-Ending  | <u>\$1,470,875</u>                        | <u>\$209,523</u> | <u>\$1,680,398</u>  |
| <b>Reconciliation</b>  |   |                  |                     |
| Changes in Net Position Above  |   |                  | <u>(\$72,001)</u>   |
| Adjustment to consolidate internal service activities related to enterprise activities |   |                  | <u>0</u>            |
| Changes in Net Position of Business-type Activities, Statement B                       |   |                  | <u>(\$72,001)</u>   |

The accompanying notes are an integral part of this financial statement.

**TOWN OF MANGHAM, LOUISIANA**  
**Statement of Cash Flows, Proprietary Funds**  
**For the Year Ended June 30, 2021**

|   | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS |                  |                              |
|---|---|------------------|------------------------------|
|   | (Major Enterprise Funds)<br>WATER<br>FUND | SEWER<br>FUND    | TOTAL<br>ENTERPRISE<br>FUNDS |
| <b>Cash Flows From Operating Activities</b>   |   |                  |                              |
| Receipts from customers and users   | \$118,180                                 | \$35,121         | \$153,301                    |
| Payments to suppliers   | (3,881)                                   | (2,486)          | (6,367)                      |
| Payments to employees   | (11,106)                                  | (11,106)         | (22,212)                     |
| Net Cash Provided by Operating Activities   | <u>103,193</u>                            | <u>21,529</u>    | <u>124,722</u>               |
| <b>Cash Flows From NonCapital Financing Activities</b>  |   |                  |                              |
| Property Taxes  | 8,497                                     | 0                | 8,497                        |
| Miscellaneous   | 0   | 0                | 0                            |
| Transfers to/from other funds   | 0   | 0                | 0                            |
| Net Cash Provided (used) by Noncapital Financing Activities   | <u>8,497</u>                              | <u>0</u>         | <u>8,497</u>                 |
| <b>Cash Flows From Capital and Related Financing Activities</b>   |   |                  |                              |
| Purchases of capital assets   | 0   | 0                | 0                            |
| Proceeds from grant   | 0   | 0                | 0                            |
| Proceeds from sale of capital assets  | 0   | 0                | 0                            |
| Principal paid on capital debt  | (8,540)                                   | 0                | (8,540)                      |
| Interest paid on capital debt   | (18,185)                                  | 0                | (18,185)                     |
| Net Cash Provided (used) by Capital and Related Financing Activities  | <u>(26,725)</u>                           | <u>0</u>         | <u>(26,725)</u>              |
| <b>Cash Flows From Investing Activities</b>   |   |                  |                              |
| Interest and dividends received   | 316                                       | 133              | 449                          |
| Net Cash Provided (used) by Investing Activities  | <u>316</u>                                | <u>133</u>       | <u>449</u>                   |
| Net Increase in Cash and Cash Equivalents   | 85,281                                    | 21,662           | 106,943                      |
| Cash and Cash Equivalents, Beginning of Year  | 930,701                                   | 82,250           | 1,012,951                    |
| Cash and Cash Equivalents, End of Year  | <u>\$1,015,982</u>                        | <u>\$103,912</u> | <u>\$1,119,894</u>           |
| <b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities</b>   |   |                  |                              |
| Operating income  | (\$39,681)                                | (\$23,081)       | (\$62,762)                   |
| Depreciation expense  | 85,977                                    | 28,100           | 114,077                      |
| (Increase) decrease in accounts receivable  | 1,708                                     | 2,283            | 3,991                        |
| (Increase) decrease in due from other funds   | (492)                                     | 0                | (492)                        |
| Increase (decrease) in allowance for uncollectible accounts   | 0   | 0                | 0                            |
| Increase (decrease) in customer deposits  | 3,590                                     | 0                | 3,590                        |
| Increase (decrease) in accounts payable   | 404                                       | (682)            | (278)                        |
| Increase (decrease) in due to other funds   | 51,687                                    | 14,909           | 66,596                       |
| Total Adjustments   | <u>142,874</u>                            | <u>44,610</u>    | <u>187,484</u>               |
| Net Cash Provided by Operating Activities   | <u>\$103,193</u>                          | <u>\$21,529</u>  | <u>\$124,722</u>             |
| <b>Reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts in the statements of cash flows:</b> |   |                  |                              |
| Cash and Cash Equivalents   |   | \$               | 1,037,737                    |
| Restricted Cash - Customer Deposits   |   |                  | 48,857                       |
| Restricted Cash - Debt Service Reserve  |   |                  | 33,300                       |
| Total Cash and Restricted Cash  |   | <u>\$</u>        | <u>1,119,894</u>             |

The accompanying notes are an integral part of this financial statement.

