

TOWN OF MANSURA, LOUISIANA

Financial Report

Year Ended June 30, 2021

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS	
Balance sheet - governmental funds	9
Reconciliation of the governmental funds balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balances- governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	12
Statement of net position - proprietary fund	13
Statement of revenues, expenses, and changes in net position - proprietary fund	14
Statement of cash flows - proprietary fund	15-16
Notes to basic financial statements	17-34
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	36
Sales Tax 1988	37
Sales Tax 2002	38
Notes to the required supplementary information	39
OTHER FINANCIAL INFORMATION	
Nonmajor capital project funds -	
Combining balance sheet	41
Combining statement of revenues, expenditures, and changes in fund balance	42
General Fund - budgetary comparison schedule - expenditures	43-44
Sales Tax 1988 - budgetary comparison schedule - expenditures	45
Sales Tax 2002 - budgetary comparison schedule - expenditures	46
Judicial System Funding Schedule - Collecting/Disbursing Entity	47
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	49-50
Schedule of current and prior year audit findings and management's corrective action plan	51-53

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Kenneth Pickett, Sr., Mayor
and Members of the Board of Aldermen
Town of Mansura, 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 Town of Mansura, Louisiana, (hereinafter, "the Town") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements 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. 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 Town of Mansura, Louisiana, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in 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 budgetary comparison information, as listed in the table of contents, 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

The Town has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mansura, Louisiana's basic financial statements. The other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Judicial System Funding Schedule is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the accounting procedures applied in the audit of the basic financial statements, 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 Judicial System Funding Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

The nonmajor capital project funds combining balance sheet and statement of revenues, expenditures, and changes in fund balance, as well as the General Fund, Sales Tax 1988, and Sales Tax 2002 budgetary comparison schedules – expenditures have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021 on our consideration of the Town of Mansura, Louisiana'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 solely 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 the effectiveness of the Town's 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 Town of Mansura, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 17, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

TOWN OF MANSURA, LOUISIANA

Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,376,284	\$ 115,506	\$ 1,491,790
Interest bearing deposits	400,000	100,000	500,000
Receivables	73,965	20,286	94,251
Due from employees	94	-	94
Due from other governmental agencies	26,464	-	26,464
Restricted assets:			
Cash and cash equivalents	2,630	195,637	198,267
Capital assets:			
Non depreciable capital assets	90,491	25,657	116,148
Depreciable capital assets, net	2,314,117	3,672,595	5,986,712
Total assets	4,284,045	4,129,681	8,413,726
LIABILITIES			
Accounts and other payables	41,709	5,951	47,660
Due to other governmental agencies	27,806	-	27,806
Deposits	1,600	-	1,600
Long-term liabilities:			
Portion due within one year -			
Capital lease payable	6,315	-	6,315
Bonds payable	-	49,000	49,000
Note payable	3,349	-	3,349
Accrued interest	2,824	-	2,824
Portion due after one year -			
Bonds payable	-	612,825	612,825
Note payable	13,726	-	13,726
Total liabilities	97,329	667,776	765,105
NET POSITION			
Net investment in capital assets	2,398,293	3,036,427	5,434,720
Restricted for:			
Debt service	-	146,637	146,637
Other purposes	2,701	-	2,701
Unrestricted	1,785,722	278,841	2,064,563
Total net position	\$ 4,186,716	\$ 3,461,905	\$ 7,648,621

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 264,515	\$ -	\$ 11,318	\$ (253,197)	\$ -	\$ (253,197)
Public safety:						
Police	377,929	28,756	22,000	(327,173)	-	(327,173)
Fire	114,772	-	-	(114,772)	-	(114,772)
Recreation	72,248	11,025	-	(61,223)	-	(61,223)
Streets	333,800	-	-	(333,800)	-	(333,800)
Interest	3,445	-	-	(3,445)	-	(3,445)
Total governmental activities	1,166,709	39,781	33,318	(1,093,610)	-	(1,093,610)
Business-type activities:						
Sewer	275,903	222,030	-	-	(53,873)	(53,873)
Total	\$ 1,442,612	\$ 261,811	\$ 33,318	(1,093,610)	(53,873)	(1,147,483)
General revenues:						
Taxes -						
Property taxes, levied for general purposes				50,922	-	50,922
Sales and use taxes, levied for general purposes				667,164	-	667,164
Franchise taxes				88,332	-	88,332
Gain on sale of asset				-	6,553	6,553
Intergovernmental				192,601	-	192,601
Licenses and permits				119,503	-	119,503
Interest and investment earnings				10,980	2,344	13,324
Miscellaneous				21,201	-	21,201
Transfers				(26,232)	26,232	-
Total general revenues and transfers				1,124,471	35,129	1,159,600
Change in net position				30,861	(18,744)	12,117
Net position, beginning				4,155,855	3,480,649	7,636,504
Net position, ending				\$ 4,186,716	\$ 3,461,905	\$ 7,648,621

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF MANSURA, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2021

