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June 10, 2021

Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: City of Mansfield - ID #2185
Annual Financial Report – December 31, 2020

Our office, Thomas, Cunningham, Broadway & Todtenbier, CPA's, has revised the report for the above referenced entity. The report has been revised to include the Act 87 Schedule.

Sincerely,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
TCBT/sdw

**CITY OF MANSFIELD, LOUISIANA
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2020

City of Mansfield, Louisiana
Annual Financial Report
December 31, 2020

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City of Mansfield, Louisiana
Annual Financial Report
December 31, 2020

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City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A) December 31, 2020

As management of the City of Mansfield, Louisiana, (City) we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Mansfield as of and for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Financial Highlights

As of December 31, 2020, the assets of the City exceeded its liabilities by \$10,089,323. As of December 31, 2020, there was a deficit of unrestricted net position in the amount of \$3,468,437. During 2020, net position of the governmental activities increased by \$616,573 (70%), and net assets of the business-type activities decreased \$658,219 (6%).

As of the close of fiscal year 2020, the City's governmental funds reported a combined ending fund balance of \$3,651,116, an increase of \$627,904 (21%) from prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedule and net pension liability schedules) and other supplementary information in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the City – the Government-wide Financial Statements and the Fund Financial Statements. These financial statements also include the Notes to Financial Statements that explain some of the information in the financial statements and provide additional detail.

Government-wide Financial Statements - The government-wide financial statements provide a broad view of the City's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the City's financial position, which assists users in assessing the City's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year, even if cash has not been received or paid, and include all assets of the City as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB 34 in regards to interfund activity, payables, and receivables. The government-wide financial statements include two statements:

The Statement of Net Position presents all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between them reported as "net position".

City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A) December 31, 2020

The Statement of Activities presents information showing how the City's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between direct expenses and program revenues for each function of the City.

These two statements report the City's net position and changes in net position. You can think of the City's net position - the difference between assets, deferred outflows, liabilities, and deferred inflows - as one way to measure the City's financial health. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

Both of the above financial statements have separate sections for the two different types of City activities. These activities are:

Governmental Activities - The activities in this section are mostly supported by taxes and intergovernmental revenues (grants). Most services normally associated with the City fall into this category, including general government, public safety, public works, sanitation, and recreation.

Business-type Activities - These functions are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities of the City consist of the provision of water and sewer services.

The government-wide financial statements can be found immediately following the auditor's 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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The funds of the City can be divided into two categories. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The two categories of funds are:

Governmental Funds - Most of the basic services provided by the City are financed through 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, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the City's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the City.

City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A) December 31, 2020

Because the focus of the governmental funds financial statements 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, users may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund's financial statement.

The City has four governmental funds: the General Fund, the Police Witness Fees Fund, the Capital Projects Fund and the Debt Service Fund. The General Fund and the Debt Service Fund are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

Proprietary Funds - These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge fees for services provided to outside customers, including local governments, they are known as enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The City has two enterprise funds, the Water Fund and the Sewer Fund, each of which is considered a major proprietary fund for presentation purposes.

The basic proprietary funds financial statements can be found immediately following the governmental funds financial statements.

Notes to the Financial Statements - The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

Required Supplementary Information - The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund as presented in the governmental funds financial statements, the Schedule of Employer's Share of Net Pension Liability, and the Schedule of Employer's Contributions. Annual budgets and the employer pension schedules are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Act 706 of the Louisiana 2020 Legislative Session requires a Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer which is also presented as required supplementary information. Following the required supplementary information is other supplementary information that is provided to show additional details.

City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A) December 31, 2020

Financial Analysis of Government-Wide Activities

Net Position - The City's combined net position (governmental and business-type activities) totaled \$10,089,323 and \$10,130,969 as of December 31, 2020 and 2019 respectively, a decrease of \$41,646 (.004%).

As of December 31, 2020, \$13,557,760 (134%) of the City's net position consists of investment in capital assets such as land, buildings, equipment, and water and sewer plant and improvements, less any related debt used to acquire those assets that is still outstanding, compared to \$14,268,840 (141%) of the City's net position as of the close of the prior year. The City uses these capital assets to provide services to the citizens of Mansfield; consequently, these assets are not available for future spending. Although the City'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.

The other portion of the City's net position, a deficit of \$3,468,437 (-34%) and \$4,137,871 (-41%) as of December 31, 2020 and 2019 respectively. The City continues to maintain a high level of liquidity with \$4,120,649 of cash, demand deposits, and certificates of deposit at December 31, 2020.

City of Mansfield, Louisiana

**Management's Discussion and Analysis (MD&A)
December 31, 2020**

	<u>As of December 31, 2020</u>			<u>As of December 31, 2019</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 3,796,482	\$ 817,450	\$ 4,613,932	\$ 3,242,065	\$ 1,433,408	\$ 4,675,473
Capital assets	<u>3,334,322</u>	<u>12,343,180</u>	<u>15,677,502</u>	<u>3,582,456</u>	<u>12,338,576</u>	<u>15,921,032</u>
Total Assets	\$ 7,130,804	\$13,160,630	\$20,291,434	\$ 6,824,521	\$13,771,984	\$20,596,505
Deferred Outflows	\$ 1,040,430	\$ 306,943	\$ 1,347,373	\$ 739,294	\$ 299,241	\$ 1,038,535
Long term liabilities	\$ 7,810,593	\$ 3,047,844	\$10,858,437	\$ 7,655,707	\$ 2,855,124	\$10,510,831
Other liabilities	<u>473,366</u>	<u>51,851</u>	<u>525,217</u>	<u>535,853</u>	<u>165,955</u>	<u>701,808</u>
Total Liabilities	\$ 8,283,959	\$ 3,099,695	\$11,383,654	\$ 8,191,560	\$ 3,021,079	\$11,212,639
Deferred Inflows	\$ 155,838	\$ 9,992	\$ 165,830	\$ 257,391	\$ 34,041	\$ 291,432
Net Position:						
Net investment in capital assets	\$ 3,334,322	\$10,223,438	\$13,557,760	\$ 3,582,456	\$10,686,384	\$14,268,840
Unrestricted	<u>(3,602,885)</u>	<u>134,448</u>	<u>(3,468,437)</u>	<u>(4,467,592)</u>	<u>329,721</u>	<u>(4,137,871)</u>
Total Net Position	\$ <u>(268,563)</u>	\$10,357,886	\$10,089,323	\$ <u>(885,136)</u>	\$11,016,105	\$10,130,969

Changes in Net Position

The City's net position decreased by \$41,646 during the year ended December 31, 2020 compared to a decrease of \$880,159 in 2019. This change is due primarily to a decrease in water and sewer revenue and an increase in personnel expenses.

Approximately 32% (\$2,175,145) of the City's total revenues was derived through charges for services in 2020 compared to 36% (\$2,129,532) in 2019. During the year ended December 31, 2020, approximately 54% (\$3,686,837) was derived from general revenues including taxes and interest compared to 59% (\$3,498,075) during 2019. The City received \$1,006,216 (15%) and \$319,181 (5%) of its total revenues through program grants and contributions during 2020 and 2019, respectively.