## TOWN OF MANGHAM, LOUISIANA

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2021

### INTRODUCTION

The Town of Mangham, Louisiana was incorporated March 4, 1907, under the provisions of the Lawrason Act. The Town operates under a Board of Aldermen-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, public improvements and general administrative services. The Town has a population of approximately 650 people and employs seven people excluding the mayor and the five aldermen.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town has oversight of other component units that are, either, blended into the Town's basic financial statements or discretely presented in a separate column in the government-wide financial statements. The Town of Mangham has no component units as of June 30, 2021.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Sales Tax Fund accounts for all sales taxes collected during the year.

The Town reports the following major proprietary funds:

The Water Fund provides water services to the citizens inside the Town's boundaries. It accounts for all revenues and expenses associated with providing water service.

The Sewer Fund provides sewer services to the citizens inside the Town's boundaries. It accounts for all revenues and expenses associated with providing sewer service.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues derived from the proprietary funds include water and sewer fees along with new installation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

**C. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments for the Town, as well as for its component units, are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**D. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Town uses the allowance method for uncollectible water fees and writes off accounts when it deems them to be totally uncollectible.

**E. Property Taxes**

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

|                    | <u>Authorized<br/>Millage</u> | <u>Levied<br/>Millage</u> | <u>Expiration<br/>Date</u> |
|--------------------|-------------------------------|---------------------------|----------------------------|
| Taxes due for:     |                               |                           |                            |
| General Alimony    | 8.62                          | 8.62                      | 2028                       |
| Water Plant Fund   | 3.35                          | 3.35                      |                            |
| Street Maintenance | 2.24                          | 2.24                      |                            |
| General fund       | 7.85                          | 7.85                      |                            |

*Sales Taxes* The Town of Mangham collects a 1% sales tax, which is not designated for a specific purpose at this time. The tax may be used for any expenditure necessary.

**F. Restricted Assets**

The Town's Water Fund has restricted assets in accordance with the loan agreement in the amount of \$33,300. An amount of \$222 per month is deposited into a reserve account per the agreement. This is to cover the loan in case of default.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$2,500 or more for capitalizing capital assets.

As permitted by GASB 34, the Town has elected not to report infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Town had no interest to capitalize under construction.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u>                  | <u>Estimated<br/>Lives</u> |
|-------------------------------------|----------------------------|
| Buildings and building improvements | 40 Years                   |
| Furniture and fixtures              | 5 – 10 Years               |
| Vehicles                            | 5 Years                    |
| Equipment                           | 7 – 15 Years               |
| Sewer system                        | 20 – 40 Years              |
| Water system                        | 20 – 40 Years              |

## **H. Compensated Absences**

Full time employees of the Town earn 5/6 working days per year of 30 days for each month worked for annual leave. Annual leave cannot be accumulated therefore no accrual has been made.

Employees can earn up to 15 days of sick leave each year. Employees are not paid for accumulated sick leave upon termination, therefore, no accrual has been made.

## **I. Long-Term Obligations**

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **J. Fund Equity**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted Fund Balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the town aldermen – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the town aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

*Assigned Fund Balance* – This classification reflects the amounts constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The town aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned Fund Balance* – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the town's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

## **K. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGET INFORMATION.* The Town uses the following budget practices:

Preliminary budgets for the ensuing fiscal year are prepared by the Town Clerk during May of each year. Prior to June 15, the Mayor submits to the Board of Aldermen, a proposed budget for the fiscal year commencing the following July 1. The availability of the proposed budget for public inspection and the date of the next meeting on the budget are then advertised in the official journal. The budget is then adopted during the meeting prior to June 30. All annual appropriations lapse at year-end.

