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CITY OF MANFIELD
Manfield, Louisiana

**General Purpose Financial Statements
With Independent Auditor's Report**

As of and for the Year Ended
December 31, 1997
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of this report is being distributed to the Board of Commissioners, and the Board of Police Commissioners, and to the public for general information. This report is available to the public at the City of Manfield, Louisiana, Office of the Auditor, 100 North Main Street, Manfield, Louisiana, at the discretion of the Auditor.

Printed and Bound by **MAN** 7-1999

**VERNON R
COON**
Auditor

CITY OF MANSFIELD
Mansfield, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1997
With Supplemental Information Schedules

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Independent Auditor's Report

VERNON R. COON
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF ACCOUNTS
REGISTERED PUBLIC
ACCOUNTANTS

OFFICE LIMITED TO
GOVERNMENTAL,
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

**MAYOR AND BOARD
OF ALDERMEN
CITY OF MANFIELD**
Manfield, Louisiana

I have audited the general purpose financial statements of the City of Manfield as of December 31, 1987, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Manfield's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Manfield as of December 31, 1987, and the results of operations and cash flows of its proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

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MAYOR AND BOARD OF
ALDERMEN
CITY OF MANSFIELD
Mansfield, Louisiana
Independent Auditor's Report,
December 31, 1997

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

In accordance with Government Auditing Standards, I have also issued reports dated February 20, 1998 on the City of Mansfield's compliance with laws, regulations, contracts, and grants; and my consideration of the city's internal control structure.



West Monroe, Louisiana
February 20, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

CITY OF MANASSASFIELD
Manassas, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1997

ASSETS AND OTHER DEBITS

Current assets:

| | | | | | |
|--|--------------------|-------------------|----------------|--------------------|---------------------|
| Cash | \$157,446 | \$244,679 | \$25,000 | | \$427,125 |
| Investments | 124,793 | 186,163 | | | 310,956 |
| Receivables | 171,814 | 128,632 | 4,474 | | 304,920 |
| Total current assets | <u>\$454,053</u> | <u>\$569,474</u> | <u>29,474</u> | <u>\$4,054</u> | <u>1,448,525</u> |
| Restricted assets: | | | | | |
| Cash | | 217,428 | | | 217,428 |
| Investments | | 587,116 | | | 607,116 |
| Total restricted assets | <u>\$587,116</u> | <u>804,608</u> | <u>\$4,054</u> | <u>\$4,054</u> | <u>928,608</u> |
| Land, buildings, equipment, and improvements (net of accumulated depreciation) | | 4,465,039 | | 52,199,199 | 6,084,238 |
| Deferred bond issuer costs (net of amortization) | | 60,181 | | | 68,251 |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$1,041,269</u> | <u>14,866,311</u> | <u>33,524</u> | <u>\$2,059,157</u> | <u>\$17,177,255</u> |

LIABILITIES AND FUND EQUITY

Liabilities:

| | | | | | |
|---|---------------|---------------|-----------------|----------------|---------------|
| Current liabilities: | | | | | |
| Accounts payable | \$14,225 | \$14,252 | | | \$28,477 |
| Salaries payable | | 2,708 | | | 2,708 |
| Deposits due others | | \$28,424 | | | 28,424 |
| Total current liabilities | <u>14,225</u> | <u>45,384</u> | <u>\$28,424</u> | <u>\$4,054</u> | <u>59,683</u> |
| Current liabilities (payable from restricted assets): | | | | | |
| Customer deposits | | 112,819 | | | 112,819 |

| | | | |
|--|------------|------------|------------|
| Current portion of revenue bonds payable | 97,353 | | 97,353 |
| Total current liabilities (payable from restricted assets) | 96,061 | 96,061 | 96,061 |
| Revenue bonds payable | 3,088,000 | | 3,088,000 |
| Total Liabilities | 3,185,412 | 75,084 | 3,260,496 |
| Fund Equity: | | | |
| Contributed capital | 3,088,000 | | 3,088,000 |
| Investments in general fund assets | | 52,199,195 | 52,199,195 |
| Retained earnings: | | | |
| Board: | | | |
| Retained for debt service | 675,387 | | 675,387 |
| Unreserved - undesignated | 114,769 | | 114,769 |
| Total retained earnings | 790,156 | 96,061 | 790,156 |
| Fund balance - non-rev - undesignated | 871,075 | | 871,075 |
| Total Fund Equity | 3,858,899 | 96,061 | 3,954,960 |
| | 3,858,899 | 3,954,960 | 3,858,899 |
| | 34,463,311 | 825,434 | 35,288,745 |
| | | | 34,177,450 |

The accompanying notes are an integral part of this statement.

CITY OF MANSFIELD
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP) Basis and Actual
For the Year Ended December 31, 2020

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> BUDGET AND P CURRENT YEAR |
|---|------------------|------------------|---|
| REVENUES | | | |
| Taxes: | | | |
| Ad valorem taxes | \$295,150 | \$289,220 | \$5,930 |
| Sales and use taxes | 595,000 | 740,758 | 145,758 |
| Other taxes, penalties, and interest | 27,480 | 27,373 | (107) |
| Licenses and permits | 200,345 | 414,155 | 213,810 |
| Intergovernmental revenues: | | | |
| Federal grant | 100 | 517 | 417 |
| State grants | 8,700 | 74,219 | 65,519 |
| Fees, charges, and commissions for services | 28,143 | 28,862 | (719) |
| Fines and forfeitures | 97,800 | 106,569 | 8,769 |
| Use of money and property | 15,852 | 21,125 | 5,273 |
| Other revenues | 13,598 | 25,711 | (12,113) |
| Total revenues | <u>1,463,738</u> | <u>1,709,999</u> | <u>246,261</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government: | | | |
| Judicial | 58,850 | 58,300 | 550 |
| Executive | 124,300 | 122,819 | 1,481 |
| Finance and administration | 540,857 | 538,867 | 2,000 |
| Public safety | 697,352 | 658,859 | 7,493 |
| Public works | 417,962 | 342,003 | 75,959 |
| Culture and recreation | 7,000 | 6,518 | 482 |
| Capital outlay | 2,700 | 54,235 | (51,535) |
| Total expenditures | <u>1,587,921</u> | <u>1,556,957</u> | <u>30,964</u> |
| EXCESS (Deficiency) OF | | | |
| REVENUES OVER EXPENDITURES | (122,183) | 153,042 | 275,225 |
| OTHER FINANCING SOURCE | | | |
| Sale of fixed assets | 80988 | 7,111 | (73,877) |
| EXCESS (Deficiency) OF REVENUES AND | | | |
| OTHER SOURCE OVER EXPENDITURES | (41,195) | 160,153 | (201,348) |
| FUND BALANCES AT BEGINNING OF YEAR | <u>158,612</u> | <u>708,101</u> | <u>549,489</u> |
| FUND BALANCES AT END OF YEAR | <u>\$116,417</u> | <u>\$871,070</u> | <u>\$754,581</u> |