	General	Sales Tax 1988	Sales Tax 2002	Other Governmental Funds	Totals
Assets:					
Cash and cash equivalents	\$ 157,107	\$ 414,790	\$ 804,316	\$ 71	\$ 1,376,284
Interest bearing deposits	-	200,000	200,000	-	400,000
Cash - restricted	2,630	-	-	-	2,630
Receivables:					
Franchise fees	25,428	-	-	-	25,428
Taxes	-	24,452	24,085	-	48,537
Due from employees	94	-	-	-	94
Due from other governmental agencies	26,464	-	-	-	26,464
Total assets	<u>\$ 211,723</u>	<u>\$ 639,242</u>	<u>\$ 1,028,401</u>	<u>\$ 71</u>	<u>\$ 1,879,437</u>
Liabilities:					
Accounts and other payables	\$ 41,342	\$ 367	\$ -	\$ -	\$ 41,709
Deposits	1,600	-	-	-	1,600
Due to other governmental agencies	-	11,291	16,515	-	27,806
Total liabilities	<u>42,942</u>	<u>11,658</u>	<u>16,515</u>	<u>-</u>	<u>71,115</u>
Fund balances:					
Restricted for:					
Other purposes	2,630	-	-	71	2,701
Unassigned	166,151	627,584	1,011,886	-	1,805,621
Total fund balances	<u>168,781</u>	<u>627,584</u>	<u>1,011,886</u>	<u>71</u>	<u>1,808,322</u>
Total liabilities and fund balances	<u>\$ 211,723</u>	<u>\$ 639,242</u>	<u>\$ 1,028,401</u>	<u>\$ 71</u>	<u>\$ 1,879,437</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total fund balances for governmental funds		\$ 1,808,322
Capital assets, net		2,404,608
Long-term liabilities:		
Capital lease payable	\$ (6,315)	
Note payable	(17,075)	
Accrued interest payable	<u>(2,824)</u>	<u>(26,214)</u>
Total net position of governmental activities at June 30, 2021		<u>\$ 4,186,716</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended June 30, 2021

	General	Sales Tax 1988	Sales Tax 2002	Other Governmental Funds	Totals
Revenues:					
Taxes	\$ 139,254	\$ 333,582	\$ 333,582	\$ -	\$ 806,418
Licenses and permits	119,503	-	-	-	119,503
Intergovernmental	225,919	-	-	-	225,919
Fines and forfeits	28,756	-	-	-	28,756
Charges for services	11,025	-	-	-	11,025
Miscellaneous	<u>21,016</u>	<u>5,180</u>	<u>5,785</u>	<u>-</u>	<u>31,981</u>
Total revenues	<u>545,473</u>	<u>338,762</u>	<u>339,367</u>	<u>-</u>	<u>1,223,602</u>
Expenditures:					
General government	239,515	4,554	5,082	-	249,151
Public safety:					
Police	360,406	-	-	-	360,406
Fire	17,913	31,410	41,130	-	90,453
Recreation	37,971	-	-	-	37,971
Streets	267,039	-	-	-	267,039
Capital outlay	52,500	-	-	-	52,500
Debt service	<u>2,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,211</u>
Total expenditures	<u>977,555</u>	<u>35,964</u>	<u>46,212</u>	<u>-</u>	<u>1,059,731</u>
Excess (deficiency) of revenues over expenditures	<u>(432,082)</u>	<u>302,798</u>	<u>293,155</u>	<u>-</u>	<u>163,871</u>
Other financing sources (uses):					
Proceeds from debt issuance	18,665	-	-	-	18,665
Proceeds from sale of asset	200	-	-	-	200
Transfers in	509,582	-	-	-	509,582
Transfers out	<u>(2,247)</u>	<u>(311,795)</u>	<u>(221,772)</u>	<u>-</u>	<u>(535,814)</u>
Total other financing sources (uses)	<u>526,200</u>	<u>(311,795)</u>	<u>(221,772)</u>	<u>-</u>	<u>(7,367)</u>
Net changes in fund balances	94,118	(8,997)	71,383	-	156,504
Fund balances, beginning	<u>74,663</u>	<u>636,581</u>	<u>940,503</u>	<u>71</u>	<u>1,651,818</u>
Fund balances, ending	<u>\$ 168,781</u>	<u>\$ 627,584</u>	<u>\$ 1,011,886</u>	<u>\$ 71</u>	<u>\$ 1,808,322</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$	156,504
Capital assets:			
Capital outlay	\$	52,500	
Depreciation expense		<u>(164,204)</u>	(111,704)
Long-term liabilities:			
Proceeds from note payable	\$	(18,665)	
Principal payments on note payable		1,590	
Interest accrued on note payable		(2,824)	
Repayment of capital lease payable		<u>5,960</u>	<u>\$ (13,939)</u>
Total change in net position per Statement of Activities			<u>\$ 30,861</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Statement of Net Position
 Proprietary Fund - Enterprise Fund
 June 30, 2021

	<u>Sewer Utility</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 115,506
Interest bearing deposits	100,000
Accounts receivable	<u>20,286</u>
Total current assets	<u>235,792</u>
Noncurrent assets:	
Restricted assets -	
Cash and cash equivalents	195,637
Capital assets -	
Non depreciable capital assets	25,657
Depreciable capital assets, net	<u>3,672,595</u>
Total noncurrent assets	<u>3,893,889</u>
Total assets	<u>\$ 4,129,681</u>
LIABILITIES	
Current liabilities:	
Accounts and other payables	5,951
Payable from restricted assets -	
Revenue bonds	<u>49,000</u>
Total current liabilities	54,951
Noncurrent liabilities:	
Revenue bonds payable	<u>612,825</u>
Total liabilities	<u>667,776</u>
NET POSITION	
Net investment in capital assets	3,036,427
Restricted for:	
Debt service	146,637
Unrestricted	<u>278,841</u>
Total net position	<u>\$ 3,461,905</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position -
 Proprietary Fund - Enterprise Fund
 For the Year Ended June 30, 2021