The budget comparison statements included in the accompanying financial statements reflect the original adopted budget and all amendments made. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

## **3. CASH AND CASH EQUIVALENTS**

At June 30, 2021 the Town has cash and cash equivalents (book balances) totaling \$1,674,624 as follows:

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

|                                  | General Fund     | Sales Tax Fund  | Proprietary<br>Funds | Totals             |
|----------------------------------|------------------|-----------------|----------------------|--------------------|
| Demand deposits                  | \$450,454        |                 | \$903,742            | \$1,354,196        |
| Interest-bearing demand deposits | 5,746            |                 |                      | 5,746              |
| Time deposits                    | 52,076           | 46,454          | 216,152              | 314,682            |
| Other                            |                  |                 |                      |                    |
|                                  | <u>\$508,276</u> | <u>\$46,454</u> | <u>\$1,119,894</u>   | <u>\$1,674,624</u> |

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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2021, the Town has \$1,679,566 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$1,624,783 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, RS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

The receivables of \$110,172 at June 30, 2021 are as follows:

| <u>Class of Receivable</u> | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Funds</u> | <u>Proprietary<br/>Funds</u> | <u>Total</u>     |
|----------------------------|-------------------------|--------------------------------------|------------------------------|------------------|
| Services                   | \$4,965                 | \$                                   | \$22,825                     | \$27,790         |
| Fines                      | 71,182                  |                                      |                              | 71,182           |
| Accrued Interest           | 19                      | 3                                    | 191                          | 213              |
| Sales Tax                  |                         | 10,987                               |                              | 10,987           |
| LGAP                       | 0                       |                                      |                              | 0                |
| Total                      | <u>\$76,166</u>         | <u>\$10,990</u>                      | <u>\$23,016</u>              | <u>\$110,172</u> |

The proprietary funds have an allowance account of \$550 and used the direct write-off method when an account is deemed uncollectible.

**5. INTERFUND RECEIVABLES/PAYABLES**

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities

**TOWN OF MANGHAM, Louisiana**  
**Notes to the Financial Statements (Continued)**

and business-type activities are reported in the government-wide financial statements as "internal balances."

**6. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2021 for the primary government is as follows:

|   | Balance<br>6/30/2020 | Additions          | Retirements | Balance<br>6/30/2021 |
|---|----------------------|--------------------|-------------|----------------------|
| <b>Governmental Activities:</b>                           |                      |                    |             |                      |
| <b>Nondepreciable assets:</b>                             |                      |                    |             |                      |
| Land  | \$43,750             |                    |             | \$43,750             |
| <b>Depreciable assets:</b>                                |                      |                    |             |                      |
| Buildings & improvements                                  | 193,751              |                    |             | 193,751              |
| Construction in progress                                  | 81,520               |                    |             | 81,520               |
| Equipment   | 82,187               | 28,685             | 3           | 110,875              |
| Vehicles  | 53,677               |                    |             | 53,677               |
| Street Improvements                                       | 257,233              |                    |             | 257,233              |
| Total capital assets being depreciated                    | 668,368              | 28,685             | 3           | 697,056              |
| Less accumulated depreciation                             | (427,191)            | (35,174)           |             | (462,365)            |
| Total capital assets being depreciated, net               | 241,177              | (6,489)            | 3           | 234,691              |
| <b>Total governmental activities capital assets, net</b>  | <b>\$284,927</b>     | <b>(\$6,489)</b>   | <b>\$3</b>  | <b>\$278,441</b>     |
| <b>Business-type activities:</b>                          |                      |                    |             |                      |
| <b>Nondepreciable assets:</b>                             |                      |                    |             |                      |
| Land  | \$10,450             |                    |             | \$10,450             |
| <b>Depreciable assets:</b>                                |                      |                    |             |                      |
| Structures & Sewer System                                 | 1,099,613            |                    |             | 1,099,613            |
| Water Plant & Distribution                                | 2,178,764            |                    |             | 2,178,764            |
| Furniture & Equipment                                     | 113,167              |                    |             | 113,167              |
| Construction in Progress                                  | 0                    |                    |             | 0                    |
| Vehicles  | 21,162               |                    |             | 21,162               |
| Total capital assets being depreciated                    | 3,412,706            | 0                  | 0           | 3,412,706            |
| Less accumulated depreciation                             | (1,675,742)          | (114,077)          | 0           | (1,789,819)          |
| Total capital assets being depreciated, net               | 1,736,964            | (114,077)          | 0           | 1,622,887            |
| <b>Total business-type activities capital assets, net</b> | <b>\$1,747,414</b>   | <b>(\$114,077)</b> | <b>\$0</b>  | <b>\$1,633,337</b>   |