The accompanying notes are an integral part of this statement.

CITY OF MANFIELD
 Manfield, Louisiana
 PROPRIETARY FUND TYPE -
 ENTERPRISE FUNDS

Combined Statement of Revenues, Expenses,
 and Changes in Retained Earnings
 For the Year Ended December 31, 1997

| | |
|---|------------------|
| OPERATING REVENUES | |
| Charges for services | \$1,345,990 |
| Fees/penalties | 12,296 |
| Permits and fees | 536 |
| Other operating revenues | <u>21,488</u> |
| Total revenues | <u>1,480,310</u> |
| OPERATING EXPENSES | |
| General and administrative | 764,594 |
| Billing office | 53,894 |
| Truck/plant | 298,829 |
| Water department | 434,993 |
| Collection system | 22,916 |
| Treatment facility | <u>33,456</u> |
| Total operating expenses | <u>1,608,672</u> |
| OPERATING INCOME (Loss) | <u>(128,362)</u> |
| NON-OPERATING REVENUES (Expenses) | |
| Interest income | 51,254 |
| Bond issue cost amortization | (3,481) |
| Interest expense | <u>(190,320)</u> |
| Total non-operating revenues (expenses) | <u>(142,547)</u> |
| NET INCOME (Loss) | (148,167) |
| Add depreciation on fixed assets acquired with contributed capital | 267,607 |
| RETAINED EARNINGS AT BEGINNING OF YEAR | <u>934,828</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>724,054</u> |

The accompanying notes are an integral part of this statement.

CITY OF MANSFIELD
Mansfield, Louisiana
PROPRIETARY FUND TYPE -
ENTERPRISE FUNDS

Combined Schedule of Cash Flows
 For the Year Ended December 31, 1997

| | |
|--|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating Loss | <u>(800,318)</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash | |
| Provided (Used) by Operating Activities: | |
| Depreciation and amortization | 510,084 |
| Decrease in accounts receivable | 83,921 |
| Decrease in accounts payable | (97,624) |
| Increase in customer deposits | 1,272 |
| Total adjustments | <u>507,653</u> |
| Net cash provided by operating activities | <u>807,335</u> |
| CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES | |
| Receipt of capital contributions | <u>9,350</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition and construction of capital assets | (151,691) |
| Principal paid on revenue bonds | (86,083) |
| Definance of revenue bonds | (998,326) |
| Interest paid on revenue bonds | (190,369) |
| Refunding bond revenue cost | (28,337) |
| Deferred refunding bond cost | (72,060) |
| Bond proceeds | <u>1,213,046</u> |
| Net cash used by capital and related financing activities | <u>(613,056)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest earnings | 31,084 |
| Purchase of investments | (36,646) |
| Proceeds from maturities of investments | <u>90,032</u> |
| Net cash used by investing activities | <u>(14,845)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>107,084</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>415,112</u> |
| CASH AT END OF YEAR | <u>522,196</u> |

CITY OF MANFIELD
Manfield, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Manfield was incorporated in 1947 under the provisions of Act 128 of the General Assembly of the State of Louisiana. The city operates under a Mayor-Board of Aldermen form of government. The city provides the following services as authorized by its charter: police and fire protection, water and sewerage, streets, sanitation, and general administrative services.

A. REPORTING ENTITY

As the governing authority of the city, for reporting purposes, the City of Manfield is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the city), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Manfield for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the city to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.

CITY OF MANSFIELD

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

B. FUND ACCOUNTING

The city uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fund assets and general long-term obligations) that are not recorded in the "Funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The city's current operations require the use of governmental, proprietary, and fiduciary fund types described as follows:

Governmental Funds:

General Fund

The General Fund is the general operating fund of the city. It accounts for all financial resources, except those required to be accounted for in other funds.

CITY OF MANSFIELD

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

Proprietary Fund Type - Enterprise Funds

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

Fiduciary Fund Type -

International Paper Agency Fund

The International Paper Agency Fund is used to account for the reimbursement to the city by International Paper Company, of the cost of operating and maintaining, the company's water intake structure located at Toledo Bend Lake.

C. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed asset account group, rather than in the General Fund. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Approximately 95 per cent of fixed assets are valued at actual cost, while the remaining 5 per cent are valued at estimated cost based on the actual cost of like items. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized. Public domain (infrastructure) general fixed assets consisting of roads, bridges, drainage, parking lots, etc. are not capitalized, as these assets are inseparable and of value only to the city.

The fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

CITY OF MANSFIELD

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

| | |
|------------------------|------------|
| Water treatment plant | 30 years |
| Automotive equipment | 3-7 years |
| Transmission line | 30 years |
| Pumping station | 20 years |
| Office equipment | 3-10 years |
| Water and sewer system | 3-20 years |

Long-term liabilities expected to be financed from enterprise fund operations are accounted for in those enterprise funds.

B. BASIS OF ACCOUNTING

The financial and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues) and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The city uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the city in October and are billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year; however, by precedent, this is normally extended until February 1. Revenues from ad valorem taxes are budgeted in the year billed to the extent collections are expected. The city bills and collects its own property taxes using the assessed values determined by the tax assessor of DeCade Parish.