	<u>Sewer Utility</u>
Operating revenues:	
Charges for services -	
Sewer fees	\$ <u>222,030</u>
Operating expenses:	
Salaries and related benefits	39,328
General liability insurance	4,293
Dues and subscriptions	1,001
Maintenance and repairs	33,825
Supplies	15,445
EPA reports	4,628
Legal and professional	3,106
Utilities and telephone	40,630
Gas and oil	3,073
Depreciation expense	120,667
Miscellaneous	<u>3,387</u>
Total operating expenses	<u>269,383</u>
Operating loss	<u>(47,353)</u>
Nonoperating revenues (expenses):	
Sale of capital assets	6,553
Interest income	2,344
Interest expense	<u>(6,520)</u>
Total nonoperating revenues (expenses)	<u>2,377</u>
Loss before transfers	<u>(44,976)</u>
Transfers:	
Transfers in	38,247
Transfers out	<u>(12,015)</u>
Total transfers	<u>26,232</u>
Change in net position	(18,744)
Net position, beginning	<u>3,480,649</u>
Net position, ending	<u>\$ 3,461,905</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - Enterprise Fund
 For the Year Ended June 30, 2021

	<u>Sewer Utility</u>
Cash flows from operating activities:	
Receipts from customers	\$ 217,875
Payments to suppliers	(104,552)
Payments to employees	<u>(39,328)</u>
Net cash provided by operating activities	<u>73,995</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	<u>26,232</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bond	(49,000)
Interest and fiscal charges paid on revenue bonds	(6,520)
Proceeds from the sale of property, plant and equipment	6,553
Acquisition of property, plant and equipment	<u>(74,943)</u>
Net cash used by capital and related financing activities	<u>(123,910)</u>
Cash flows from investing activities:	
Interest received on interest-bearing deposits	<u>2,344</u>
Net change in cash and cash equivalents	(21,339)
Cash and cash equivalents, beginning of period	<u>332,482</u>
Cash and cash equivalents, end of period	<u>\$ 311,143</u>

(continued)

TOWN OF MANSURA, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - Enterprise Fund
 For the Year Ended June 30, 2021

	<u>Sewer Utility</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (47,353)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	120,667
Changes in current assets and liabilities:	
Increase in accounts receivable	(4,155)
Increase in accounts payable	<u>4,836</u>
Net cash provided by operating activities	<u>\$ 73,995</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 140,287
Cash - restricted	<u>192,195</u>
Total cash and cash equivalents, beginning of period	<u>332,482</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	115,506
Cash - restricted	<u>195,637</u>
Total cash and cash equivalents, end of period	<u>311,143</u>
Net change in cash and cash equivalents	<u>\$ (21,339)</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Mansura (“the Town”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Mansura was incorporated in 1860 and operates as a Mayor-Board of Aldermen form of government under the provisions of the Lawrason Act. The following services are provided by the Town: public safety (police protection), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

This report includes all funds which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the volunteer fire department, as a governmental organization, is not part of the Town and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Town provides some of its financing, no control is exercised over its operations. These financial statements include only expenditures incurred directly by the Town for fire protection and does not include operating expenditures paid with self-generated funds of the volunteer fire department.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

1. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding element total for all funds of that category or type; and
2. The same element that met the 10 percent criterion in 1 above is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Town. The following are the Town's major Special Revenue Funds:

The 1988 Sales Tax Fund is used to account for the receipts and use of proceeds of one percent (1%) sales and use tax, which is dedicated to operating, maintaining and purchasing of supplies for streets, drainage, public safety and any other lawful corporate purpose.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

The 2002 Sales Tax Fund is used to account for the receipts and use of proceeds of a one percent (1%) sales and use tax, which is dedicated to operating, maintaining and purchasing of supplies for streets, drainage, public safety, sanitation and any other lawful corporate purpose.

Proprietary Funds –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows. The Town's propriety fund type is an enterprise fund.

Enterprise Fund

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that 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 Sewer Fund comprises the Town's Enterprise Fund.

C. Measurement Focus/Basis of Accounting

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The Town considers reimbursement amounts received within one year as

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

available. The Town accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, and charges for services based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in October and are actually billed to taxpayers in November. Billed taxes become delinquent on March 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Town property tax revenues are budgeted in the year billed.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Town and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, cash equivalents and interest-bearing deposits

For purposes of the statement of net position, cash and cash equivalents include all demand accounts and certificates of deposits of the Town. Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand deposits and savings accounts, and time deposits or short-term investments with an original maturity of three months or less.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables.