Depreciation expense is charges to functions of the governmental and business-type activities as follows:

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

| <u>Governmental Activities:</u> |                      | <u>Business-Type Activities:</u> |                       |
|---------------------------------|----------------------|----------------------------------|-----------------------|
| General Government              | 4,850                | Sewer                            | 28,100                |
| Public safety and protection    | 9,113                | Water                            | 85,977                |
| Public works                    | 19,056               |                                  |                       |
| Sanitation                      | 0                    |                                  |                       |
| Culture and recreation          | 2,155                |                                  |                       |
| <b>Totals</b>                   | <u><u>35,174</u></u> |                                  | <u><u>114,077</u></u> |

**7. INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS**

The composition of interfund balances as of June 30, 2021 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u>           |
|------------------------|---------------------|-------------------------|
| Sewer Fund             | General Fund        | \$359,555               |
| Water Fund             | General Fund        | 274,179                 |
| Special Revenues       | General Fund        | (43,182)                |
| Sales Tax Fund         | General Fund        | 43,182                  |
| Water Fund             | Sewer Fund          | 2,927                   |
| Sewer Fund             | Water Fund          | (2,927)                 |
|                        |                     | <u><u>\$633,734</u></u> |

**8. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$41,151 at June 30, 2021 are as follows:

|          | General<br>Fund        | Proprietary<br>Funds   | Total                  |
|----------|------------------------|------------------------|------------------------|
| Accounts | \$ 11,535              | \$ 9,106               | \$ 20,641              |
| Other    |                        | 20,510                 | 20,510                 |
|          | <u><u>\$11,535</u></u> | <u><u>\$29,616</u></u> | <u><u>\$41,151</u></u> |

**9. LEASES**

The Town records items under capital leases as an asset and an obligation in the accompanying financial statements. All leases have been paid in full as of June 30, 2021.

**10. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2021:

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

|  | Bonded<br>Debt | USDA             | Total            |
|--|----------------|------------------|------------------|
| Long-term Obligations at Beginning of Year | \$0            | \$441,039        | \$441,039        |
| Additions                                  | 0              | 0                | 0                |
| Deductions                                 | 0              | 8,540            | 8,540            |
| Long-term Obligations at End of Year       | <u>\$0</u>     | <u>\$432,499</u> | <u>\$432,499</u> |

| <u>Year Ending June 30, 2021</u> | <u>Principal<br/>Payments</u> | <u>Interest<br/>Payments</u> | <u>Total</u>     |
|----------------------------------|-------------------------------|------------------------------|------------------|
| 2022                             | 9,088                         | 17,660                       | 26,748           |
| 2023                             | 9,470                         | 17,278                       | 26,748           |
| 2024                             | 9,946                         | 16,802                       | 26,748           |
| 2025                             | 10,283                        | 16,465                       | 26,748           |
| 2026                             | 10,429                        | 16,319                       | 26,748           |
| 2027-2049                        | <u>383,283</u>                | <u>205,173</u>               | <u>588,456</u>   |
| Total                            | <u>\$432,499</u>              | <u>\$289,697</u>             | <u>\$722,196</u> |

The water fund accounts for the USDA funding and the general fund has no long-term debt as of June 30, 2021.

A water project loan from the USDA originated on 05/09/08 at 4.125 percent interest. This loan was granted to make major improvements to the water system lines and water plant. At completion, a payment of \$16,494 was made which consisted of accrued interest to date and \$584 of principal. The monthly payments of \$2,229 began 05/09/09 for a period of 40 years.

**11. RETIREMENT SYSTEMS**

**A. Municipal Employees' Retirement System of Louisiana (System)**

*Plan Description*

The Town of Mangham contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Any member of Plan B who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 30 years of creditable service.



**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

2. Age 60 with a minimum of ten or more years of creditable service.
3. Any age with ten years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years creditable service at death of member.