CITY OF MANFIELD

Manfield, Louisiana

Notes to the Financial Statements (Continued)

Sales taxes are recognized in the month received by the city's collection agent, the DeCade Parish Sales and Use Tax Commission.

Franchise taxes and intergovernmental revenues are recorded when the city is entitled to the funds.

Interest income on time deposits is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they are received by the city.

Based on the above criteria, ad valorem taxes, franchise taxes, and intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Source

Sale of fixed assets are accounted for as other financing sources and is recognized when the underlying events occur.

Proprietary Fund Type - Enterprise Funds

The Water and Sewer Enterprise Funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the mayor and clerk and submitted to the board of aldermen no later than fifteen days prior to the beginning of each fiscal year. The proposed budget is reviewed by the board of aldermen and made available to the public. At least ten days after publication of the call for a public hearing, the city holds a public hearing on the proposed budget in order to receive comments from citizens.

CITY OF MANSFIELD
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

Changes are made to the proposed budget based on the public hearing and the desires of the board of aldermen as a whole. The budget is then adopted through the passage of an ordinance during the December meeting, and notice is published in the official journal.

During the year, the board of aldermen receives monthly budget comparison statements which are used as a tool to control the operations of the city. The city clerk presents necessary budget amendments to the board when she determines that actual operations are differing materially from those anticipated in the original budget. The board in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the city's minutes published in the official journal. The budget is established and controlled by the mayor and board of aldermen at the functional level of expenditures. Unexpended appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the mayor and the board of aldermen. The city does not use encumbrance accounting in its accounting system.

F. CASH

Under state law, the city may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The city may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1997 the city has cash (book balances) totaling \$1,084,622, as follows:

| | |
|-----------------|--------------------|
| Demand deposits | \$858,276 |
| Time deposits | 226,346 |
| Porty cash | <u>99</u> |
| Total | <u>\$1,084,622</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

CITY OF MANFIELD

Manfield, Louisiana

Notes to the Financial Statements (Continued)

agent bank in a holding or custodial bank that is mutually acceptable to both parties. Demand deposits (bank balances) at December 31, 1997, are secured as follows:

| | |
|---------------------------------------|--------------------|
| Bank Balances | <u>\$1,348,060</u> |
| Federal deposit insurance | \$325,000 |
| Pledged securities (uncollateralized) | <u>1,999,293</u> |
| Total | <u>\$3,672,353</u> |

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the city, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.105; however, Louisiana Revised Statute 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 city that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 34:1234 states that securities held by a third party shall be deemed to be held in the city's name.

For purposes of the statement of cash flows, the water and sewer enterprise funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. INVESTMENTS

Under state law, the city may invest funds in obligations of the United States, in federally insured investments, or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At December 31, 1997, the city had investments in LAMP totaling \$891,048, which is stated at cost and approximates market.

In accordance with GASB Codification 190.165 the investment in LAMP at December 31, 1997, is not categorized in the three risk categories provided by GASB Codification 190.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets.

CITY OF MANFIELD

Manfield, Louisiana

Notes to the Financial Statements (Continued)

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 180 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

II. VACATION AND SICK LEAVE

City employees earn from 10 to 30 days vacation and from 12 to 30 days sick leave each year. Vacation leave does not accumulate and accrued sick leave does not vest; therefore, no accrual for compensated absences is made as of December 31, 1997.

**I. TOTAL COLUMN ON THE
BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES AND PRINCIPAL TAXPAYERS

For the year ended December 31, 1997, taxes totaling 16.57 mills were levied on property and were dedicated as follows:

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|--------------------------------------|-------------------------------|---------------------------|----------------------------|
| General corporate purposes: | | | |
| Authorized by the State of Louisiana | 7.00 | 8.13 | Indefinite |
| Approved by City of Manfield voters | 8.44 | 8.44 | 2005 |

CITY OF MANSFIELD
 Mansfield, Louisiana
 Notes to the Financial Statements (Continued)

The difference between authorized and levied millages is the result of assessments of taxable property required by article 7, Section 18(F) of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 1997 assessed valuation:

| | 1997 Assessed Valuation | Per cent of Total Assessed Valuation |
|------------------------------------|-------------------------------|---|
| First National Bank | \$951,565 | 6.34% |
| South Central Bell | 922,688 | 5.79% |
| Blondric Manufacturing Co., Inc | 598,672 | 3.75% |
| Central Louisiana Electric Company | 496,548 | 3.12% |
| Wal Mart, Inc. | 494,130 | 3.10% |
| Community Bank of Louisiana | 477,240 | 3.00% |
| Mansfield Motors | 358,348 | 2.25% |
| Mansfield Auto World | 356,840 | 2.24% |
| Deane-Plaza Associates, LLC | 324,705 | 2.03% |
| Engras Company | 229,750 | 1.44% |
| Total | <u>\$5,018,778</u> | <u>32.83%</u> |

3. RECEIVABLES

The following is a summary of receivables at December 31, 1997:

| | General Fund | Enterprise Fund | Agency Fund | Total |
|--|------------------|--------------------|----------------|------------------|
| Taxes: | | | | |
| Ad valorem | \$87,356 | | | \$87,356 |
| Sales | 65,286 | | | 65,286 |
| Other | 6,843 | | | 6,843 |
| Intergovernmental revenue - state grant | | \$5,350 | | 5,350 |
| Fees, charges, and commissions for services | 8,922 | 124,282 | | 133,204 |
| Fines and forfeitures | 594 | | | 594 |
| Licenses and permits | 53,081 | | | 53,081 |
| Other | 172 | | 54,454 | 4,626 |
| Total | <u>\$215,074</u> | <u>\$129,632</u> | <u>\$4,454</u> | <u>\$349,160</u> |

CITY OF MANSFIELD
 Mansfield, Louisiana
 Notes to the Financial Statements (Continued)

4. FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 1997:

| | Balance at January 1, | Additions | Deletions | Balance at December 31, |
|---|--------------------------|----------------|------------------|----------------------------|
| Land | 5103,904 | | | 5103,904 |
| Buildings | 457,338 | | (8870) | 456,368 |
| Improvements other than buildings | 824,677 | | | 824,677 |
| Office furniture and fixtures | 82,962 | 51,635 | (4,682) | 89,915 |
| Vehicles | 353,947 | 63,647 | (36,748) | 380,846 |
| Police and fire equipment and vehicles | 317,848 | 1,369 | (1,732) | 317,485 |
| Total | <u>52,130,536</u> | <u>266,651</u> | <u>(536,952)</u> | <u>52,199,185</u> |

Additions include \$12,416 for a truck transferred from the water department.