Uncollectible utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2021, an allowance for utility service receivables was considered unnecessary due to immateriality.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the general and proprietary fund that are legally restricted as to their use.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at acquisition cost or estimated cost if acquisition is unavailable. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The Town maintains a threshold level of \$5,000 or more for capitalizing capital 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. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 - 40 years
Infrastructure	20 years
Furniture, fixtures and equipment	5 years
Vehicles	5 years
Sewer system and improvements	20 - 50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of revenue bonds payable and capital leases.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Town does not accumulate unpaid vacation. Sick pay may be accumulated however it is not payable upon resignation or termination. Therefore, there are no compensated absences payable at June 30, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

Equity Classifications

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

1. 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 and deferred inflows and outflows.
2. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
3. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

1. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requiring they maintain intact.
2. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
3. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Town through formal legislative action of the Board of Aldermen and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an Ordinance (Law) by the Board of Aldermen.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

4. Assigned includes fund balance amounts that are constrained by the Town's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Board of Aldermen and approval of a Resolution by the Board of Aldermen.
5. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the Town's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Revenues

The Town considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Town generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Town's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are two classifications of programmatic revenues for the Town, grant revenue and program revenue. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Program revenues are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole. Programs revenues reduce the cost of the function to be financed from the Town's general revenues. The primary sources of program revenue are fees, fines, and charges paid by recipients of goods or services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and earned income in connection with the operation of the Town's utility system.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character
- Proprietary Funds - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 2
Sewer revenue	Debt service

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires 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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Dedication of Proceeds and Flow of Funds – Sales and Use Tax

The proceeds of a one percent sales and use tax levied by the Town in 1988 is dedicated to operating, maintaining, and purchasing of supplies for streets, drainage, public safety and any other lawful corporate purpose.

The proceeds of a one percent sales and use tax levied by the Town in 2002 is dedicated to operating, maintaining, and purchasing of supplies for streets, drainage, public safety, sanitation, and any other lawful corporate purpose.

(3) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The Town does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Bank balances	\$ 2,197,506
Insurance	\$ 750,000
Uninsured and collateral held by the pledging bank not in the Town's name	1,447,506
Total	\$ 2,197,506

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

(4) Restricted Assets

Restricted assets consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Restricted assets:		
Sidewalk Construction Account	\$ 2,630	\$ -
Revenue Reserve Account	-	30,000
Sinking Fund Account	-	90,637
Depreciation Account	-	75,000
	<u>\$ 2,630</u>	<u>\$ 195,637</u>

(5) Capital Assets

Capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 90,491	\$ -	\$ -	\$ 90,491
Other capital assets:				
Buildings and improvements	1,159,199	-	-	1,159,199
Infrastructure	2,777,771	40,500	-	2,818,271
Furniture, fixtures and equipment	315,462	-	3,000	312,462
Vehicles	198,361	12,000	12,366	197,995
Totals	<u>4,541,284</u>	<u>52,500</u>	<u>15,366</u>	<u>4,578,418</u>
Less accumulated depreciation:				
Buildings and improvements	429,023	44,950	-	473,973
Infrastructure	1,172,927	86,844	-	1,259,771
Furniture, fixtures and equipment	284,161	13,361	3,000	294,522
Vehicles	138,861	19,049	12,366	145,544
Total accumulated depreciation	<u>2,024,972</u>	<u>164,204</u>	<u>15,366</u>	<u>2,173,810</u>
Governmental activities, capital assets, net	<u>\$2,516,312</u>	<u>\$ (111,704)</u>	<u>\$ -</u>	<u>\$2,404,608</u>

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 15,364
Police	17,523
Recreation	34,277
Fire	24,319
Streets	<u>72,721</u>
Total depreciation expense	<u>\$ 164,204</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 25,657	\$ -	\$ -	\$ 25,657
Other capital assets:				
Sewer lines	1,160,545	-	-	1,160,545
Sewer system	4,157,202	-	-	4,157,202
Equipment and vehicles	<u>128,715</u>	<u>74,943</u>	<u>45,104</u>	<u>158,554</u>
Totals	<u>5,472,119</u>	<u>74,943</u>	<u>45,104</u>	<u>5,501,958</u>
Less accumulated depreciation:				
Sewer lines	185,539	26,554	-	212,093
Sewer system	1,437,174	80,391	-	1,517,565
Equipment and vehicles	<u>105,430</u>	<u>13,722</u>	<u>45,104</u>	<u>74,048</u>
Total accumulated depreciation	<u>1,728,143</u>	<u>120,667</u>	<u>45,104</u>	<u>1,803,706</u>
Business-type activities, capital assets, net	<u>\$3,743,976</u>	<u>\$ (45,724)</u>	<u>\$ -</u>	<u>\$3,698,252</u>

Depreciation expense charged to the sewer function was \$120,667.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

(6) Changes in Long-Term Debt

The following is a summary of debt transactions of the Town:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Direct Placements /Borrowings					
Governmental activities					
Note payable	\$ -	\$ 18,665	\$ 1,590	\$ 17,075	\$ 3,349
Capital lease	<u>12,275</u>	<u>-</u>	<u>5,960</u>	<u>6,315</u>	<u>6,315</u>
Total	<u>\$ 12,275</u>	<u>\$ 18,665</u>	<u>\$ 7,550</u>	<u>\$ 23,390</u>	<u>\$ 9,664</u>
Business-type activities					
Revenue bonds	<u>\$ 710,825</u>	<u>\$ -</u>	<u>\$ 49,000</u>	<u>\$ 661,825</u>	<u>\$ 49,000</u>

Governmental activities

Note payable consisted of the following:

The Town entered into a purchase of service agreement with the Municipal Police Employees' Retirement System for \$18,665 on December 15, 2020 to purchase service credits for a Town employee enrolled in the retirement system. The agreement bears interest at 6.90% and requires sixty monthly principal and interest payments of \$368 beginning on January 15, 2021 through December 15, 2025. No default provisions are noted in the agreement.