City of Mansfield, Louisiana

**Management's Discussion and Analysis (MD&A)
December 31, 2020**

	<u>As of December 31, 2020</u>			<u>As of December 31, 2019</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Program Revenues:						
Fees, fines and charges for services	\$ 324,699	\$ 1,850,446	\$ 2,175,145	\$ 441,126	\$ 1,688,406	\$ 2,129,532
Operating grants and Contributions	1,006,216	0	1,006,216	248,862	0	248,862
Capital grants and Contributions	0	0	0	14,800	55,519	70,319
General Revenues:						
Ad valorem taxes	446,667	0	446,667	448,764	0	448,764
Sales and use tax	2,353,037	0	2,353,037	2,061,540	0	2,061,540
Franchise fees	217,159	0	217,159	270,471	0	270,471
Hotel and Motel	132,442	0	132,442	143,714	0	143,714
Licenses and Permits	266,131	0	266,131	267,745	0	267,745
Video Poker	151,179	0	151,179	173,275	0	173,275
Interest income	9,014	6,342	15,356	8,088	9,202	17,290
Oil & Gas Royalty	5,807	0	5,807	8,057	0	8,057
Other	<u>77,053</u>	<u>22,006</u>	<u>99,059</u>	<u>86,995</u>	<u>20,224</u>	<u>107,219</u>
Total Revenues	<u>\$4,989,404</u>	<u>\$ 1,878,794</u>	<u>\$ 6,868,198</u>	<u>\$4,173,437</u>	<u>\$ 1,773,351</u>	<u>\$ 5,946,788</u>
Expenses:						
General government	\$1,655,972	\$ 0	\$ 1,655,972	\$1,478,652	\$ 0	\$ 1,478,652
Public safety	1,701,850	0	1,701,850	1,690,860	0	1,690,860
Public works	447,441	0	447,441	470,059	0	470,059
Sanitation	135,811	0	135,811	147,872	0	147,872
Recreation	86	0	86	1,931	0	1,931
Interest on long-term debt	131,671	0	131,671	141,003	0	141,003
Water and sewer	<u>0</u>	<u>2,837,013</u>	<u>2,837,013</u>	<u>0</u>	<u>2,896,570</u>	<u>2,896,570</u>
Total Expenses	<u>\$4,072,831</u>	<u>\$ 2,896,570</u>	<u>\$ 6,909,844</u>	<u>\$3,930,377</u>	<u>\$ 2,896,570</u>	<u>\$ 6,826,947</u>
Increase (Decrease) in net position before Transfers	\$ 916,573	\$ (958,219)	\$ (41,646)	\$ 243,060	\$ (1,123,219)	\$ (880,159)
Transfers	<u>(300,000)</u>	<u>300,000</u>	<u>0</u>	<u>(300,000)</u>	<u>300,000</u>	<u>0</u>
Increase (Decrease) in Net Position	\$ 616,573	\$ (658,219)	\$ (41,646)	\$ (56,940)	\$ (823,219)	\$ (880,159)
Net Position- Beginning	<u>(885,136)</u>	<u>11,016,105</u>	<u>10,130,969</u>	<u>(828,196)</u>	<u>11,839,324</u>	<u>11,011,128</u>
Net Position-Ending	<u>\$ (268,563)</u>	<u>\$10,357,886</u>	<u>\$10,089,323</u>	<u>\$ (885,136)</u>	<u>\$11,016,105</u>	<u>\$10,130,969</u>

City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A) December 31, 2020

Financial Analysis of the Individual Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,651,116, an increase of \$627,904 in comparison with the prior year. \$1,690,601 of this total amount consists of unassigned fund balance, which is available for spending at the City's discretion.

Proprietary Funds - The City's proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which are considered to be major funds of the City. The City's proprietary funds consist of enterprise funds which report the same functions presented as business-type activities in the government-wide financial statements.

At the end of the current fiscal year, the City's proprietary funds reported combined ending net position of \$10,357,886, a decrease of \$658,219 in comparison with the prior year's ending net position of \$11,016,105. The Water Fund had a decrease in net position of \$331,798, and the Sewer Fund had a decrease in net position of \$326,421. \$10,223,438 represents investment in capital assets net of accumulated depreciation and related outstanding debt. A total of \$134,448 is unrestricted and is available for spending at the City's discretion.

General Fund Budgetary Highlights - Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the City complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA -RS. 39:1301 et seq.).

The City's General Fund budget was amended because capital outlays were more than originally budgeted.

The actual revenues were \$760,310 more than the final budgeted amounts and the actual expenditures were \$38,438 less than the final budgeted amounts.

City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A) December 31, 2020

Capital Asset Administration

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020 totaled \$35,418,561, net of accumulated depreciation of \$20,265,241, leaving a book value of \$15,153,320. This investment in capital assets consists of land, buildings, equipment, and water and sewer plant and improvements. Depreciation charges for the year totaled \$917,200 for 2020 compared to \$886,430 for the prior year.

During 2020, major capital expenditures were for equipment and materials for public safety and public works.

Debt Administration

At year-end, the City had \$5,842,440 in bonds and notes outstanding, a decrease of \$248,145 compared to the prior year.

Debt, considered a liability of governmental activities, decreased due to payments made on the three bonds of \$317,000.

Debt considered a liability of the business-type activities decreased by \$3,000 due to the debt payments made. Also the City received loan proceeds for \$106,557.

The City's net pension liability at December 31, 2020 is \$5,138,735.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for the General Fund for the fiscal year ended December 31, 2021 was prepared:

- Revenues are expected to be approximately \$3,239,600 during the fiscal year ended 2021.
- The budget provides for a merit increase for employees.
- Other expenditures are expected to remain consistent with the prior year.

City of Mansfield, Louisiana

**Management's Discussion and Analysis (MD&A)
December 31, 2020**

Requests for Information

The financial report is designed to provide a general overview of the finances of the City and seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Mansfield, P. O. Box 773, Mansfield, Louisiana 71052 or by calling (318) 872-0406.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and the City Council of
Mansfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Mansfield's basic financial statements 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance 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 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. We have applied certain limited procedures to the Management's Discussion and Analysis 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer's Contributions, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Judicial System Funding Schedule-Collecting/Disbursing Entity, and nonmajor combining statements, listed as other supplementary information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer's Contributions, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Judicial System Funding Schedule-Collecting/Disbursing Entity, Schedule of Expenditures of Federal Awards and nonmajor combining statements, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer's Contributions, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Judicial System Funding Schedule-Collecting/Disbursing Entity, Schedule of Expenditures of Federal Awards and nonmajor combining statements, are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021, on our consideration of the City of Mansfield's internal control over financial reporting and on our 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 our 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 *Government Auditing Standards* in considering the City of Mansfield's internal control over financial reporting and compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 14, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

City of Mansfield, Louisiana
Government-Wide Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets-			
Cash & Cash Equivalents	\$ 3,310,145	\$ 286,322	\$ 3,596,467
Revenue Receivables, Net-			
Utility Billings	0	519,765	519,765
Other	464,149	0	464,149
Prepaid Expenses	22,188	8,706	30,894
Due from Other Funds	0	2,657	2,657
Total Current Assets	<u>\$ 3,796,482</u>	<u>\$ 817,450</u>	<u>\$ 4,613,932</u>
Non-Current Assets-			
Restricted Assets-			
Cash & Cash Equivalents	\$ 0	\$ 213,591	\$ 213,591
Customer's Deposit Accounts	0	310,591	310,591
Capital Assets - Net of Accumulated Depreciation	<u>3,334,322</u>	<u>11,818,998</u>	<u>15,153,320</u>
Total Non-Current Assets	<u>\$ 3,334,322</u>	<u>\$12,343,180</u>	<u>\$15,677,502</u>
 Total Assets	 <u>\$ 7,130,804</u>	 <u>\$13,160,630</u>	 <u>\$20,291,434</u>
Deferred Outflows of Resources-			
Pensions	<u>\$ 1,040,430</u>	<u>\$ 306,943</u>	<u>\$ 1,347,373</u>
Liabilities:			
Current Liabilities-			
Cash Overdraft	\$ 0	\$ 21,020	\$ 21,020
Accounts Payable	14,410	21,129	35,539
Accrued Payroll	19,261	6,702	25,963
Cash Bonds Payable	54,500	0	54,500
Due to Other Funds	2,657	0	2,657
Accrued Interest Payable	54,538	0	54,538
Current Portion - Long-Term Debt	<u>328,000</u>	<u>3,000</u>	<u>331,000</u>
Total Current Liabilities	<u>\$ 473,366</u>	<u>\$ 51,851</u>	<u>\$ 525,217</u>
Non-Current Liabilities-			
Payable from Restricted Assets-			
Customers' Deposits	\$ 0	\$ 208,262	\$ 208,262
Net Pension Liability	3,701,593	1,402,440	5,104,033
Long-term Debt	<u>4,109,000</u>	<u>1,437,142</u>	<u>5,546,142</u>
Total Non-Current Liabilities	<u>\$ 7,810,593</u>	<u>\$ 3,047,844</u>	<u>\$10,858,437</u>
 Total Liabilities	 <u>\$ 8,283,959</u>	 <u>\$ 3,099,695</u>	 <u>\$11,383,654</u>
Deferred Inflows of Resources-			
Pensions	<u>\$ 155,838</u>	<u>\$ 9,992</u>	<u>\$ 165,830</u>
Net Position:			
Net Investment in Capital Assets	\$ 3,334,322	\$10,223,438	\$13,557,760
Unrestricted	<u>(3,602,885)</u>	<u>134,448</u>	<u>(3,468,437)</u>
 Total Net Position	 <u>\$ (268,563)</u>	 <u>\$10,357,886</u>	 <u>\$10,089,323</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Government-Wide Statement of Activities
For the Year Ended December 31, 2020