A summary of proprietary fund type property, plant, and equipment at December 31, 1997, follows:

| | Cost | Accumulated Depreciation | Net Book Value |
|-------------------------|-------------------|-----------------------------|-------------------|
| Water: | | | |
| Land | 545,361 | NONE | 545,361 |
| Water treatment plant | 2,154,975 | (81,808,843) | 336,133 |
| Automotive equipment | 182,845 | (185,899) | 16,944 |
| Transmission line | 1,958,822 | (1,665,037) | 293,785 |
| Pumping station | 900,416 | (654,955) | 245,463 |
| Office equipment | 22,321 | (15,326) | 8,995 |
| Water and sewer system | 610,718 | (346,379) | 264,339 |
| Total Water Fund | <u>5,875,756</u> | <u>(14,669,096)</u> | <u>1,211,060</u> |
| Sewer: | | | |
| Buildings | 3,095 | (930) | 2,165 |
| Automotive equipment | 58,646 | (48,312) | 8,334 |
| Sewer collection system | 2,118,484 | (431,697) | 1,686,786 |
| Treatment plant | 2,110,444 | (534,738) | 1,575,716 |
| Total Sewer Fund | <u>4,289,649</u> | <u>(1,015,667)</u> | <u>3,273,979</u> |
| Total | <u>10,165,405</u> | <u>(32,684,763)</u> | <u>6,487,139</u> |

CITY OF MANFIELD

Manfield, Louisiana

Notes to the Financial Statements (Continued)

5. PENSION PLANS

Substantially all employees of the City of Manfield are members of either the Municipal Employees' Retirement System of Louisiana or the Municipal Police Employees' Retirement System of Louisiana. The state retirement systems are cost-sharing, multiple-employer, defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefits provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least thirty-five 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. Under Plan A employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three per cent of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7617 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4500.

Under Plan A, members are required by state statute to contribute 5.25 per cent of their annual covered salary and the City of Manfield is required to contribute at an actuarially determined rate. The current rate is 6.25 per cent of annual covered payroll. Contributions to the system include one-fourth of one per cent (one per cent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Manfield are established and may be amended by state statute. As provided by

CITY OF MANSFIELD

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

Louisiana Revised Statute 11:105, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Mansfield's contributions to the System under Plan A for the years ending December 31, 1997, 1996, 1995, were \$57,182, \$60,993, and \$54,099, respectively, equal to the required contributions for each year.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three and one-third per cent of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8400 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 928-7411.

Plan members are required by state statute to contribute 7.5 per cent of their annual covered salary and the City of Mansfield is required to contribute at an actuarially determined rate. The current rate is 9.0 per cent of annual covered payroll. The contribution requirements of plan members and the City of Mansfield are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:105, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Mansfield's contributions to the System for the years ending December 31, 1997, 1996, 1995, were \$22,744, \$23,180, and \$23,365, respectively, equal to the required contributions for each year.

CITY OF MANSFIELD
 Mansfield, Louisiana
 Notes to the Financial Statements (Continued)

6. CHANGES IN LONG-TERM DEBT

On November 3, 1997, the city issued \$1,000,000 in Water Revenue Refunding Bonds with an annual interest rate of 7.50% to advance refund \$998,516 of outstanding 1988 series Water Revenue Bonds. The net proceeds of \$1,070,590 (after payment of issuance costs) were used to purchase U.S. government securities. These securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1988 series bonds. As a result, the 1988 series bonds are considered to be defeased and the liability for these bonds has been removed from the Water Works Fund balance sheet.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$32,064. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective interest method. The city computed the advance refunding to reduce its total debt service payments over the next 21 years by \$321,725 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$167,673.

The long-term liability for Sewer Revenue Bonds represents two bond issues to the Louisiana Department of Environmental Quality. For the 1992 series bonds the city was authorized to issue \$2,750,000; however, advances are made to the city based upon actual expenditures of constructing and acquiring improvements and extensions to the city's sewer system. The project was completed in 1994 resulting in total bonds issued of \$2,867,469. The bonds are payable in annual installments of \$73,000 to \$150,000 through March 1, 2012, with an annual interest rate of 4.98 per cent. The 1996 bond series authorized the city to issue \$387,000 in bonds; however, advances are made to the city based upon actual expenditures of constructing and acquiring improvements and extensions to the city's sewer system. The project was completed in 1997 resulting in total bonds issued of \$345,383. The bonds are payable in annual installments of \$17,000 to \$27,800 through March 1, 2014, with an annual interest rate of 2.98 per cent.

The following is a summary of revenue bond transactions of the enterprise funds for the year ended December 31, 1997:

| | Water Fund | Sewer Fund | Total |
|---|--------------------|--------------------|--------------------|
| Revenue bonds payable at January 1, 1997 | \$1,009,609 | \$1,948,377 | \$2,957,986 |
| Additions | 1,090,000 | 172,046 | 1,262,046 |
| Retirements | (1,009,609) | (73,000) | (1,082,609) |
| Revenue bonds payable | 1,090,000 | 1,995,383 | 3,085,383 |
| Less current maturities | (5,000) | (93,363) | (98,363) |
| Long-term debt payable at December 31, 1997 | <u>\$1,085,000</u> | <u>\$1,902,020</u> | <u>\$2,987,020</u> |