\$ 17,075

Capital lease payable consisted of the following:

The Town entered into a lease purchase agreement on July 31, 2017, for the purchase of a police car. The lease requires five annual advance payments of principal and interest totaling \$6,689 beginning on July 31, 2017, through July 31, 2021, bearing interest at 5.95%. In the event of default, the lessor may elect to cancel the agreement and require the Town to surrender possession of the equipment under lease.

	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>
2017 Ford Interceptor	<u>\$ 29,900</u>	<u>7/31/2021</u>	<u>5.95%</u>	<u>\$ 6,315</u>

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

Annual debt service requirements of the note payable outstanding are as follows:

Year ending June 30,	Direct Placement Debt		
	Principal payments	Interest payments	Total
2022	\$ 3,349	\$ 1,073	\$ 4,422
2023	3,587	835	4,422
2024	3,842	580	4,422
2025	4,116	306	4,422
2026	2,181	30	2,211
Total	<u>\$ 17,075</u>	<u>\$ 2,824</u>	<u>\$ 19,899</u>

The capital lease payable is due as follows:

Year ending June 30,	Direct Borrowing Debt		
	Principal payments	Interest payments	Total
2022	<u>\$ 6,315</u>	<u>\$ 374</u>	<u>\$ 6,689</u>

Leased equipment under capital lease is included in capital assets as follows

2017 Ford Interceptor	\$ 29,900
Less accumulated depreciation	<u>(23,422)</u>
	<u>\$ 6,478</u>

Depreciation expense on equipment under capital lease was \$5,980.

Business-type activities

Revenue bonds payable at June 30, 2021 are comprised of the following individual issue:

The Town issued \$1,010,000 of Revenue bonds, Series 2012 (DEQ) dated August 6, 2013 to finance a portion of the costs of constructing and acquiring improvements, extensions and replacements to its sewerage system. Debt service payments are due in annual serial installments of \$46,000 to \$55,000 through August 2033. The bonds bear total interest at .95%, consisting of a .45% interest rate and a .50% DHH administrative fee.

The bonds are secured solely by a pledge and dedication of the net revenues of the sewer system. The Town is required to impose and maintain sewer user fees at a level that provides annual net revenues of at least 120% of the required annual deposits into the debt sinking fund. In the event of a default which continues for a period of 30 days the bondholders are entitled as of right to appoint a receiver of the sewer system in an appropriate judicial proceeding in a court of competent jurisdiction.

\$ 661,825

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

Annual debt service requirements of bonds outstanding are as follows:

Year ending June 30,	Direct Placement Debt		
	Principal payments	Interest payments	Total
2022	\$ 49,000	\$ 6,055	\$ 55,055
2023	50,000	5,584	55,584
2024	50,000	5,109	55,109
2025	51,000	4,630	55,630
2026	51,000	4,145	55,145
2027-2031	263,000	13,317	276,317
2032-2033	147,825	1,982	149,807
Total	\$ 661,825	\$ 40,822	\$ 702,647

(7) Pension Plan

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the MPERS 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, provided he or she does not have to pay social security and provided he or she meets certain statutory criteria. During the current fiscal year, an eligible employee of the Town elected to begin participating in MPERS. For the year ended June 30, 2021, contribution rates due for employers and employees under the plan were 33.75% and 10.00%, respectively. The Town reported total pension expense of \$31,955, which includes the onetime cost of \$18,665 to purchase mandatory service credits, during the year ended June 30, 2021. The Town's proportionate share of the plan's net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources are undeterminable at June 30, 2021.

(8) Flow of Funds; Restrictions on Use – Utilities Revenues

Under the terms of the \$1,010,000 Sewer Revenue Bonds Series 2012, obligations shall be secured by and payable from a pledge and dedication of the revenues of the sewerage system, after payment of the reasonable and necessary expenses of operating and maintaining the System. The proceeds of the Town's one percent sales and use tax authorized to be levied pursuant to an election held on April 16, 2002, shall be applied to pay the reasonable and necessary costs of operating and maintaining the System.

Bond Sinking Fund

The Town is required to deposit into a Revenue Bond Sinking Fund each month, a sum equal to 1/12 of the principal, interest and administrative fee accruing on the Bonds.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

Reserve Fund

The Reserve Fund is maintained solely for the purpose of paying the principal of and interest on the Bonds as to which would otherwise be default, by transferring a sum of at least 25% of the sum being paid monthly into the sinking fund until a sum equal to the Reserve Fund Requirement is on deposit.

Revenue Bond Depreciation and Contingency Fund

The Contingency Fund is established to care for depreciation, extensions, additions, improvements, and replacements necessary to operate the sewer system properly by transferring monthly, a sum of 5% of the amount to be paid into the Sinking Fund until such payments equal \$75,000. The Contingency Fund was fully funded at June 30, 2021.