Eligibility for retirement for Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven or more years of creditable service.
2. Age 62 with ten or more years of creditable service.
3. Age 55 with thirty or more years of creditable service.
4. Any age with twenty five years of creditable service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in service to that age.

Generally, the monthly amount of the retirement shall consist of an amount equal to 2% of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2021, the Town's total payroll for all employees was \$144,341. Total covered payroll was \$47,412. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website [www.mersla.com](http://www.mersla.com).

#### *Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2021, the actual employer contribution rate was 15.5% for Plan B, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town of Mangham's contributions to the System under Plan B for the year ending June 30, 2021 were \$7,349. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town to the System monthly.

#### *Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions*

At June 30, 2021, the Employer reported a liability of \$57,675 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Mangham's proportion of the Net Pension Liability was based on a projection of the

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.063643%, which was an increase of 0.027278% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021 the Town recognized a system pension expense of \$10,463 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and current year contributions, which was (\$78). Total pension expense for the Town of Mangham for the year ended June 30, 2021 was \$10,385.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual experience                    | 0                              | 971                           |
| Changes in assumptions  | 1,788                          | 0                             |
| Net difference between projected and actual earnings on pension plan  | 6,261                          | 0                             |
| Changes in employer's proportion of beginning net pension liability   | 15,260                         | 0                             |
| Differences between employer and proportionate share of contributions | 0                              | 2,354                         |
| Subsequent measurement contributions                                  | 7,349                          | 0                             |
| <b>Total</b>  | <b>30,658</b>                  | <b>3,325</b>                  |

The \$7,349 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ended June 30: |        |
|---------------------|--------|
| 2021                | 10,009 |
| 2022                | 7,631  |
| 2023                | 1,427  |
| 2024                | 917    |

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, as follows:

|                |               |
|----------------|---------------|
| Valuation Date | June 30, 2020 |
|----------------|---------------|

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

|   |   |
|---|---|
| Actuarial Cost Method                                     | Entry Age Normal  |
| Actuarial Assumptions:                                    |   |
| Investment Rate of Return                                 | 6.95%   |
| Inflation Rate  | 2.50%   |
| Salary increases, including inflation and merit increases | 1 to 4 years of service - 7.4%<br>More than 4 years of service – 4.9%   |
| Annuitant and beneficiary mortality                       | PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. |
| Employee mortality  | PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.        |
| Disabled lives mortality                                  | PUBNE-2010(B) Disabled Retiree Table set equal to 120% for males and females with full generational MP2018 scale                                |
| Expected remaining service lives                          | 3 years for Plan B  |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

| Asset Class                        | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------------|-------------------|--|
| Public equity                      | 53%               | 2.33%                                  |
| Public fixed income                | 38%               | 1.67%                                  |
| Alternatives                       | 9%                | 0.40%                                  |
| Totals                             | 100%              | 4.40%                                  |
|                                    |                   |  |
| Inflation                          |                   | 2.60%                                  |
| Expected arithmetic nominal return |                   | 7.00%                                  |

*Discount Rate*

The discount rate used to measure the total pension liability was 6.95% for the years ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-

**TOWN OF MANGHAM, Louisiana**  
Notes to the Financial Statements (Continued)

term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

*Sensitivity of the Town of Mangham's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.95%) or one percentage-point higher (7.95%) than the current rate:

|   | 1.0% Decrease | Current<br>Rate | Discount | 1.0% Increase |
|---|---------------|-----------------|----------|---------------|
| Employer's proportionate share of net pension liability | 76,776        |                 | 57,675   | 41,513        |

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$451, which is the legally required contribution due at June 30, 2021. This amount is recorded in accrued expenses.

*Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at [www.mersla.com](http://www.mersla.com).

**12. RISK MANAGEMENT**

The Town is exposed to a variety of risks that may result in losses. These risks include possible losses from acts of God, injury to employees, property damage, or breach of contract. The Town manages these potential losses through purchasing insurance from several commercial insurance companies. The level of coverage has remained constant. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. The Town is not a member of a risk pool.

**13. POST EMPLOYMENT BENEFITS**

The Town does not provide health care, life insurance, or any other post employment benefits for its retirees.