CITY OF MANSFIELD

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

The annual requirements to amortize all revenue bonds outstanding as of December 31, 1997, including interest payments of \$1,908,423, are as follows:

| Year | Water | Sewer | Total |
|--------------|--------------------|--------------------|--------------------|
| | Fund | Fund | |
| 1998 | 79,791 | 182,851 | 262,642 |
| 1999 | 91,540 | 182,408 | 273,948 |
| 2000 | 105,219 | 181,437 | 286,656 |
| 2001 | 102,320 | 182,024 | 284,344 |
| 2002 | 101,444 | 181,905 | 283,349 |
| 2003-2007 | 550,224 | 986,886 | 1,437,110 |
| 2008-2012 | 534,531 | 985,447 | 1,437,978 |
| 2013-2017 | 558,350 | 54,578 | 612,928 |
| 2018 | 114,152 | | 114,152 |
| Total | \$2,718,882 | \$2,778,224 | \$4,993,806 |

7. CONTRIBUTED CAPITAL

The city has received grants from various federal, state, and local agencies to finance the acquisition and construction of the enterprise fund fixed assets. The amount, shown as contributed capital on the balance sheet, is reduced each year by the amount of depreciation expense recognized on fixed assets constructed or acquired with the grant funds. At December 31, 1997, accumulated amortization on these assets is \$2,044,083.

8. RESERVED/RETAINED EARNINGS

The bond covenants for the long-term revenue bonds discussed in note 6 above, require the city to establish the following reserve accounts:

- A. **A. Waterworks Revenue Bond and Interest Sinking Fund** - The city must transfer into this fund, each month, one-twelfth of the principal and one-sixth of the interest due on the next principal and interest payment dates. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- B. **A. Waterworks Revenue Bond Reserve Fund** - The city must transfer into this fund, each month, an amount equal to 5 per cent of the amount to be paid into the Sinking Fund until there will have been accumulated in the Reserve Fund an

CITY OF MANSFIELD

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

amount equal to the maximum principal and interest requirements in any succeeding maturity year. The maximum amount is \$125,000. Such amounts may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the Waterworks Revenue Bond and Interest Sinking Fund and as to which there would otherwise be default.

- C. **A Waterworks Depreciation and Contingency Fund** - The city must transfer an amount equal to 5 per cent of the amount to be paid into the Sinking Fund. These funds may be used for extensions, additions, improvements, and replacements necessary to operate properly the water system. These funds may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the payment in the other bond funds. However, such funds shall be replaced as soon as possible after making the required payments into the other bond funds.
- D. **A Sewer Revenue Bond Sinking Fund** - The city must transfer into this fund, each month, an amount equal to the principal and interest accruing on the outstanding principal amount of the bonds for each calendar month. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- E. **A Sewer Revenue Bond Debt Service Reserve Fund** - The city must transfer into this fund, each month, an amount equal to 25 per cent of the amount required to be paid into the Sinking Fund until such time as there has been accumulated a sum equal to the maximum principal and interest requirements in any one maturity year. The maximum amount is \$194,156. Such amounts may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the Sewer Revenue Bond Sinking Fund and as to which there would otherwise be default.
- F. **A Sewer System Renewal and Replacement Fund** - The city must transfer, each month, an amount equal to 5 per cent of the net revenues of the sewer system collected in the prior month until a balance of \$75,000 has been established. Money in this fund may be used for extensions, additions, improvements, and replacements necessary to operate properly the sewer system. These funds may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the payment in the other bond funds. However, such funds shall be replaced as soon as possible after making the required payments into the other bond funds.

CITY OF MANSFIELD

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

At December 31, 1997, the city has set aside \$884,808 to meet the reserve requirements. Of that amount, \$209,402, is offset by the current portion of long-term debt, with the remaining \$675,207 reported as a reserve of retained earnings on Statement A.

9. CHANGES IN DEPOSITS DUE OTHERS

A summary of changes of deposits due others in the International Paper Agency Fund follows:

| | |
|------------------------------|------------------|
| Balance at January 1, 1997 | \$25,000 |
| Additions | 137,429 |
| Reductions | <u>(137,429)</u> |
| Balance at December 31, 1997 | <u>\$25,000</u> |

10. SEGMENT INFORMATION

The city's enterprise funds provide various services to the public. As provided by GAOB Codification 2500.107, the following segment information is presented for the city's enterprise funds.

| | Water Fund | Sewer Fund | Total |
|---------------------------------|---------------|---------------|-------------|
| Operating revenue | \$1,023,366 | \$368,797 | \$1,400,163 |
| Depreciation and amortization | 290,785 | 219,299 | 510,084 |
| Operating income (loss) | (312,925) | 7,615 | (305,310) |
| Nonoperating revenues/expenses: | | | |
| Interest earned | 33,754 | 17,300 | 51,054 |
| Interest expense | (180,448) | (79,922) | (260,370) |
| Net income (loss) | (259,145) | (56,964) | (316,109) |
| Property, plant, and equipment: | | | |
| Additions | 24,295 | 127,396 | 151,691 |
| Deletions | (12,416) | | (12,416) |
| Net Working Capital | 201,341 | 99,519 | 300,860 |
| Total assets | 2,160,475 | 3,903,836 | 6,064,311 |

CITY OF MANFIELD

Manfield, Louisiana

Notes to the Financial Statements (Continued)

| | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Total</u> |
|----------------|-----------------------|-----------------------|--------------|
| Long-term debt | \$1,085,000 | \$1,903,000 | \$2,988,000 |
| Total equity | 941,213 | 1,897,486 | 2,838,699 |

11. LITIGATION AND CLAIMS

The city is not involved in any litigation as December 31, 1993, nor is it aware of any unasserted claims.

SUPPLEMENTAL INFORMATION SCHEDULES

CITY OF MANSFIELD
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1997

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

WATER FUND

The Water Enterprise Fund accounts for the operations of the city's water department. Financing is provided primarily by fees from water sales. Major expenses of the fund are personal services and depreciation.

SEWER FUND

The Sewer Enterprise Fund accounts for the operations of the city's sewer system. Financing is provided primarily by user fees. Major expenses of the fund are personal services and depreciation.