(9) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits, and other payments made to Mayor Kenneth Pickett for the year ended June 30, 2021 as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 36,000
Benefits - payroll taxes	2,754
Dues	100
Cell phone	968
Travel	98
Total	<u>\$ 39,920</u>

(10) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2021 follows:

<u>Elected Official</u>	<u>Term</u>	<u>Salary</u>	<u>Term Expiration</u>
Gaon Escude	4 years	\$ 2,400	December 31, 2022
Judy Bazert	4 years	2,400	December 31, 2022
Bruce Jackson	4 years	2,400	December 31, 2022
Roderick Perry	4 years	2,400	December 31, 2022
Shawn Wilson	4 years	2,400	December 31, 2022
		<u>\$ 12,000</u>	

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

(11) On-Behalf Payments

The State of Louisiana paid the Town's policemen \$22,000 of supplemental pay during the year ended June 30, 2021. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(12) Interfund Transactions

Transfers consisted of the following at June 30, 2021:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 509,582	\$ 2,247
Sales Tax 1988 Fund	-	311,795
Sales Tax 2002 Fund	-	221,772
Enterprise funds:		
Sewer Utility Fund	<u>38,247</u>	<u>12,015</u>
Total	<u>\$ 547,829</u>	<u>\$ 547,829</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(13) Litigation and Claims

At June 30, 2021, the Town was not involved in any lawsuits claiming damages that would not be adequately covered by liability insurance.

(14) Risk Management

The Town is exposed to various risk of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage for each of these risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses to the Town. There have been no significant reductions in the insurance during the year, nor have settlements exceeded coverage for the past three years.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

(15) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The effect of implementation on the Town's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF MANSURA, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 164,500	\$ 147,000	\$ 139,254	\$ (7,746)
Licenses and permits	90,000	90,000	119,503	29,503
Intergovernmental	84,800	132,000	225,919	93,919
Fines and forfeits	30,500	25,500	28,756	3,256
Chargers for services	12,000	7,000	11,025	4,025
Miscellaneous	4,665	64,165	21,016	(43,149)
Total revenues	<u>386,465</u>	<u>465,665</u>	<u>545,473</u>	<u>79,808</u>
Expenditures:				
General government	216,050	233,960	239,515	(5,555)
Public safety -				
Police	312,045	384,020	360,406	23,614
Fire	18,550	18,550	17,913	637
Recreation	22,300	25,850	37,971	(12,121)
Streets	235,750	258,250	267,039	(8,789)
Capital outlay	6,000	42,000	52,500	(10,500)
Debt service	-	-	2,211	(2,211)
Total expenditures	<u>810,695</u>	<u>962,630</u>	<u>977,555</u>	<u>(14,925)</u>
Deficiency of revenues over expenditures	<u>(424,230)</u>	<u>(496,965)</u>	<u>(432,082)</u>	<u>64,883</u>
Other financing sources:				
Proceeds from debt issuance	-	-	18,665	18,665
Proceeds from the sale of capital assets	-	5,000	200	(4,800)
Transfers in	424,930	503,965	509,582	5,617
Transfers out	-	-	(2,247)	(2,247)
Total other financing sources	<u>424,930</u>	<u>508,965</u>	<u>526,200</u>	<u>17,235</u>
Change in fund balance	700	12,000	94,118	82,118
Fund balance, beginning	<u>74,663</u>	<u>74,663</u>	<u>74,663</u>	<u>-</u>
Fund balance, ending	<u>\$ 75,363</u>	<u>\$ 86,663</u>	<u>\$ 168,781</u>	<u>\$ 82,118</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 1988 Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes -				
Sales	\$ 262,500	\$ 290,000	\$ 333,582	\$ 43,582
Other	<u>5,000</u>	<u>5,000</u>	<u>5,180</u>	<u>180</u>
Total revenues	<u>267,500</u>	<u>295,000</u>	<u>338,762</u>	<u>43,762</u>
Expenditures:				
General government	6,000	7,000	4,554	2,446
Public safety -				
Fire	<u>20,825</u>	<u>18,550</u>	<u>31,410</u>	<u>(12,860)</u>
Total expenditures	<u>26,825</u>	<u>25,550</u>	<u>35,964</u>	<u>(10,414)</u>
Excess of revenues over expenditures	<u>240,675</u>	<u>269,450</u>	<u>302,798</u>	<u>33,348</u>
Other financing sources (uses):				
Transfers out	<u>(240,675)</u>	<u>(269,450)</u>	<u>(311,795)</u>	<u>(42,345)</u>
Change in fund balance	-	-	(8,997)	(8,997)
Fund balances, beginning	<u>636,581</u>	<u>636,581</u>	<u>636,581</u>	<u>-</u>
Fund balances, ending	<u>\$ 636,581</u>	<u>\$ 636,581</u>	<u>\$ 627,584</u>	<u>\$ (8,997)</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 2002 Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes -				
Sales	\$ 262,500	\$ 290,000	\$ 333,582	\$ 43,582
Other	5,200	5,000	5,785	785
Total revenues	<u>267,700</u>	<u>295,000</u>	<u>339,367</u>	<u>44,367</u>
Expenditures:				
General government	6,000	7,000	5,082	1,918
Public safety -				
Fire	32,820	35,375	41,130	(5,755)
Total expenditures	<u>38,820</u>	<u>42,375</u>	<u>46,212</u>	<u>(3,837)</u>
Excess of revenues over expenditures	<u>228,880</u>	<u>252,625</u>	<u>293,155</u>	<u>40,530</u>
Other financing uses:				
Transfers out	<u>(228,880)</u>	<u>(282,625)</u>	<u>(221,772)</u>	<u>60,853</u>
Change in fund balance	-	(30,000)	71,383	101,383
Fund balances, beginning	<u>940,503</u>	<u>940,503</u>	<u>940,503</u>	<u>-</u>
Fund balances, ending	<u>\$ 940,503</u>	<u>\$ 910,503</u>	<u>\$ 1,011,886</u>	<u>\$ 101,383</u>