**14. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 4, 2022, which is the day the financial statements were available to be issued, and it has been determined that no other significant events have occurred for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULES

## TOWN OF MANGHAM, LOUISIANA

**Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Budget and Actual (GAAP Basis)  
General Fund (and all major governmental funds)  
For the Year Ended June 30, 2021**

*Required Supplemental Information*

|  | <u>Budgeted Amounts</u> |                    | Actual Amounts<br>Budgetary Basis | Variance With<br>Final Budget<br>Over(Under) |
|--|-------------------------|--------------------|-----------------------------------|--|
|  | Original                | Final              |                                   |  |
| <b>Revenues</b>  |                         |                    |                                   |  |
| Taxes:   |                         |                    |                                   |  |
| Sales and use  | \$107,000               | \$109,000          | \$109,994                         | \$994  |
| Franchise tax  | 15,500                  | 10,500             | 9,918                             | (582)  |
| Ad valorem tax   | 47,940                  | 52,100             | 49,955                            | (2,145)                                      |
| Other taxes, penalties, interest, etc.                           | 0                       | 0                  |                                   | 0  |
| Licenses and permits   | 30,100                  | 41,100             | 38,797                            | (2,303)                                      |
| Intergovernmental revenues:                                      |                         |                    |                                   |  |
| State funds:   |                         |                    |                                   |  |
| State revenue sharing (net)                                      | 0                       | 0                  | 0                                 | 0  |
| Grant  | 0                       | 48,800             | 48,284                            | (516)  |
| Charges for services   | 30,000                  | 32,000             | 30,756                            | (1,244)                                      |
| Fines and forfeitures  | 140,000                 | 125,000            | 149,742                           | 24,742                                       |
| Investment earnings  | 50                      | 50                 | 221                               | 171  |
| Other revenues   | 14,500                  | 38,100             | 39,434                            | 1,334  |
| Total Revenues   | <u>385,090</u>          | <u>456,650</u>     | <u>477,101</u>                    | <u>20,451</u>                                |
| <b>Expenditures</b>  |                         |                    |                                   |  |
| General Government   | 115,450                 | 115,175            | 106,445                           | (8,730)                                      |
| Public safety and protection                                     | 184,550                 | 186,275            | 176,940                           | (9,335)                                      |
| Public works   | 19,250                  | 34,200             | 28,849                            | (5,351)                                      |
| Sanitation   | 36,200                  | 30,200             | 29,901                            | (299)  |
| Culture and recreation   | 5,900                   | 29,225             | 26,205                            | (3,020)                                      |
| Capital Outlay   | 0                       | 30,800             | 28,685                            | (2,115)                                      |
| Total Expenditures   | <u>361,350</u>          | <u>425,875</u>     | <u>397,025</u>                    | <u>(28,850)</u>                              |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | 23,740                  | 30,775             | 80,076                            | 49,301                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                            |                         |                    |                                   |  |
| Transfers In   | 105,800                 | 107,800            | 108,836                           | (1,036)                                      |
| Transfers Out  | (105,800)               | (107,800)          | (108,836)                         | 1,036  |
| Total Other Financing Sources and Uses                           | <u>0</u>                | <u>0</u>           | <u>0</u>                          | <u>0</u>                                     |
| Net Change in Fund Balance                                       | 23,740                  | 30,775             | 80,076                            | 49,301                                       |
| <b>Fund Balance (Deficit) at Beginning of Year (Restated)</b>    | <u>1,183,558</u>        | <u>1,183,558</u>   | <u>1,183,558</u>                  | <u>0</u>                                     |
| <b>Fund Balance (Deficit) at End of Year</b>                     | <u>\$1,207,298</u>      | <u>\$1,214,333</u> | <u>\$1,263,634</u>                | <u>\$49,301</u>                              |

Preliminary budgets for the ensuing fiscal year are prepared by the Town Clerk during May of each year. Prior to June 15, the Mayor submits to the Board of Aldermen, a proposed budget for the fiscal year commencing the following July 1. The availability of the proposed budget for public inspection and the date of the next meeting on the budget are then advertised in the official journal. The budget is then adopted during the meeting prior to June 30. All annual appropriations lapse at year-end.