CITY OF MANSFIELD
Mansfield, Louisiana
ENTERPRISE FUNDS

Schedule 1

Combining Balance Sheet, December 31, 1997

| | <u>Water</u> | <u> Sewer</u> | <u>Total</u> |
|---|--------------------------|--------------------------|--------------------------|
| | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> |
| ASSETS | | | |
| Current assets: | | | |
| Cash | 265,764 | 215,916 | 324,677 |
| Investments | 158,363 | | 158,363 |
| Receivables | 90,879 | 38,953 | 129,632 |
| Total current assets | <u>515,006</u> | <u>254,869</u> | <u>535,677</u> |
| Restricted assets: | | | |
| Cash | 87,725 | 189,774 | 277,499 |
| Investments | 293,800 | 215,810 | 407,110 |
| Total restricted assets | <u>481,525</u> | <u>405,584</u> | <u>887,609</u> |
| Property, plant and equipment (net of accumulated depreciation) | 1,251,068 | 3,273,979 | 4,485,039 |
| Deferred bond issuance cost (net of amortization) | 133,767 | 27,464 | 663,181 |
| TOTAL ASSETS | <u>52,060,475</u> | <u>51,932,836</u> | <u>96,063,311</u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Current liabilities (payable from current assets): | | | |
| Accounts payable | 614,265 | 99,967 | 814,252 |
| Sales tax payable | 2,958 | | 2,958 |
| Total current liabilities (payable from current assets) | <u>617,223</u> | <u>99,967</u> | <u>717,210</u> |
| Current liabilities (payable from restricted assets): | | | |
| Customer deposits | 112,819 | | 112,819 |
| Current portion of long-term debt | 5,080 | 92,383 | 97,383 |
| Total current liabilities (payable from restricted assets) | <u>117,899</u> | <u>92,383</u> | <u>209,402</u> |
| Long-term debt - revenue bonds payable | 1,985,000 | 1,930,000 | 2,958,000 |
| Total Liabilities | <u>2,219,261</u> | <u>2,000,350</u> | <u>3,224,612</u> |
| Fund equity: | | | |
| Contributed capital | 665,425 | 1,378,668 | 2,044,893 |
| Retained earnings: | | | |
| Reserve for debt service | 364,686 | 311,304 | 675,300 |
| Unreserved - undesignated | (28,218) | 307,417 | 119,299 |
| Total Retained Earnings | <u>275,798</u> | <u>618,718</u> | <u>744,608</u> |
| Total Fund Equity | <u>941,213</u> | <u>1,997,486</u> | <u>2,838,699</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>52,160,475</u> | <u>52,063,836</u> | <u>96,063,311</u> |

CITY OF MANSFIELD
Mansfield, Louisiana
ENTERPRISE FUNDS

Combining Schedule of Revenues, Expenses,
 and Changes in Retained Earnings
 For the Year Ended December 31, 1997

| | Water Fund | Sewer Fund | Total |
|---|------------------|------------------|------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$878,746 | \$370,157 | \$1,348,903 |
| Fees | 21,645 | 10,640 | 32,286 |
| Permits and fees | 536 | | 536 |
| Other operating revenues | 21,438 | | 21,438 |
| Total operating revenues | <u>1,022,366</u> | <u>380,797</u> | <u>1,403,163</u> |
| OPERATING EXPENSES | | | |
| General and administrative | 449,495 | 304,899 | 754,394 |
| Billing office | 51,983 | 1,911 | 53,894 |
| Trunks plant | 298,820 | | 298,820 |
| Water department | 434,960 | | 434,960 |
| Collection system | | 22,916 | 22,916 |
| Treatment facility | | 33,458 | 33,458 |
| Total operating expenses | <u>1,235,258</u> | <u>373,182</u> | <u>1,608,440</u> |
| OPERATING INCOME (Loss) | <u>(212,892)</u> | <u>7,615</u> | <u>(205,277)</u> |
| NON-OPERATING REVENUES (Expenses) | | | |
| Interest income | 33,354 | 17,300 | 50,654 |
| Bond issue cost amortization | (1,524) | (1,957) | (3,481) |
| Interest expense | (182,448) | (79,822) | (262,270) |
| Total non-operating revenues (expenses) | <u>(150,618)</u> | <u>(64,479)</u> | <u>(215,097)</u> |
| NET INCOME (Loss) | <u>(291,143)</u> | <u>(56,864)</u> | <u>(348,007)</u> |
| Accr. depreciation on fixed assets acquired with contributed capital | 119,282 | 88,625 | 207,907 |
| RETAINED EARNINGS AT BEGINNING OF YEAR | <u>447,649</u> | <u>487,137</u> | <u>934,786</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>\$275,788</u> | <u>\$428,818</u> | <u>704,606</u> |

CITY OF MANFIELD
Manfield, Louisiana
WATER ENTERPRISE FUND

Schedule of Revenues, Expenses, and Changes
in Retained Earnings - Budget (GAAP Basis) and Actual
for the Year Ended December 31, 1997

| | Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------------|------------------|------------------|--|
| OPERATING REVENUES | | | |
| Charges for services | \$970,800 | \$975,746 | \$4,946 |
| Fines | 19,000 | 21,668 | 2,668 |
| Permits and fees | 300 | 536 | 236 |
| Other operating revenues | 19,990 | 21,438 | 1,448 |
| Total revenues | <u>1,019,090</u> | <u>1,020,388</u> | <u>1,298</u> |
| OPERATING EXPENSES | | | |
| General and administrative: | | | |
| Education and certification | 6,000 | 4,533 | 1,467 |
| Drug test expense | 1,000 | 875 | 125 |
| Rentals | 16,000 | 16,251 | (251) |
| Group insurance | 36,375 | 36,879 | (504) |
| Liability insurance | 22,800 | 22,634 | 166 |
| Building lease | 3,000 | 3,980 | (980) |
| Vehicle and property insurance | 4,200 | 4,183 | 17 |
| Workman's compensation insurance | 34,500 | 34,344 | 156 |
| Ratification | 23,000 | 24,436 | (1,436) |
| Uniforms | 2,000 | 1,827 | 173 |
| Medicare | 2,900 | 2,819 | 81 |
| Social security | 100 | 28 | 72 |
| Postage and freight | 7,600 | 7,188 | 412 |
| Other expenses | 133,800 | | 133,800 |
| Depreciation and amortization | <u>200,000</u> | <u>280,750</u> | <u>(80,750)</u> |
| Total general and administrative | <u>486,175</u> | <u>498,495</u> | <u>(12,320)</u> |
| Billing office: | | | |
| Salaries | 45,000 | 45,969 | (969) |
| Oil and gas | 200 | 80 | 120 |
| Maintenance of equipment | 3,600 | 3,749 | (149) |
| Toll and supplies | 6,563 | 4,185 | 2,378 |
| Total billing office | <u>55,363</u> | <u>53,983</u> | <u>1,380</u> |
| Tolito plant: | | | |
| Salaries | 119,000 | 120,683 | (1,683) |
| Chemicals | 41,000 | 41,185 | (185) |
| Oil and gas | 3,000 | 3,238 | (238) |
| Maintenance of equipment | 9,000 | 7,588 | 1,412 |