TOWN OF MANSURA, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

(1) Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor meets with the Alderman and Town Clerk to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. Anticipated changes from the prior year are considered and reflected in the projections.
3. Once adopted, the budget is made available for public inspection and a budget summary is published in the Town's designated official journal.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets are prepared for the General Fund and Special Revenue Funds utilizing generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the Board of Alderman. Such amendments were not material in relation to the original appropriation.

(2) Excess of Expenditures over Appropriations

The General, Sales Tax 1988, and Sales Tax 2002 Funds incurred expenditures in excess of appropriations.

OTHER FINANCIAL INFORMATION

TOWN OF MANSURA, LOUISIANA

Nonmajor Capital Projects Funds
 Combining Balance Sheet
 June 30, 2021

	<u>Recreation and Parks</u>	<u>LCDBG Fire Protection</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	<u>\$ 5</u>	<u>\$ 66</u>	<u>\$ 71</u>
FUND BALANCES			
Restricted	<u>\$ 5</u>	<u>\$ 66</u>	<u>\$ 71</u>

TOWN OF MANSURA, LOUISIANA

Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2021

	<u>Recreation and Parks</u>	<u>LCDBG Fire Protection</u>	<u>Totals</u>
Revenues:			
Miscellaneous	\$ -	\$ -	\$ -
Expenditures:			
General government	-	-	-
Recreation	-	-	-
Total expenditures	-	-	-
Deficiency of revenues over expenditures	-	-	-
Fund balances, beginning	<u>5</u>	<u>66</u>	<u>71</u>
Fund balances, ending	<u>\$ 5</u>	<u>\$ 66</u>	<u>\$ 71</u>

TOWN OF MANSURA, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government -				
Administration:				
Salaries and per diem	\$ 106,500	\$ 106,000	\$ 98,338	\$ 7,662
Payroll taxes	17,700	17,700	16,765	935
Insurance	18,000	21,000	21,561	(561)
Office supplies and expenses	7,000	8,500	10,583	(2,083)
Legal and professional fees	34,000	36,000	41,874	(5,874)
Telephone and utilities	8,500	14,650	18,659	(4,009)
Travel and conventions	4,000	2,500	959	1,541
Repairs and maintenance	2,500	5,500	4,584	916
Advertising	2,000	3,500	4,498	(998)
Dues and subscriptions	3,000	2,000	3,561	(1,561)
Contract labor	1,300	900	-	900
Janitorial supplies	5,000	5,000	5,850	(850)
Magistrate	1,200	500	-	500
Miscellaneous	5,350	10,210	12,283	(2,073)
Total general government	<u>216,050</u>	<u>233,960</u>	<u>239,515</u>	<u>(5,555)</u>
Public safety -				
Police:				
Salaries	206,400	237,400	233,147	4,253
Payroll taxes	37,200	63,700	57,289	6,411
Liability Insurance	26,325	30,000	24,389	5,611
Law enforcement & conviction	200	200	84	116
Miscellaneous	41,920	52,720	45,497	7,223
Total police	<u>312,045</u>	<u>384,020</u>	<u>360,406</u>	<u>23,614</u>
Fire:				
Salaries	17,150	17,150	16,640	510
Payroll taxes	1,400	1,400	1,273	127
Total fire	<u>18,550</u>	<u>18,550</u>	<u>17,913</u>	<u>637</u>