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$1,655,972	\$ 4,155	\$ 0	\$0	\$(1,651,817)	\$ 0	\$(1,651,817)
Public Safety	1,701,850	95,265	984,911	0	(621,674)	0	(621,674)
Public Works	447,441	0	21,305	0	(426,136)	0	(426,136)
Sanitation	135,811	225,279	0	0	89,468	0	89,468
Recreation	86	0	0	0	(86)	0	(86)
Interest on Long-term Debt	131,671	0	0	0	(131,671)	0	(131,671)
Total Governmental Activities	\$4,072,831	\$ 324,699	\$1,006,216	\$0	\$(2,741,916)	\$ 0	\$(2,741,916)
Business-Type Activities:							
Water	\$2,081,740	\$1,429,156	\$ 0	\$0	\$ 0	\$ (652,584)	\$ (654,584)
Sewer	755,273	421,290	0	0	0	(333,983)	(333,983)
Total Business-Type Activities	\$2,837,013	\$1,850,446	\$ 0	\$0	\$ 0	\$ (986,567)	\$ (986,567)
Total Government	\$6,909,844	\$2,175,145	\$1,006,216	\$0	\$(2,741,916)	\$ (986,567)	\$(3,728,483)
General Revenues:							
Taxes-							
Ad Valorem					\$ 446,667	\$ 0	\$ 446,667
Sales & Use					2,353,037	0	2,353,037
Franchise					217,159	0	217,159
Hotel & Motel					132,442	0	132,442
Licenses & Permits					266,131	0	266,131
Video Poker					151,179	0	151,179
Interest Income					9,014	6,342	15,356
Oil & Gas Royalty					5,807	0	5,807
Miscellaneous					77,053	22,006	99,059
Transfers					(300,000)	300,000	0
Total General Revenues					\$ 3,358,489	\$ 328,348	\$ 3,686,837
Change in Net Position					\$ 616,573	\$ (658,219)	\$ (41,646)
Net Position at Beginning of Year					(885,136)	11,016,105	10,130,969
Net Position at End of Year					\$(268,563)	\$10,357,886	\$10,089,323

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

City of Mansfield, Louisiana
Balance Sheet-Governmental Funds
December 31, 2020

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>		
<u>Assets</u>				
Cash & Cash Equivalents	\$1,381,975	\$1,894,065	\$34,105	\$3,310,145
Revenue Receivables	399,379	64,770	0	464,149
Prepaid Expenses	22,188	0	0	22,188
Due from Other Funds	<u>200</u>	<u>0</u>	<u>0</u>	<u>200</u>
Total Assets	<u>\$1,803,742</u>	<u>\$1,958,835</u>	<u>\$34,105</u>	<u>\$3,796,682</u>
<u>Liabilities</u>				
Accounts Payable	\$ 14,410	\$ 0	\$ 0	\$ 14,410
Accrued Expenses	19,261	54,538	0	73,799
Cash Bonds Payable	54,500	0	0	54,500
Due to Other Funds	<u>2,657</u>	<u>0</u>	<u>200</u>	<u>2,857</u>
Total Liabilities	<u>\$ 90,828</u>	<u>\$ 54,538</u>	<u>\$ 200</u>	<u>\$ 145,566</u>
<u>Fund Balances</u>				
Nonspendable:				
Prepaid Expenses	\$ 22,188	\$ 0	\$ 0	\$ 22,188
Restricted for:				
Debt Service	0	1,904,297	0	1,904,297
Assigned to:				
Police Witness Fees	0	0	34,030	34,030
Unassigned	<u>1,690,726</u>	<u>0</u>	<u>(125)</u>	<u>1,690,601</u>
Total Fund Balances	<u>\$1,712,914</u>	<u>\$1,904,297</u>	<u>\$33,905</u>	<u>\$3,651,116</u>
Total Liabilities & Fund Balances	<u>\$1,803,742</u>	<u>\$1,958,835</u>	<u>\$34,105</u>	<u>\$3,796,682</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2020

Total Fund Balances of the Governmental Funds	\$ 3,651,116
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Capital Assets	8,090,174
Less, Accumulated Depreciation	(4,755,852)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet-	1,040,430
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Long-term Debt	(4,437,000)
Net Pension Liability	(3,701,593)
Deferred Inflows of Resources are not due and payable in in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	<u>(155,838)</u>
Net Position of Governmental Activities	\$ <u>(268,563)</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service Fund		
REVENUES:				
Taxes	\$2,376,878	\$ 772,427	\$ 0	\$1,349,305
Licenses & Permits	417,310	0	0	417,310
Intergovernmental	1,006,216	0	0	1,006,216
Charges for Services	255,683	0	7,075	262,758
Fines & Forfeitures	61,942	0	0	61,942
Miscellaneous	19,981	1,183	12	21,176
Total Revenues	<u>\$4,138,010</u>	<u>\$ 773,610</u>	<u>\$ 7,087</u>	<u>\$4,918,707</u>
EXPENDITURES:				
Current-				
General Government	\$1,361,840	\$ 22,977	\$ 0	\$1,384,817
Public Safety-				
Police	1,039,748	0	4,291	1,044,039
Fire	514,538	0	0	514,538
Public Works	417,797	0	0	417,797
Sanitation	124,815	0	0	124,815
Recreation	79	0	0	79
Capital Outlay	49,445	0	6,602	56,047
Debt Service				
Principal	0	317,000	0	317,000
Interest	0	131,671	0	131,671
Total Expenditures	<u>\$3,508,262</u>	<u>\$ 471,648</u>	<u>\$10,893</u>	<u>\$3,990,803</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 629,748	\$ 301,962	\$ (3,806)	\$ 927,904
OTHER FINANCING USES:				
Operating Transfers Out	0	(300,000)	0	(300,000)
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 629,748	\$ 1,962	\$ (3,806)	\$ 627,904
Fund Balance-Beginning of Year	<u>1,083,166</u>	<u>1,902,335</u>	<u>37,711</u>	<u>3,023,212</u>
Fund Balance-End of Year	<u>\$1,712,914</u>	<u>\$1,904,297</u>	<u>\$33,905</u>	<u>\$3,651,116</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balance - Governmental Funds	\$ 627,904
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>	
<p>Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is</p>	
	49,445
<p>Depreciation expense on capital assets is reported in the Government- wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is</p>	
	(297,578)
<p>Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:</p>	
Non-Employer Pension Revenue	70,696
Pension Expense	(150,894)
<p>Payments made on Long-term Debt are shown as expenditures in the Governmental Funds, but the payments reduce Long-term Liabilities in the Statement of Net Position.</p>	
	<u>317,000</u>
Increase in Net Position of Governmental Activities	<u>\$ 616,573</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Net Position
Proprietary Funds
Year Ended December 31, 2020

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Assets-			
Current Assets-			
Cash & Cash Equivalents	\$ 278,142	\$ 8,180	\$ 286,322
Receivables	107,255	388,783	496,038
Less, Allowance for Doubtful Accounts	(17,211)	(38,917)	(56,128)
Unbilled Receivables	17,561	62,294	79,855
Due from General Fund	0	2,657	2,657
Prepaid Expenses	<u>1,073</u>	<u>7,633</u>	<u>8,706</u>
Total Current Assets	<u>\$ 386,820</u>	<u>\$ 430,630</u>	<u>\$ 817,450</u>
Restricted Assets-			
Cash & Cash Equivalents	\$ 0	\$ 213,591	\$ 213,591
Customer's Deposit Accounts	<u>0</u>	<u>310,591</u>	<u>310,591</u>
Total Restricted Assets	<u>\$ 0</u>	<u>\$ 524,182</u>	<u>\$ 524,182</u>
Noncurrent Assets-			
Land	\$ 0	\$ 70,361	\$ 70,361
Construction in Progress	35,980	0	35,980
Buildings	3,095	0	3,095
Machinery & Equipment	133,242	380,803	514,045
Vehicles	0	110,313	110,313
Water System	0	18,250,412	18,250,412
Sewer System	8,344,181	0	8,344,181
Less, Accumulated Depreciation	<u>(6,376,337)</u>	<u>(9,133,052)</u>	<u>(15,509,389)</u>
Total Noncurrent Assets	<u>\$ 2,140,161</u>	<u>\$ 9,678,837</u>	<u>\$ 11,818,998</u>
Total Assets	<u>\$ 2,526,981</u>	<u>\$10,633,649</u>	<u>\$ 13,160,630</u>
Deferred Outflows of Resources-			
Pensions	<u>\$ 69,062</u>	<u>\$ 237,881</u>	<u>\$ 306,943</u>
Liabilities-			
Current Liabilities-			
Cash Overdraft	\$ 0	\$ 21,020	\$ 21,020
Accounts Payable	2,445	18,684	21,129
Accrued Payroll	<u>1,192</u>	<u>5,510</u>	<u>6,702</u>
Total Current Liabilities	<u>\$ 3,637</u>	<u>\$ 45,214</u>	<u>\$ 48,851</u>

Continued next page.