(Continued)

CITY OF MANSFIELD

Mansfield, Louisiana

WATER ENTERPRISE FUND

Schedule of Revenues, Expenses, and Changes

in Retained Earnings - Budget (GAAP Basis) and Actual, etc.

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|------------------|------------------|--|
| OPERATING EXPENSES (CONT'D.): | | | |
| Totolo plant (Cont'd.) | | | |
| Treats and supplies | \$14,000 | \$12,980 | \$1,100 |
| Utilities | 48,000 | 47,084 | 916 |
| Water purchased | 21,000 | 28,922 | (3,922) |
| Equipment purchase | 1,775 | | 1,775 |
| Other expenses | 500 | 175 | 325 |
| Repairs and maintenance to plant | 30,000 | 29,408 | 592 |
| Total Totolo plant | 235,075 | 238,879 | (3,804) |
| Water department | | | |
| Salaries | 298,000 | 296,154 | 1,846 |
| Oil and gas | 9,500 | 9,187 | 313 |
| Maintenance of equipment | 58,867 | 22,682 | 36,185 |
| Minor purchases | 4,000 | 3,980 | 20 |
| Treat and supplies | 48,000 | 49,880 | (1,880) |
| Utilities | 23,600 | 22,844 | 756 |
| Equipment purchase | 4,400 | | 4,400 |
| Other expenses | 1,100 | 1,058 | 44 |
| Repairs and maintenance to plant | 65,000 | 35,772 | 29,228 |
| Total water department | 607,467 | 634,667 | (27,199) |
| Total operating expenses | 1,732,802 | 1,723,521 | 9,281 |
| OPERATING INCOME (Loss) | <u>(123,800)</u> | <u>(212,921)</u> | <u>189,121</u> |
| NON-OPERATING REVENUES (Expenses) | | | |
| Interest income | 34,000 | 31,754 | 2,246 |
| Bond issue cost amortization | | (1,324) | (1,324) |
| Interest expense | | (118,448) | (118,448) |
| Total non-operating revenues (expenses) | 34,000 | (78,018) | (112,018) |
| NET INCOME (Loss) | <u>(289,800)</u> | <u>(291,147)</u> | <u>(1,347)</u> |
| Add: Depreciation on fixed assets acquired with contributed capital | NONE | 119,282 | 119,282 |
| RETAINED EARNINGS AT BEGINNING OF YEAR | <u>518</u> | <u>447,649</u> | <u>447,131</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>(289,282)</u> | <u>\$276,502</u> | <u>565,784</u> |

CITY OF MANSHFIELD
Manfield, Louisiana
SEWER ENTERPRISE FUND

Schedule of Revenues, Expenses, and Changes
in Retained Earnings - Budget (GAAP Basis) and Actual
for the Year Ended December 31, 1997

| | Budget | Actual | Variance Favorable |
|----------------------------------|----------------|----------------|-----------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$360,000 | \$370,157 | \$10,157 |
| Fees | 8,000 | 10,640 | 2,640 |
| Total revenues | <u>368,000</u> | <u>380,797</u> | <u>12,797</u> |
| OPERATING EXPENSES | | | |
| General and administrative: | | | |
| Education and certification | 1,100 | 1,170 | (70) |
| Drug test expense | 200 | 306 | 94 |
| Group insurance | 6,260 | 6,847 | 587 |
| Liability insurance | 6,000 | 6,892 | 892 |
| Vehicals and property insurance | 1,800 | 803 | 997 |
| Workman's compensation insurance | 4,600 | 4,000 | 600 |
| Retirement | 3,400 | 3,164 | 236 |
| Uniforms | 400 | 312 | 88 |
| Medicare | 900 | 826 | 74 |
| Salaries | 60,000 | 59,882 | 118 |
| Other expenses | 177,130 | 15,000 | 164,130 |
| Depreciation and amortization | 25,000 | 219,299 | (194,299) |
| Total general and administrative | <u>227,790</u> | <u>314,892</u> | <u>(87,092)</u> |
| Billing office expense | 1,800 | 3,211 | (1,411) |
| Collection system: | | | |
| Lift station expense | 3,450 | 2,432 | 1,018 |
| Oil and gas | 1,700 | 1,520 | 180 |
| Maintenance of equipment | 3,000 | 496 | 2,504 |
| Tools and supplies | 10,000 | 10,118 | (118) |
| Utilities | 8,000 | 7,447 | 553 |
| Collection system improvements | 20,000 | | 20,000 |
| Other expenses | 1,000 | 892 | 108 |
| Total Collection system | <u>49,150</u> | <u>23,305</u> | <u>25,845</u> |
| Treatment facility: | | | |
| Oil and gas | 700 | 632 | 68 |
| Maintenance of equipment | 5,000 | 3,685 | 1,315 |
| Tool and supplies | 2,000 | 1,287 | 713 |
| Utilities | 14,700 | 17,964 | (3,264) |
| Sewer monitoring expense | 3,000 | 3,449 | (449) |
| Other expenses | 700 | | 700 |
| Repairs and maintenance to plant | 9,000 | 6,872 | 2,128 |
| Total treatment facility | <u>47,100</u> | <u>33,489</u> | <u>13,611</u> |

(Continued)

CITY OF MANFIELD

Manfield, Louisiana

SEWER ENTERPRISE FUND

Schedule of Revenues, Expenses, and Changes
in Retained Earnings - Budget (GRAP Basis) and Actual, etc.