TOWN OF MANSURA, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Recreation -				
Defosse House - Insurance	\$ 500	\$ 500	-	\$ 500
Defosse House - Maintenance and repairs	1,200	1,250	432	818
Defosse House - Utilities	250	250	206	44
Pavillion - Materials and supplies	2,000	1,000	3,478	(2,478)
Pavillion - Repairs and maintenance	2,500	5,500	8,786	(3,286)
Pavillion - Insurance	-	-	3,031	(3,031)
Pavillion - Other	1,250	750	280	470
Pavillion - Utilities	4,300	6,500	7,057	(557)
Senior Center - Insurance	600	1,700	1,554	146
Senior Center - Utilities	4,300	4,000	3,520	480
Library - Utilities	600	600	-	600
Library - Repairs and maintenance	-	-	8,834	(8,834)
Miscellaneous	4,800	3,800	793	3,007
Total recreation	<u>22,300</u>	<u>25,850</u>	<u>37,971</u>	<u>(12,121)</u>
Streets -				
Salaries	122,000	135,000	136,033	(1,033)
Payroll expenses	25,500	28,000	31,634	(3,634)
Repairs and maintenance	8,750	13,750	18,089	(4,339)
Miscellaneous	79,500	81,500	81,283	217
Total streets	<u>235,750</u>	<u>258,250</u>	<u>267,039</u>	<u>(8,789)</u>
Capital outlay -				
Police department	-	-	12,000	(12,000)
Streets	6,000	42,000	40,500	1,500
Total capital outlay	<u>6,000</u>	<u>42,000</u>	<u>52,500</u>	<u>(10,500)</u>
Debt service -				
Principal	-	-	1,590	(1,590)
Interest	-	-	621	(621)
Total debt service	<u>-</u>	<u>-</u>	<u>2,211</u>	<u>(2,211)</u>
Total expenditures	<u>\$ 810,695</u>	<u>\$ 962,630</u>	<u>\$ 977,555</u>	<u>\$ (14,925)</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 1988 Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government -				
Administration:				
Office supplies and expenses	\$ -	\$ -	\$ 12	\$ (12)
Collection fees	6,000	7,000	4,542	2,458
Total general government	<u>6,000</u>	<u>7,000</u>	<u>4,554</u>	<u>2,446</u>
Fire:				
Sales tax proceeds to volunteer fire dept	<u>20,825</u>	<u>18,550</u>	<u>31,410</u>	<u>(12,860)</u>
Total expenditures	<u>\$ 26,825</u>	<u>\$ 25,550</u>	<u>\$ 35,964</u>	<u>\$ (10,414)</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 2002 Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government -				
Administration:				
Collection fees	\$ 6,000	\$ 7,000	\$ 4,541	\$ 2,459
Miscellaneous	-	-	541	(541)
Total general government	<u>6,000</u>	<u>7,000</u>	<u>5,082</u>	<u>1,918</u>
Fire:				
Sales tax proceeds to volunteer fire dept	<u>32,820</u>	<u>35,375</u>	<u>41,130</u>	<u>(5,755)</u>
Total expenditures	<u>\$ 38,820</u>	<u>\$ 42,375</u>	<u>\$ 45,671</u>	<u>\$ (3,837)</u>

TOWN OF MANSURA
Mansura, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by ACT 87 of the 2020 Regular Legislative Session
General Fund
Cash Basis Presentation
Year Ended June 30, 2021

	<u>First Six Month Period Ended 12/31/2020</u>	<u>Second Six Month Period Ended 06/30/2021</u>
Beginning balance of amounts collected	<u>\$ -</u>	<u>\$ -</u>
Add: Collections		
Criminal Court Costs/Fees	<u>12,360</u>	<u>15,757</u>
Total collections	<u>12,360</u>	<u>15,757</u>
Less: Disbursements to Governments and Nonprofits		
Louisiana State Supreme Court - Case Management Information System	-	84
Less: Amounts retained by collecting agency		
Criminal Court Costs/Fees	<u>12,360</u>	<u>15,673</u>
Total disbursements	<u>12,360</u>	<u>15,757</u>
Total ending balance of amounts collected but not disbursed/retained	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

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*

The Honorable Kenneth Pickett, Sr., Mayor
and Members of the Board of Aldermen
Town of Mansura, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Mansura, Louisiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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 Town's internal control. Accordingly, we do not express an opinion of the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective plan as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mansura'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 financial statements. 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2021-002.

Town of Mansura, Louisiana's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Town'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, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 17, 2021

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2021

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2014

CONDITION: The Town of Mansura did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Town does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but cost prohibitive. All efforts are made to segregate duties where feasible. In an effort to establish more sound controls the Board Aldermen monitors activity and balances in all fund accounts.

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2021

B. Compliance

2021-002 Budget noncompliance

Fiscal year finding initially occurred: 2021

CONDITION: Actual expenditures in the Sales Tax 1988 and Sales Tax 2002 funds exceed budgeted expenditures by more than five percent.

CRITERIA: Louisiana RS 39:1311 Budgetary Authority and Control

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to monitor expenditures in the Sales Tax Funds.

EFFECT: The Town may not prevent and/or detect overspending in the Sales Tax Funds in a timely manner.

RECOMMENDATION: Management should periodically compare actual expenditures to budgeted expenditures in the Sales Tax Funds to identify the need for budget amendments in a timelier manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management has agreed to prepare actual vs budget reports for review on a periodic basis and propose budget amendments as required under Louisiana RS 39:1311.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2020-001 Inadequate Segregation of Functions

CONDITION: The Town of Mansura did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2021-001.

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2021

2020-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: Management and staff lack the expertise and /or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Resolved

2020-003 Tickets/Citations Collections

CONDITION: The Town of Mansura failed to maintain adequate subsidiary ledgers for tickets issued, outstanding and amounts due.

RECOMMENDATION: We recommend that the Town implement internal controls to ensure that all tickets and citations are accounted for, and daily and monthly reconciliations of fines collected and outstanding are performed. Additionally, the Town and the Chief of Police should work together to develop and implement a formal process that will require a planned, periodic assessment of ticket/citation data and fines collected to identify problems and resolve them in a timely manner.

CURRENT STATUS: Resolved.