The budget comparison statements reflect the original adopted budget and all amendments made. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

OTHER SUPPLEMENTAL SCHEDULES

## TOWN OF MANGHAM, LOUISIANA

**Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2021**

| <b>Chief Executive Office: John Natt, Mayor Deceased December 2020</b>         | <b>Amount</b>         |
|--|-----------------------|
| Salary (Gross)   | \$3,000               |
| Benefits:  |                       |
| Social Security & Medicare   | 186                   |
| Health Insurance   | 44                    |
| Car Allowance  | 0                     |
| Pension  | 0                     |
| Total Employer Cost  | <u>3,230</u>          |
| Travel expenditures (Conferences, etc)   |                       |
| Conferences  |                       |
| Dues   |                       |
| Grand Total  | <u><u>\$3,230</u></u> |
| <br>   |                       |
| <b>Chief Executive Office: Zona McKay, Appointed Mayor Deceased April 2021</b> | <b>Amount</b>         |
| Salary (Gross)   | \$2,300               |
| Benefits:  |                       |
| Social Security & Medicare   | 143                   |
| Health Insurance   | 33                    |
| Car Allowance  | 0                     |
| Pension  | 0                     |
| Total Employer Cost  | <u>2,476</u>          |
| Travel expenditures (Conferences, etc)   |                       |
| Conferences  |                       |
| Dues   |                       |
| Grand Total  | <u><u>\$2,476</u></u> |
| <br>   |                       |
| <b>Chief Executive Office: Anthony Killian, Appointed Mayor</b>                | <b>Amount</b>         |
| Salary (Gross)   | \$1,000               |
| Benefits:  |                       |
| Social Security & Medicare   | 62                    |
| Health Insurance   | 15                    |
| Car Allowance  | 0                     |
| Pension  | 0                     |
| Total Employer Cost  | <u>1,077</u>          |
| Travel expenditures (Conferences, etc)   |                       |
| Conferences  |                       |
| Dues   |                       |
| Grand Total  | <u><u>\$1,077</u></u> |

The accompanying notes are an integral part of these financial statements.



## TOWN OF MANGHAM, LOUISIANA

Schedule of Compensation Paid Board of Aldermen  
For the Year Ended June 30, 2021

| <u>Board of Aldermen</u>       | <u>Amount</u>         |
|--------------------------------|-----------------------|
| Zona McKay, Mayor Pro-Tem      | 300                   |
| Leslie Mizell                  | 400                   |
| Anthony Killian, Mayor Pro-Tem | 500                   |
| Wanda Romero                   | 400                   |
| Courtney Brunson               | 50                    |
| Cole Gregorie                  | 50                    |
| Andrea Ramsey                  | 300                   |
| Total                          | <u><u>\$2,000</u></u> |

The accompanying notes are an integral part of these financial statements.

## TOWN OF MANGHAM, LOUISIANA

**Schedule of Employer's Proportionate Share of Net Pension Liability  
For the Year Ended June 30, 2021**

| Fiscal Year* | Employer's Proportion of the Net Pension Liability (Asset) | Employer's Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Employee Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll | Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability |
|--------------|--|---|-------------------------------------|--|---|
| 2014         | 0.02823%   | 13,255  | 102,248                             | 13.00%   | 73.99% July 1-June 30 2014  |
| 2015         | 0.02899%   | 19,704  | 16,795                              | 117.00%  | 66.18% July 1-June 30 2015  |
| 2016         | 0.02999%   | 24,856  | 22,491                              | 111.00%  | 63.34% July 1-June 30 2016  |
| 2017         | 0.03036%   | 26,270  | 22,473                              | 117.00%  | 63.49% July 1-June 30 2017  |
| 2018         | 0.03093%   | 26,161  | 22,922                              | 114.00%  | 65.60% July 1-June 30 2018  |
| 2019         | 0.03637%   | 31,813  | 27,800                              | 114.00%  | 66.14% July 1-June 30 2019  |
| 2020         | 0.06364%   | 57,675  | 49,322                              | 117.00%  | 66.26% July 1-June 30 2020  |

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## TOWN OF MANGHAM, LOUISIANA