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Net Position
Proprietary Funds
Year Ended December 31, 2020

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Liabilities Payable from Restricted Assets-			
Current Portion of Revenue Bonds	\$ 0	\$ 3,000	\$ 3,000
Customer's Deposits	<u>0</u>	<u>208,262</u>	<u>208,262</u>
Total Payable from Restricted Assets	<u>\$ 0</u>	<u>\$ 211,262</u>	<u>\$ 211,262</u>
Noncurrent Liabilities-			
Notes and Bonds Payable	\$ 0	\$ 1,437,142	\$ 1,437,142
Net Pension Liability	<u>315,549</u>	<u>1,086,891</u>	<u>1,402,440</u>
Total Noncurrent Liabilities	<u>\$ 315,549</u>	<u>\$ 2,524,033</u>	<u>\$ 2,839,582</u>
Total Liabilities	<u>\$ 319,186</u>	<u>\$ 2,780,509</u>	<u>\$ 3,099,695</u>
Deferred Inflow of Resources-			
Pensions	<u>\$ 2,248</u>	<u>\$ 7,744</u>	<u>\$ 9,992</u>
Net Position-			
Net Investment in Capital Assets	\$ 2,140,161	\$ 8,083,277	\$ 10,223,438
Unrestricted	<u>134,448</u>	<u>0</u>	<u>134,448</u>
Total Net Position	<u>\$ 2,274,609</u>	<u>\$ 8,083,277</u>	<u>\$ 10,357,886</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2020

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for Services-			
Water	\$ 0	\$1,365,966	\$ 1,365,966
Sewer	386,060	0	386,060
Miscellaneous-			
Penalties & Charges	9,814	42,818	52,632
Other	25,416	20,372	45,788
Total Operating Revenues	<u>\$ 421,290</u>	<u>\$1,429,156</u>	<u>\$ 1,850,446</u>
Operating Expenses:			
Personnel Services	\$ 272,307	\$1,058,334	\$ 1,330,641
Billing Office	14,927	12,616	27,543
System Maintenance	78,328	74,197	152,525
Treatment Facilities	111,203	438,350	549,553
General & Administrative	69,021	88,108	157,129
Depreciation	209,487	410,135	619,622
Total Operating Expenses	<u>\$ 755,273</u>	<u>\$2,081,740</u>	<u>\$ 2,837,013</u>
Loss from Operations	<u>\$ (333,983)</u>	<u>\$ (652,584)</u>	<u>\$ (986,567)</u>
Non-operating Revenues (Expenses):			
Interest Income	\$ 2,611	\$ 3,731	\$ 6,342
Non-Employer Pension Revenue	4,951	17,055	22,006
Grant Revenue	0	0	0
Total Non-operating Revenues (Expenses)	<u>\$ 7,562</u>	<u>\$ 20,786</u>	<u>\$ 28,348</u>
Loss Before Transfers	<u>\$ (326,421)</u>	<u>\$ (631,798)</u>	<u>\$ (958,219)</u>
Transfers	<u>0</u>	<u>300,000</u>	<u>300,000</u>
Change in Net Position	<u>\$ (326,421)</u>	<u>\$ (331,798)</u>	<u>\$ (658,219)</u>
Net Position at Beginning of Year	<u>2,601,030</u>	<u>8,415,075</u>	<u>11,016,105</u>
Net Position at End of Year	<u>\$2,274,609</u>	<u>\$8,083,277</u>	<u>\$10,357,886</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 419,775	\$ 1,308,320	\$ 1,728,095
Cash Payments to Suppliers for Goods and Services	(259,588)	(1,021,745)	(1,281,333)
Cash Payments to Employees	(280,204)	(715,240)	(995,444)
Net Cash Provided (Used) by Operating Activities	\$ (120,017)	\$ (428,665)	\$ (548,682)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers from Other Funds	\$ 0	\$ 300,000	\$ 300,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	\$ (78,339)	\$ (21,705)	\$ (100,044)
Debt Proceeds	0	106,557	106,557
Principal Paid on Capital Debt	0	(3,000)	(3,000)
Net Cash Used by Capital and Related Financing Activities	\$ (78,339)	\$ 81,852	\$ 3,513
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Income	\$ 2,611	\$ 3,731	\$ 6,342
Net Decrease in Cash & Cash Equivalents	\$ (195,745)	\$ (43,082)	\$ (238,827)
CASH & CASH EQUIVALENTS:			
Beginning of Year	473,887	554,424	1,028,311
End of Year	\$ 278,142	\$ 511,342	\$ 789,484

Continued next page.

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Loss from Operations	\$(333,983)	\$ (652,584)	\$ (986,567)
ADJUSTMENTS TO RECONCILE LOSS FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation	209,487	410,135	619,622
(Increase)/Decrease in Accounts Receivable	(1,515)	(124,516)	(126,031)
Increase/(Decrease) in Accounts Payable	(6,725)	(101,969)	(108,694)
Increase/(Decrease) in Accrued Payroll	(4,322)	(22,108)	(26,430)
Increase/(Decrease) in Customer's Deposits	0	3,680	3,680
Increase/(Decrease) in Net Pension Liability	<u>17,041</u>	<u>58,697</u>	<u>75,738</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (120,017)</u>	<u>\$ (428,665)</u>	<u>\$ (548,682)</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:			
Current Assets-			
Cash and Cash Equivalents	\$ 278,142	\$ 8,180	\$ 286,322
Restricted Assets-			
Cash and Cash Equivalents	0	524,182	524,182
Current Liabilities-			
Cash Overdraft	<u>0</u>	<u>(21,020)</u>	<u>(21,020)</u>
Total Cash and Cash Equivalents	<u>\$ 278,142</u>	<u>\$ 511,342</u>	<u>\$ 789,484</u>

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2020

Introduction

The City of Mansfield (City) was founded in 1843 and incorporated in 1948 by Act No. 194 by the LA Legislature. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: police and fire protection, sanitation, streets, recreation, and general administration services. The City owns and operates two proprietary activities; utility systems, which provide water and sewer services.

1. Summary of Significant Accounting Policies

The financial statements of the City of Mansfield have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but 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, "The Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are described below.

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the City of Mansfield 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 of Mansfield.
2. Organizations for which the City of Mansfield does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity's 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 of Mansfield has determined that there are no component units.

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2020

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The accounts and transactions of the City of Mansfield are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Funds are classified into two categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the City are described below:

Governmental Funds-

General Fund - To account for all financial resources except for those required to be accounted for in another fund.

City of Mansfield, Louisiana
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Debt Service Fund - To account for the financial resources accumulated and payments made for principal and interest on the Sales Tax Bond, Series 2010B, the Limited Tax Revenue Bonds, Series 2010, and the Sales Tax Bond, Series 2011.

Police Witness Fees Fund - To account for all financial resources used to pay witness fees to police officers providing court testimony.

Capital Projects Fund - To account for all financial resources used for the acquisition or construction of major capital facilities funded through the Louisiana Community Development Block Grant Program.

The major governmental funds of the City are the General Fund and the Debt Service Fund.

Proprietary Funds-

Enterprise Funds

The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and 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. The City's enterprise funds are:

Sewer Fund - Accounts for the provision of sewerage services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Water Fund - Accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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, including unbilled water and sewer services.

City of Mansfield, Louisiana
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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 City considers revenues to be available if collected within 60 days of the end of the current fiscal period. Other major revenues that are considered susceptible to accrual include earned grant revenues, charges for services, and interest earned on investments. Franchise fees, licenses and permits, and court fines are recognized when received because they are not objectively measurable.

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.

D. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control. Annual operating budgets are adopted each fiscal year and amended as required. The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor and City Clerk prepare a proposed budget, based on departmental group budget requests, and submits the same to the council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an appropriation ordinance or adoption resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases/decreases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.
6. All budgetary appropriations lapse at the end of each fiscal year.

The City's procedures, with respect to its budget, are designed to meet the requirements of applicable Louisiana Revised Statutes. The City prepares budgets for its funds on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the Council.