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|------------------|------------------|---|
| Total operating expenses | <u>\$779,640</u> | <u>\$771,182</u> | <u>\$8,458</u> |
| OPERATING INCOME (Loss) | <u>(17,900)</u> | <u>7,642</u> | <u>25,542</u> |
| NON-OPERATING REVENUES (Expenses) | | | |
| Interest income | 18,540 | 17,100 | 1,440 |
| Other income | 000 | | 000 |
| Bond issue cost amortization | | (1,897) | (1,897) |
| Interest expense | | (79,922) | (79,922) |
| Total non-operating revenues (expenses) | <u>18,540</u> | <u>(64,619)</u> | <u>(83,079)</u> |
| NET INCOME (Loss) | <u>NDNT</u> | <u>(56,964)</u> | <u>(56,964)</u> |
| Add depreciation on fixed assets acquired with contributed capital | <u>NDNT</u> | <u>89,629</u> | <u>89,629</u> |
| RETAINED EARNINGS AT BEGINNING OF YEAR | <u>482,181</u> | <u>482,181</u> | |
| RETAINED EARNINGS AT END OF YEAR | <u>\$5,216</u> | <u>\$518,836</u> | <u>\$513,620</u> |

CITY OF MANFIELD
Manfield, Louisiana
ENTERPRISE FUNDS

Combining Schedule of Cash Flows
For the Year Ended December 31, 1997

| | Water Fund | Sewer Fund | Total |
|--|---------------|---------------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | (621,905) | \$7,615 | (605,100) |
| Adjustments to Reconcile operating income (Loss) to Net cash Provided (Used) by operating activities: | | | |
| Depreciation and amortization | 293,789 | 219,299 | 513,088 |
| Decrease (increase) in accounts receivable | (13,789) | 99,710 | 85,921 |
| Increase (decrease) in accounts payable | 6,389 | (94,023) | (87,634) |
| Increase in customer deposits | 1,221 | | 1,221 |
| Total adjustments | 287,610 | 219,986 | 507,596 |
| Net cash provided by operating activities | (334,295) | 217,601 | (116,694) |
| CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Receipt of capital contributions | | 5,330 | 5,330 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | (24,299) | (172,966) | (197,265) |
| Principal paid on revenue bonds | (11,883) | (75,800) | (87,683) |
| Defeasance of revenue bonds | (998,526) | | (998,526) |
| Interest paid on revenue bonds | (118,447) | (79,812) | (198,259) |
| Refunding bond revenue cost | (78,317) | | (78,317) |
| Deferred refunding bond cost | (72,864) | | (72,864) |
| Bond proceeds | 1,698,800 | 122,845 | 1,821,645 |
| Net cash used by capital and related financing activities | (154,736) | (149,723) | (304,459) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest earnings | 23,753 | 17,301 | 41,054 |
| Purchase of investments | (73,614) | (11,052) | (84,666) |
| Proceeds from maturities of investments | 91,007 | | 91,007 |
| Net cash used by investing activities | (18,858) | 6,249 | (12,609) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 28,118 | 78,928 | 107,046 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | (45,376) | 269,742 | 419,171 |
| CASH AT END OF YEAR | \$17,258 | \$348,670 | \$372,376 |

CITY OF MANSFIELD
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 1977

COMPENSATION PAID ALDERMEN

The schedule of compensation paid aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1977 Session of the Louisiana Legislature. Compensation of aldermen has been set by city council resolution at \$3,600 annually and is included in executive expenditures of the General Fund.

CITY OF MANSFIELD
Mansfield, LouisianaSchedule of Compensation Paid Aldermen
For the Year Ended December 31, 1997

| | |
|----------------------|---------------|
| Boo Ray Anderson | 53,600 |
| J. Dudley Kemper | 3,600 |
| Mitchell L. Lewis | 3,600 |
| John Mayweather, Sr. | 3,600 |
| Robert McAllen | <u>3,600</u> |
| Total | <u>68,000</u> |

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws, regulations, contracts, and grants and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on
Compliance with Laws, Regulations, and Contracts**

**MAYOR AND BOARD
OF ALDERMEN
CITY OF MANSFIELD
Mansfield, Louisiana**

I have audited the general purpose financial statements of the City of Mansfield as of December 31, 1997, and for the year then ended, and have issued my report thereon dated February 20, 1998.

I conducted my audit in accordance with generally accepted auditing standards: *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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

**VERNON R. COON
INSTITUTE OF BUSINESS
PUBLIC ACCOUNTANTS**

**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS**

**REGISTERED IN THE
STATE OF LOUISIANA
ACCOUNTING, FINANCIAL
AND FISCAL SERVICES**

**THE PROFESSIONAL BOARD,
1001 WOODLAWN**

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CITY OF MANSFIELD
Mansfield, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1997

This report is intended for the use of the mayor and board of aldermen of the City of Mansfield, management of the city, and interested state agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Wint Monroe, Louisiana
February 20, 1998



MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

MEMBER OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

MEMBER ASSOCIATE TO
GOVERNMENTAL
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Independent Auditor's Report on Internal Control Structure

MAYOR AND BOARD
OF ALDERMEN
CITY OF MANSFIELD
Mansfield, Louisiana

I have audited the general purpose financial statements of the City of Mansfield as of December 31, 1997, and for the year then ended, and have issued my report thereon dated February 20, 1998.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

In planning and performing my audit of the general purpose financial statements of the City of Mansfield for the year ended December 31, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and

CITY OF MANSFIELD
Mansfield, Louisiana
Independent Auditor's Report on
Internal Control Structure,
December 31, 1987

whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

This report is intended for the use of the mayor and board of aldermen of the City of Mansfield, management of the city, and interested state agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
February 20, 1988