**Schedule of Employer Contributions  
For the Year Ended June 30, 2021**

| Fiscal Year* | Statutorily Required Contributions | Contributions in Relation to Statutorily Required Contributions | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a Percentage of Covered Employee Payroll |
|--------------|------------------------------------|---|----------------------------------|----------------------------|---|
| 2015         | 1,596                              | 1,596   | 0                                | 16,795                     | 9.50%   |
| 2016         | 2,137                              | 2,102   | 34                               | 22,491                     | 9.35%   |
| 2017         | 2,472                              | 2,479   | (7)                              | 22,473                     | 11.03%  |
| 2018         | 3,037                              | 3,037   | 0                                | 22,922                     | 13.25%  |
| 2019         | 3,892                              | 3,892   | 0                                | 27,800                     | 14.00%  |
| 2020         | 6,905                              | 6,905   | 0                                | 49,322                     | 14.00%  |
| 2021         | 7,349                              | 7,349   | 0                                | 47,412                     | 15.50%  |

\*Amounts presented were determined as of the end of the fiscal year.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Board of Aldermen of  
The Town of Mangham, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Mangham, Louisiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued my report thereon dated February 4, 2022.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 21-1 that I consider to be a significant deficiency.

To the Honorable Mayor and Board of Aldermen of  
The Town of Mangham, Louisiana  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. The purpose of this report is for the information of management and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

David M. Hard, CPA (APAC)

West Monroe, Louisiana  
February 4, 2022

TOWN OF MANGHAM, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021

Honorable Mayor and Board of Aldermen of the  
Town of Mangham, Louisiana

I have audited the financial statements of the Town of Mangham, Louisiana as of and for the year ended June 30, 2021, and have issued my report thereon dated February 4, 2022. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2021, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be  
Material Weaknesses X yes \_\_\_ no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards – N/A

Material Weakness Identified \_\_\_ yes \_\_\_ no

Significant Deficiencies not considered to be  
Material Weaknesses \_\_\_ yes \_\_\_ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_ Qualified \_\_\_

Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?  
N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)  
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

TOWN OF MANGHAM, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

**21-1 Improving Segregation of Cash Duties**

Condition:

At present, the Town Clerk of Mangham, Louisiana handles all aspects of the accounting system. She is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, she is the only person that is trained to do this job.

Criteria & Effect:

A fundamental concept in a good system of internal control is the segregation of duties.

Recommendation:

Although the size of the Town's accounting staff prohibits complete adherence to this concept, I believe the following practices could be implemented to improve existing internal control without impairing efficiency.

- Mail should be opened by an employee not responsible for accounting, such as the mayor or an alderman. Cash receipts could be recorded and the deposit prepared by this person.
- Cash receipts should be deposited intact daily. Holding receipts exposes the Town to loss.
- Bank statements, cancelled checks, etc. should be received by someone other than the employee maintaining cash records. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
- Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.
- Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis. Nonroutine testing would aid in ensuring compliance with Town policy for all disbursements.
- Credit card statements should be reviewed monthly by the mayor or an alderman.

Also, the Town should consider hiring another person to train to help the Town Clerk and assist her in her daily duties.

Response:

The Town's Aldermen have the opportunity to review the bank statements and reconciliations at each monthly Council meeting. The monthly invoices are also reviewed at that time. Two signatures are required on all checks written and the Mayor reviews each invoice prior to his signature. The cost of hiring a second employee to provide these safeguards far outweigh the benefits.



TOWN OF MANGHAM, LOUISIANA  
STATUS OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

**20-1 Improving Segregation of Cash Duties**

Condition:

At present, the Town Clerk of Mangham, Louisiana handles all aspects of the accounting system. She is responsible for, or has access to, the handling, recording and mailing of cash disbursements.

Recommendation:

Although the size of the Company's accounting staff prohibits complete adherence to this concept, we believe the following practices could be implemented to improve existing internal control without impairing efficiency.

- Mail should be opened by an employee not responsible for accounting, such as the mayor or an alderman. Cash receipts could be recorded and the deposit prepared by this person.
- Cash receipts should be deposited intact daily. Holding receipts exposes the Town to loss.
- Bank statements, cancelled checks, etc. should be received by someone other than the employee maintaining cash records. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
- Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.
- Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis. Nonroutine testing would aid in ensuring compliance with Town policy for all disbursements.
- Credit card statements should be reviewed monthly by the mayor or an alderman.

Action Taken:

The Town feels that it is not cost beneficial to hire another employee.