City of Mansfield, Louisiana
Notes to Financial Statements
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E. Cash and Cash Equivalents

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposit of the City. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit.

F. Bad Debts

Uncollectible amounts due for customer’s utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Allowance for bad debts in the proprietary funds at December 31, 2020 was \$56,128. Allowance for bad debts in the governmental funds at December 31, 2020 was \$5,304.

G. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, and similar items), are reported in the applicable governmental 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 City maintains a threshold level of \$1,000 for capitalizing assets.

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.

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

<u>Description</u>	<u>Estimated Lives</u>
Sewer System	20 years
Water System	20-40 years
Buildings & building improvements	40-50 years
Streets & sidewalks	40 years
Furniture & fixtures	5-7 years
Vehicles	5-15 years
Equipment	5-10 years

H. Compensated Absences

City employees earn from ten to twenty days of vacation leave and from twelve to thirty days of sick leave each year. Vacation leave does not accumulate and accrued sick leave does not vest with the employee; therefore, there is no accrual for compensated absences as of December 31, 2020.

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I. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between the individual funds. These interfund receivables/payables are classified on the balance sheet as “Due from Other Funds” or “Due to Other Funds”. Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for any residual balances outstanding between the governmental activities and business-type activities, which are presented as internal balances.

J. Interfund Transactions

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

The following is a summary of interfund operating transfers:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Debt Service- Sales Tax	\$ 0	\$300,000
Enterprise Fund- Water	<u>300,000</u>	<u>0</u>
Totals	<u>\$300,000</u>	<u>\$300,000</u>

Transfers are primarily used to move funds:

- From the Debt Service Fund to the Proprietary Fund so that excess revenues can be used for water services.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position.

In the fund financial statements, governmental fund types recognize debt issued as other financing sources. Repayment of the principal and interest is shown as an expenditure.

L. Restricted Assets

Certain resources of the Water Fund are classified as restricted assets on the balance sheet because their use is limited because they represent customers’ deposits being held by the fund.

City of Mansfield, Louisiana
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M. Pensions

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See note 7, for more information on the individual retirement systems.

N. Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

O. Fund Equity

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

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In the General Fund, the City has an unassigned fund balance of \$1,690,726 and nonspendable fund balance of \$22,188. If applicable, the City would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The City establishes fund balance commitments and assignments by passage of an ordinance or resolution.

P. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. In the governmental activities, the net investment in capital assets does not include the reduction of outstanding bond balances, because the debt was acquired to construct necessary assets for the Water and Sewer funds.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expenses.

Q. 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. Ad Valorem Taxes

The City levies taxes on real and business personal property located within the boundaries of the City. Property taxes are levied by the City on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The City bills and collects its own property taxes. The City recognizes property tax revenues when levied.

City of Mansfield, Louisiana
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Property Tax Calendar

Assessment date	January 1
Levy date	December 31
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties & interest added	January 31
Lien date	January 31
Tax sale	May 15

For the year ended December 31, 2020, taxes of 17.18 mills were levied on property with an assessed valuation totaling \$27,176,487, and were dedicated as follows:

General Alimony	8.38 mills
Operating	8.80 mills

Total taxes collected were \$446,667 after small adjustments were made to the original tax roll. Delinquent taxes are collected by the sale of the related property; therefore, no provision for uncollectibles is made.

3. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2020, is as follows:

	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2020</u>
Governmental Activities:				
Capital Assets not Depreciated-				
Land	\$ 201,820	\$ 0	\$0	\$ 201,820
Capital Assets Depreciated-				
Buildings & Improvements	1,077,532	0	0	1,077,532
Other Improvements	3,680,138	14,360	0	3,694,498
Equipment	1,090,001	5,123	0	1,095,124
Office Furniture	3,556	0	0	3,556
Vehicles	<u>1,987,682</u>	<u>29,962</u>	<u>0</u>	<u>2,017,644</u>
Total Capital Assets	<u>\$8,040,729</u>	<u>\$ 49,445</u>	<u>\$0</u>	<u>\$8,090,174</u>
Less, Accumulated Depreciation-				
Buildings & Improvements	\$ 623,104	\$ 30,248	\$0	\$ 653,352
Other Improvements	1,431,381	75,208	0	1,506,589
Equipment	893,905	63,703	0	957,608
Office Furniture	3,556	0	0	3,556
Vehicles	<u>1,506,328</u>	<u>128,419</u>	<u>0</u>	<u>1,634,747</u>
Total Accumulated Depreciation	<u>\$4,458,274</u>	<u>\$ 297,578</u>	<u>\$0</u>	<u>\$4,755,852</u>
Governmental Activities Capital Assets, Net	<u>\$3,582,455</u>	<u>\$(248,133)</u>	<u>\$0</u>	<u>\$3,334,322</u>

City of Mansfield, Louisiana
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Depreciation expense of \$297,578 for the year ended December 31, 2020, was charged to the following governmental functions:

General Fund-				
General Government	\$120,262			
Public Safety	136,670			
Public Works	29,643			
Sanitation	10,996			
Recreation	<u>7</u>			
Total General Fund	<u>\$297,578</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2020</u>
Business-Type Activities:				
Capital Assets not Depreciated-				
Land	\$ 70,361	\$ 0	\$0	\$ 70,361
Construction in Progress	0	35,980	0	35,980
Capital Assets Depreciated-				
Buildings	3,095	0	0	3,095
Water Treatment Plant	4,707,554	0	0	4,707,554
Machinery & Equipment	282,635	0	0	282,635
Pumping Station	1,524,408	0	0	1,524,408
Transmission Line	4,090,726	0	0	4,090,726
Water System	8,247,741	21,705	0	8,269,446
Sewer System	5,315,496	42,359	0	5,357,855
Sewer Treatment Plant	<u>2,986,327</u>	<u>0</u>	<u>0</u>	<u>2,986,327</u>
Total Capital Assets	<u>\$27,228,343</u>	<u>\$ 100,044</u>	<u>\$0</u>	<u>\$27,328,387</u>
Less, Accumulated Depreciation-				
Buildings	\$ 3,095	\$ 0	\$0	\$ 3,095
Water Treatment Plant	2,760,555	120,355	0	2,880,910
Machinery & Equipment	541,648	30,107	0	571,755
Pumping Station	1,097,706	22,460	0	1,120,166
Transmission Line	2,497,051	53,926	0	2,550,977
Water System	1,927,051	190,699	0	2,117,750
Sewer System	3,528,358	158,331	0	3,686,689
Sewer Treatment Plant	<u>2,534,303</u>	<u>43,744</u>	<u>0</u>	<u>2,578,047</u>
Total Accumulated Depreciation	<u>\$14,889,767</u>	<u>\$ 619,622</u>	<u>\$0</u>	<u>\$15,509,389</u>
Business-Type Activities Capital Assets, Net	<u>\$12,338,576</u>	<u>\$(519,578)</u>	<u>\$0</u>	<u>\$11,818,998</u>

Depreciation expense of \$619,622 for the year ended December 31, 2020, was charged to the following business-type functions:

Water System	\$410,135
Sewer System	<u>209,487</u>
Total Utility Fund	<u>\$619,622</u>

City of Mansfield, Louisiana
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4. Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended December 31, 2020.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Funds:				
Series 2010B Sales Tax Bonds	\$2,066,000	\$ 0	\$150,000	\$1,916,000
Series 2010 Limited Tax Revenue Bonds	785,000	0	49,000	736,000
Series 2011 Sales Tax Bonds	<u>1,903,000</u>	<u>0</u>	<u>118,000</u>	<u>1,785,000</u>
Total Governmental Funds	<u>\$4,754,000</u>	<u>\$ 0</u>	<u>\$317,000</u>	<u>\$4,437,000</u>
Proprietary Funds:				
URAF Agreements 8085, 8751, 8996	\$ 359,227	\$ 0	\$ 3,000	\$ 356,227
URAF Agreements 06465	133,859	0	0	133,859
URAF Agreements LTM-116-02	49,573	0	0	49,573
URAF Agreements LTM-399	600,321	0	0	600,321
URAF Agreement 14958	<u>193,605</u>	<u>106,557</u>	<u>0</u>	<u>300,162</u>
Total Proprietary Funds	<u>\$1,336,585</u>	<u>\$106,557</u>	<u>\$ 3,000</u>	<u>\$1,440,142</u>
Grand Total	<u>\$6,090,585</u>	<u>\$106,557</u>	<u>\$320,000</u>	<u>\$5,877,142</u>

Bonds and notes payable at December 31, 2020 are comprised of the following:

Governmental Funds

1. Sales Tax Bonds, Series 2010, interest at 2.95%, dated February 11, 2010, in the original amount of \$4,120,000. The bond issue consisted of \$1,000,000 of Sales Tax Revenue Bonds, Series 2010A (ARRA) and \$3,120,000 of Sales Tax Bonds, Series 2010B. The Louisiana Department of Health and Hospitals agreed to purchase the Sales Tax Bonds, Series 2010 through the State Drinking Water Revolving Loan Fund for the purpose of constructing and acquiring improvements, extensions and replacements to its water system. The loan is secured and payable from a pledge and dedication of sales and use tax revenues and the net revenues of the water system. Scheduled principal and interest payments are due annually through February 1, 2030.
2. Limited Tax Revenue Bonds, Series 2010, interest at 2.95%, dated November 10, 2011, in the original amount of \$1,550,000. The Louisiana Department of Health and Hospitals agreed to purchase the Limited Tax Revenue Bonds, Series 2010 through the State Drinking Water Revolving Loan Fund for the purpose of financing a portion of the costs of constructing and acquiring improvements, extensions and replacements to its water system. The loan is secured and payable from a pledge and dedication of the full faith and credit of the City. The net revenues of the water system shall be set aside in the funds and accounts described in the authorizing ordinance and shall be and remain so pledged for the security and payment of the bonds in principal and interest, until the bonds shall be fully paid and discharged. Scheduled principal and interest payments are due annually through October 1, 2032.

City of Mansfield, Louisiana
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3. Sales Tax Bonds, Series 2011, interest at 2.95%, dated January 6, 2012, in the original amount of \$3,280,000. The Louisiana Department of Health and Hospitals agreed to purchase the Sales Tax Bonds, Series 2011 through the State Drinking Water Revolving Loan Fund for the purpose of financing a portion of the costs of constructing and acquiring improvements, extensions and replacements to its water system. The loan is secured and payable from a pledge and dedication of the revenues of a ½% sales and use tax of the City authorized at an election held on October 4, 2008, after payment of the reasonable costs of collecting and administering the tax. The net revenues of the tax shall be and remain pledged for the security and payment of the bonds in principal and interest, until the bonds shall be fully paid and discharged. Scheduled principal and interest payments are due annually through February 1, 2032.

Proprietary Funds

1. Water Refunding Bonds, Series 2013 (Refunding 2005 Bonds and 1997 Bonds) at variable interest rates dated January 21, 2013, in the original amount of \$809,000. Scheduled principal and interest payments due annually through 2020.
2. Utility Relocation Assistance Funding Agreement, non-interest bearing, dated March 14, 2001 (238,029); July 24, 1996 (\$106,665); and July 9, 1998 (\$50,533). Principal payments of \$3,000 due annually through 2039.
3. Utility Relocation Assistance Funding Agreement – 06465, non-interest bearing, dated May 16, 2006, due upon demand.
4. Utility Relocation Assistance Funding Agreement – LTM 116-02, non-interest bearing, dated July 12, 1982, due upon demand.
5. Utility Relocation Assistance Funding Agreement – LTM 399-02, non-interest bearing, dated December 16, 2008, due upon demand.
6. Utility Relocation Assistance Funding Agreement – 14958, non-interest bearing, dated August 23, 2020, due upon demand.

The annual debt service requirements to maturity for these loans are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 328,000	\$126,053	\$ 454,053
2022	337,000	116,245	453,245
2023	347,000	106,156	453,156
2024	358,000	95,757	453,757
2025	367,000	85,063	452,063
2026-2030	2,010,000	253,523	2,263,523
2031-2035	<u>690,000</u>	<u>17,582</u>	<u>707,582</u>
Total	<u>\$4,437,000</u>	<u>\$800,379</u>	<u>\$5,237,379</u>

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Year Ending <u>December 31</u>	<u>Proprietary Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,000	\$0	\$ 3,000
2022	33,016	0	33,016
2023	30,015	0	30,015
2024	27,313	0	27,313
2025	24,882	0	24,882
2026-2030	95,647	0	95,647
2031-2035	87,583	0	87,583
2036-2040	58,706	0	58,706
2041-2045	15,000	0	15,000
2046-2050	15,000	0	15,000
2051-2055	15,000	0	15,000
Thereafter	<u>1,034,980</u>	<u>0</u>	<u>1,034,980</u>
Total	<u>\$1,440,142</u>	<u>\$0</u>	<u>\$1,440,142</u>

*Standards require disclosure of principal and interest requirements to maturity for each of the five subsequent fiscal years and in five-year increments thereafter. However for the URAF Agreements, the presentation of the five-year increments to maturity would cause over-complication of the note. The payments are to be made at \$3,000/year with no corresponding interest.

5. Restricted Assets

Certain resources set aside for customers' utility deposits are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond ordinances.

6. Debt Service Fund

Under the terms of the loan and pledge agreements for the Drinking Water Revolving Loan Fund utilized by the Louisiana Department of Health and Hospitals to purchase the City's Sales Tax Bonds, Series 2010 and Series 2011; the City is required to establish a Debt Service Fund to account for transactions related to these bond issues. The loan and pledge agreement requires four separate bank deposit accounts be established and maintained within the Debt Service Fund:

- *Sales Tax Account* - the proceeds of the one-half percent sales tax dedicated to fund the Sales Tax Bonds, Series 2010 and Series 2011, shall be deposited daily into this account.
- *Construction Account* - each installment of the purchase price of the Bonds is to be deposited into this account and the costs of the project will be disbursed from this account.
- *Sinking Fund Account* - The City must transfer from the Sales Tax Account into this account, each month on or before the 20th day of each month, an amount equal to the principal and interest accruing on the Bonds for such month, together with such additional proportionate sum as may be required to pay said principal; and interest and administrative fee as the same respectively become due.

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- *Reserve Fund Account* - maintained solely for the purpose of paying the principal of and interest on Series 2010 and Series 2011 Bonds. The Reserve Fund is required to be funded in an amount equal to one half of the highest principal and interest requirements for any succeeding Bond Year on the Bonds by transferring such amounts as will result in the sum on deposit to be equal to the reserve account requirement.

Under the terms of the loan and pledge agreement for the Drinking Water Revolving Loan Fund utilized by the Louisiana Department of Health and Hospitals to purchase the City's Limited Tax Revenue Bonds, Series 2010; the City is required to establish a Debt Service Fund to account for transactions related to this bond issue.

The loan and pledge agreement requires two separate bank deposit accounts be established and maintained within the Debt Service Fund :

- *Construction Account* - each installment of the purchase price of the Bonds is to be deposited into this account and the costs of the project will be disbursed from this account.
- *Sinking Fund Account* - The City must deposit from the reserves of the tax or moneys available from any source, including the one half of one percent sales and use tax not less than fifteen (15) days prior to the date that any principal and/or interest falls due, sufficient funds to pay said principal and interest.

7. Employee Retirement Systems

Substantially all employees of the City of Mansfield are members of either the Municipal Employees Retirement System of Louisiana (Plan A) or the Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. General Information about the Plans

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns and cities within the state, which did not have their own retirement system and which elected to become members of MERS.

Act 569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in MERS, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan.

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Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 35 hours per week. Those individuals paid jointly by a participating employer and a parish are not eligible for membership in MERS with exceptions as outlined in the statutes. Any person eligible for membership whose first employment making him eligible for membership in MERS occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 as a condition of employment. MERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.la.state.la.us.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

Any member of Plan A who was hired prior to January 1, 2013 can retire providing he/she meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with (20) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements.

1. Age 67 with seven years of creditable service.
2. Age 62 with ten years of creditable service.
3. Age 55 with thirty years of creditable service.
4. Any age with twenty-five years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings.

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Survivor's Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Deferred Retirement Option Plan (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in DROP for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the MERS has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in MERS.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they have at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement computation factors which would be applicable to the member's normal retirement.

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Cost-of-Living Increases

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows MERS to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits

Deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions

According to state statute, contribution for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 27.75% of member's earnings for Plan A.

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. MERS also receives revenue sharing funds each year as appropriated by the Legislature. The additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$55,016.

The City's contractually required composite contribution rate for the year ended December 31, 2020 was 29.50% of annual payroll, 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 Actuarial Accrued Liability.

Contributions to the pension plan from the City were \$454,609 for the year ended December 31, 2020.

Municipal Police Employees Retirement System of Louisiana (LAMPERS)

Plan Description

LAMPERS was established by Act 189 of the 1973 regular session of the Legislature of the State of Louisiana to provide retirement, disability and survivor benefits to municipal police officers in Louisiana.

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Benefit provisions are authorized within Act 189 of 1973 and amended by Louisiana Revised Statutes 11:2211 – 11:2233. Participants should refer to the appropriate statutes for more complete information.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. LAMPERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lampers.org or www.la.state.la.us.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of LAMPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of LAMPERS for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013

Membership eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of LAMPERS and has 25 years of creditable service at any age or has 12 years creditable service and is age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of LAMPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of LAMPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

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Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% and 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

Cost-of-Living Adjustments

The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a COLA until they reach retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan (DROP)

A member is eligible to elect to enter DROP when he/she is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in LAMPERS is terminated. At the entry date into DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into LAMPERS shall resume and upon later termination, he shall receive additional retirement benefits based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of LAMPERS' investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on LAMPERS' investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

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Initial Benefit Option Plan

In 1999, the State Legislature authorized LAMPERS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefits, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2020, total contributions due for employers and employees were 42.50%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 32.50% and 10%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 32.50% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.25% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$37,686 are recognized as revenue, but are not considered special funding situations.

The City's contractually required composite contribution rate for the year ended December 31, 2020 was 33.75% of annual payroll, 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 Actuarial Accrued Liability.

Contributions to the pension plan from the City were \$182,034 for the year ended December 31, 2020.

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B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020 and 2019, the City reported a total of \$5,104,033 and \$4,535,664 for its proportionate shares of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	June 30, 2020	June 30, 2019
MERS	\$3,506,099	\$3,292,392
LAMPERS	1,597,934	1,243,272
Total	\$5,104,033	\$4,535,664

The Net Pension Liabilities were measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liabilities were determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liabilities was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 and 2019, the City's proportions of each were as follows:

Plan	Proportionate Share	
	June 30, 2020	June 30, 2019
MERS	.81096%	.78791%
LAMPERS	.17289%	.13690%
Total	.98385%	.92481%

For the year ended December 31, 2020 and 2019, the City recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

Plan	Measurement Date	
	June 30, 2020	June 30, 2019
MERS	\$643,954	\$609,094
LAMPERS	219,318	45,495
Total	\$863,272	\$654,589

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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS		LAMPERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,626	\$ 19,874	\$ -	\$ 62,941	\$ 1,626	\$ 82,815
Changes in Assumptions	58,985	-	37,971	39,435	96,956	39,435
Net Difference between projected and actual earnings on pension plan	349,871	-	191,704	-	541,575	-
Changes in employer's proportion of beg NPL	114,540	-	257,073	38,016	371,613	38,016
Differences between employer and proportionate share of contributions	-	5,107	878	457	878	5,564
Subsequent Measurement Contributions	242,337	-	92,388	-	334,725	-
Total	\$ 767,359	\$ 24,981	\$ 580,014	\$ 140,849	\$ 1,347,373	\$ 165,830

The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date in the amount of \$334,725, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2021	\$290,151
2022	279,571
2023	189,404
2024	87,692
Total	\$846,818

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation date of June 30, 2020 is as follows:

Assumptions	MERS	LAMPERS
Actuarial cost method	Entry age normal cost	Entry age normal cost
Expected remaining service lives	3 years	4 years
Investment rate of return	6.950%	6.950%
Inflation rate	2.500%	2.500%
Salary increases	Varies from 6.4% to 4.5% depending on years of service	Varies from 12.3% to 4.7%, depending on years of service

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Mortality rates for MERS were based on PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale. The actuarial assumptions were based on the results of an actuarial experience study, for the period July 1, 2013 through June 30, 2018.

Mortality rates for LAMPERS were based on Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used for healthy annuitants and beneficiaries. Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 sale was used for disabled annuitants. Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used for employee members. The assumptions were based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

Best estimates of arithmetic real rates of return for each major asset class included in pensions target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>MERS</u>		<u>LAMPERS</u>	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	53.00%	2.33%	48.50%	3.08%
Fixed Income	38.00%	1.67%	33.50%	0.54%
Alternative	9.00%	0.40%	18.00%	1.02%
Other	0.00%	0.00%	0.00%	0.00%
Totals	100.00%	4.40%	100.00%	4.64%
Inflation		2.60%		2.55%
Expected Nominal Return		7.00%		7.19%

The discount rate used to measure the total pension liability was 6.95% for MERS and 6.95% for LAMPERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates 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, MERS and

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LAMPERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liabilities using the discount rates as shown above, as well as what the City's proportionate share of the Net Pension Liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS	\$4,561,050	\$3,506,099	\$2,614,093
LAMPERS	\$2,244,927	\$1,597,934	\$1,057,075

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net positions are available in the separately issued financial statements of the Plans.

8. Cash and Investments

The cash and cash equivalents of the City are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits. 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 or exceed 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. 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, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City's name.

Cash and investments are held separately by each of the City's funds. At December 31, 2020, cash and investments totaled \$4,099,629 (book balances), including \$800 cash on hand. Bank account and investment balances at December 31, 2020, totaled \$4,420,093. Of this amount, \$1,058,569 was insured by federal depository insurance, and \$3,186,520 was secured by government securities and pledged securities.

Interest Rate Risk: This is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the City diversifies its investments by security type and institution.

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Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the City may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents held at December 31, 2020 include \$175,004 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

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 in accordance with LSA-R.S. 33:2955.

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 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP is rated AAA by Standard & Poors.

9. Compensation of City Councilmen

A detail of compensation paid to individual councilmen for the year ended December 31, 2020 follows:

Mitchell L. Lewis	\$ 9,600
Kervin Campbell	9,600
Mary Green	9,600
Christopher Thomas	9,600
Joseph Hall, Jr.	<u>9,600</u>
 Total	 <u>\$48,000</u>

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10. Receivables

The following is a summary of receivables at December 31, 2020:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Tax, Licenses & Permits-					
Ad Valorem	\$129,950	\$ 0	\$ 0	\$ 0	\$129,950
Sales & Use	129,560	64,770	0	0	194,330
Franchise	53,954	0	0	0	53,954
Hotel Occupancy	9,063	0	0	0	9,063
Video Poker	23,492	0	0	0	23,492
Other Receivables	<u>53,360</u>	<u>0</u>	<u>107,255</u>	<u>388,783</u>	<u>549,398</u>
Total	<u>\$399,379</u>	<u>\$64,770</u>	<u>\$107,255</u>	<u>\$388,783</u>	<u>\$960,187</u>

Allowance for bad debts for the garbage collections in the general fund is \$5,304. Allowance for bad debts for the sewer fund is \$17,211 and for the water fund is \$38,917.

11. Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transaction for the fiscal year ended December 31, 2020.

12. On-Behalf Payments

Certain employees of the City Police Department and City Fire Department receive supplemental pay from the State. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$120,233 and the related expenditures are as follows:

City Police Department	\$ 66,984
City Fire Department	<u>50,033</u>
Total	<u>\$117,017</u>

13. Commitments and Contingencies

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

Due to the ongoing restrictions and guidelines related to the COVID-19 (coronavirus) pandemic which began in early 2020, the extent to which the COVID-19 pandemic may directly or indirectly impact the District Court cannot be reasonably estimated at this time.

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14. Government-Wide Net Position

The governmental activities net position is a deficit in the government-wide Statement of Net Position. This is caused by the governmental activities owing debt for items which is ultimately capitalized in the business-type activities. These debts will be paid with obligated sales tax funds.

15. Subsequent Events

Management has evaluated events through May 14, 2021, the date which the financial statements were available for issue.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

City of Mansfield, Louisiana
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$2,237,940	\$2,237,940	\$2,376,878	\$ 138,938
Licenses & Permits	450,800	450,800	417,310	(33,490)
Intergovernmental	164,760	164,760	1,006,216	841,456
Charges for Services	281,000	281,000	255,683	(25,317)
Fines & Forfeitures	204,600	204,600	61,942	(142,658)
Miscellaneous-				
Interest	6,200	6,200	7,818	1,618
Oil and Gas Royalties	10,000	10,000	5,807	(4,193)
Miscellaneous	22,400	22,400	6,356	(16,044)
Total Revenues	<u>\$3,377,700</u>	<u>\$3,377,700</u>	<u>\$4,138,010</u>	<u>\$ 760,310</u>
EXPENDITURES:				
Current-				
General Government	\$1,265,500	\$1,265,500	\$1,361,840	\$ (96,340)
Public Safety-				
Police	1,114,300	1,114,300	1,039,748	74,552
Fire	518,700	518,700	514,538	4,162
Public Works	360,100	360,100	417,797	(57,697)
Sanitation	119,100	119,100	124,815	(5,715)
Recreation	0	0	79	(79)
Capital Outlay	114,000	169,000	49,445	119,555
Total Expenditures	<u>\$3,491,700</u>	<u>\$3,546,700</u>	<u>\$3,508,262</u>	<u>\$ 38,438</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	\$ (114,000)	\$ (169,000)	\$ 629,748	\$ 798,748
Fund Balance-Beginning of Year	<u>1,083,166</u>	<u>1,083,166</u>	<u>1,083,166</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 969,166</u>	<u>\$ 914,166</u>	<u>\$1,712,914</u>	<u>\$ 798,748</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2020

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Municipal Employees' Retirement System</i>					
2015	.88523%	\$3,162,196	\$1,491,121	212%	66.13%
2016	.80079%	\$3,282,200	\$1,481,072	222%	62.11%
2017	.73346%	\$3,068,390	\$1,310,670	234%	62.49%
2018	.73966%	\$3,062,690	\$1,397,346	219%	63.94%
2019	.78791%	\$3,292,392	\$1,540,817	214%	64.68%
2020	.81096%	\$3,506,099	\$1,586,426	221%	64.52%
<i>Municipal Police Employees' Retirement System</i>					
2015	.22672%	\$1,776,083	\$613,552	289%	70.73%
2016	.19602%	\$1,837,222	\$476,917	385%	66.04%
2017	.14780%	\$1,290,330	\$404,849	319%	70.08%
2018	.12814%	\$1,083,320	\$399,156	271%	71.89%
2019	.13690%	\$1,243,272	\$485,790	256%	71.01%
2020	.17289%	\$1,597,934	\$549,577	291%	70.94%

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

City of Mansfield, Louisiana
Schedule of Employer's Contributions
For the Year Ended December 31, 2020

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Municipal Employees' Retirement System</i>					
2015	\$294,496	\$294,496	\$0	\$1,491,121	19.75%
2016	\$292,512	\$292,512	\$0	\$1,481,072	19.75%
2017	\$311,298	\$311,298	\$0	\$1,310,670	23.75%
2018	\$354,593	\$354,593	\$0	\$1,397,346	25.38%
2019	\$414,351	\$414,351	\$0	\$1,540,817	26.89%
2020	\$454,609	\$454,609	\$0	\$1,586,426	28.66%
<i>Municipal Police Employees' Retirement System</i>					
2015	\$180,998	\$180,998	\$0	\$613,552	29.50%
2016	\$145,792	\$145,792	\$0	\$476,917	30.57%
2017	\$126,636	\$126,636	\$0	\$404,849	31.28%
2018	\$125,734	\$125,734	\$0	\$399,156	31.50%
2019	\$157,312	\$157,312	\$0	\$485,790	32.38%
2020	\$182,034	\$182,034	\$0	\$549,577	33.12%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2020.

City of Mansfield, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2020

Agency Head Name: John Mayweather, Sr., Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$45,000
Benefits-Insurance	8,686
Benefits-Retirement	12,881
Deferred Compensation	0
Benefits-Other	783
Car allowance	9,000
Other	<u>0</u>
Total	<u>\$76,350</u>

See independent auditor's report.

City of Mansfield
Justice System Funding Schedule - Collecting/Disbursing Entity
LLA Entity ID #2185
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended December 31, 2020

	<u>First Six Month</u> <u>Period Ended</u> <u>12/31/20</u>	<u>Second Six</u> <u>Month Period</u> <u>Ended 12/31/20</u>
Cash Basis Presentation		
Beginning Balance of Accounts Collected	\$ 3,914	\$ 2,204
Add: Collections		
Criminal Court Costs/Fees	\$ 3,960	\$ 4,500
Criminal Fines-Other	35,856	43,433
Total Collections	\$ 39,816	47,933
Less: Disbursements to Governments & NonProfits		
Indigent Defender Fund; Criminal Fines-Other	\$ 5,545	\$ 6,035
LA Commission on Law Enforcement-Crime Victims; Criminal Fines-Other	120	180
Ware Youth Center; Criminal Fines-Other	1,200	1,305
LA Commission on Law Enforcement-Police Training; Criminal Fines-Other	320	348
North LA Crime Lab; Criminal Fines-Other	1,520	1,690
LA Supreme Court-CMIS; Criminal Fines-Other	478	520
DHH-Traumatic Head Injury; Criminal Fines-Other	385	520
LA Supreme Court-Justice System; Criminal Fines-Other	79	87
DeSoto Crimestoppers; Criminal Fines-Other	312	346
Less: Amounts Retained by Collecting Agency		
Criminal Court Costs/Fees	3,960	4,500
Criminal Fines-Other	27,607	33,692
Total Disbursements/Retainage	41,526	49,223
Ending Balance of Amounts Collected (i.e. cash on hand)	\$ 2,204	\$ 914

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

City of Mansfield, Louisiana
Combining Balance Sheet-Non-Major Funds
December 31, 2020

	<u>Special Revenue Fund</u> <u>Police Witness Fees</u> <u>Fund</u>	<u>Capital Projects</u> <u>Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash & Cash Equivalents	\$ <u>34,030</u>	\$ <u>75</u>	\$ <u>34,105</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Due to other Funds	\$ <u>0</u>	\$ <u>200</u>	\$ <u>200</u>
Fund Balances:			
Assigned to-			
Police witness fees	\$34,030	\$ 0	\$34,030
Unassigned	<u>0</u>	<u>(125)</u>	<u>(125)</u>
Total Fund Balances	\$ <u>34,030</u>	<u>(125)</u>	\$ <u>33,905</u>
 Total Liabilities and Fund Balances	 \$ <u>34,030</u>	 \$ <u>75</u>	 \$ <u>34,105</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance-Non-Major Funds
For the Year Ended December 31, 2020

	<u>Special Revenue Fund</u>		
	Police Witness Fees	Capital Projects	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Revenues:			
Charges for Services	\$ 7,075	\$ 0	\$ 7,075
Interest	<u>12</u>	<u>0</u>	<u>12</u>
Total Revenues	\$ <u>7,087</u>	\$ <u>0</u>	\$ <u>7,087</u>
Expenditures:			
Current-			
Public Safety	\$ 4,291	\$ 0	\$ 4,291
Capital Outlay	<u>6,602</u>	<u>0</u>	<u>6,602</u>
Total Expenditures	\$ <u>10,893</u>	\$ <u>0</u>	\$ <u>10,893</u>
Net Change in Fund Balances	\$ (3,806)	\$ 0	\$ (3,806)
Fund Balances – Beginning of Year	<u>37,836</u>	<u>(125)</u>	<u>37,711</u>
Fund Balances – End of Year	\$ <u>34,030</u>	\$ <u>(125)</u>	\$ <u>33,905</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>State Contract Pass-through Number</u>	<u>Federal Disbursements/ Expenditures</u>
U. S. Department of the Treasury: Passed through the LA Division of Administration-			
Coronavirus Relief Fund	21.019	#453/#516	\$843,303

City of Mansfield, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal financial assistance activity of the City under programs of the federal government for the year ended December 31, 2020. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City of Mansfield has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The City of Mansfield did not provide any funding to subrecipients.

OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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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 Mayor and the City Council of
Mansfield, Louisiana

We 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Mansfield as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Mansfield's basic financial statements, and have issued our report thereon dated May 14, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Mansfield's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mansfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mansfield'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mansfield's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 14, 2021

T | C | B | T
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Mayor and City Council of
Mansfield, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Mansfield's compliance with the types of compliance requirements described in the *OMB Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the City of Mansfield's major federal programs for the year ended December 31, 2020. The City of Mansfield's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Mansfield's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Natchitoches Parish Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Mansfield's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Mansfield, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City of Mansfield is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Mansfield's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Mansfield's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana

May 14, 2021

City of Mansfield, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the City of Mansfield as of and for the year ended December 31, 2020.
2. The audit disclosed no material weaknesses in internal control that are required to be reported under *Government Auditing Standards*.
3. The audit disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any instances of material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any instances of noncompliance related to federal awards that are required to be reported under the Uniform Guidance.
7. The following program was major for the year ended December 31, 2020:
 - o Coronavirus Relief Fund (CFDA #21.019)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. The City of Mansfield does not qualify as a low risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE*

None identified.

III. PRIOR YEAR FINDINGS

None identified.