

**VILLAGE OF SOUTH MANSFIELD, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Marsha O. Millican**  
**A Professional Accounting Corporation**  
**Shreveport, Louisiana**

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

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VILLAGE OF SOUTH MANSFIELD, LOUISIANA

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# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Kevin Vanzant, Mayor  
And Members of the Board of Aldermen  
Village of South Mansfield, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of South Mansfield, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### **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.

### **Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### **Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-7 and the budgetary information on page 25 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information and I do not express an opinion, a conclusion, nor provide any assurance on it.

### Supplementary Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule of Compensation Paid to Mayor and Aldermen on page 26 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 27 are presented for purposes of additional analysis and are not a required part of the basic financial statements. I have reviewed the information and based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.



Certified Public Accountant  
December 30, 2021

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Management's Discussion and Analysis of the Village of South Mansfield's (the Village) financial performance provides an overview of the Village's financial activities for the year ended June 30, 2018. Please read this document in conjunction with the Village's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Governmental Activities

- 1) Village of South Mansfield had cash of \$9,925 at June 30, 2018, which represents a decrease of \$6,794 from the prior year end.
- 2) Village of South Mansfield had taxes receivable of \$19,072 at June 30, 2018, which represents an increase of \$1,276 from the prior year end.
- 3) Village of South Mansfield had accounts payable and accruals of \$18,663 at June 30, 2018, which represents an increase of \$9,591 from the prior year end.
- 4) Village of South Mansfield had total revenues of \$99,487 for the year ended June 30, 2018, which represents an increase of \$3,987 from the prior year.
- 5) Village of South Mansfield had total expenses of \$132,745 for the year ended June 30, 2018, which represents a decrease of \$7,713 from the prior year.
- 6) Village of South Mansfield had capital improvements of \$9,160 for the year ended June 30, 2018.

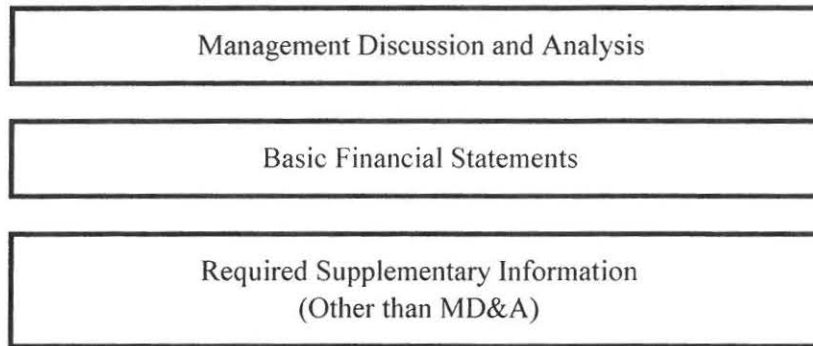
Business-Type Activities

- 1) Village of South Mansfield had cash of \$30,256 for the year ended June 30, 2018, which represents a decrease of \$15,936 from prior year.
- 2) Village of South Mansfield had accounts receivable of \$23,799 for the year ended June 30, 2018, which represents a decrease of \$550 from prior year.
- 3) Village of South Mansfield had accounts payable and accruals of \$76,150 for the year ended June 30, 2018, which represents an increase of \$26,753 from the prior year.
- 4) Village of South Mansfield had total revenues of \$191,318 for the year ended June 30, 2018, which represents an increase of \$46,280 from the prior year.
- 5) Village of South Mansfield had total expenses of \$262,019 for the year ended June 30, 2018, which represents a decrease of \$6,874 from the prior year.
- 6) Village of South Mansfield had capital asset improvements of \$69,651 for the year ended June 30, 2018.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2018

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Village of South Mansfield as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Village of South Mansfield as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

**Reporting the Village as a Whole**

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2018

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

These two statements report the Village's net assets and changes in them. You can think of the Village's net assets, the difference between assets and liabilities, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the Village into two kinds of activities:

Governmental Activities

Most of the Village's basic services are reported here including the police and general administration. Taxes, license and permits, fines, interest income, and state and federal grants finance most of these activities.

Business-Type Activities

The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer systems are reported here.

**Reporting the Village's Most Significant Funds**

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Aldermen may establish other funds to help it control money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds

When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.



VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2018

**FINANCIAL ANALYSIS OF THE ENTITY**

	Statement of Net Assets at Year End			
	Governmental Activities	Business Activities	Governmental Activities	Business Activities
	2018	2018	2017	2017
Current and other assets	\$ 28,997	\$ 54,055	\$ 34,515	\$ 70,541
Capital assets, net	503,771	1,948,350	521,920	1,978,431
<b>Total Assets</b>	<b>\$ 532,768</b>	<b>\$ 2,002,405</b>	<b>\$ 556,435</b>	<b>\$ 2,048,972</b>
Accounts Payable and Accruals	\$ 18,663	\$ 79,911	\$ 9,072	\$ 49,397
Long-Term Debt	-	101,553	-	101,553
Customer Deposits	-	33,400	-	33,435
<b>Total Liabilities</b>	<b>18,663</b>	<b>214,864</b>	<b>9,072</b>	<b>184,385</b>
<b>Net Assets</b>				
Investments in capital assets, Net of related debt	503,771	1,948,350	521,920	1,876,878
Restricted Net Assets	5,395	-	14,950	-
Unrestricted	4,939	(160,809)	10,493	(12,291)
<b>Total Net Assets</b>	<b>514,105</b>	<b>1,787,541</b>	<b>547,363</b>	<b>1,864,587</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 532,768</b>	<b>\$ 2,002,405</b>	<b>\$ 556,435</b>	<b>\$ 2,048,972</b>

Net assets of the Village of South Mansfield decreased by \$33,258 and \$77,046 from the previous fiscal year. Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year 2018 (See table below).

	Statement of Activities As of Year End			
	Government	Business	Government	Business
	2018	2018	2017	2017
General Government Expenses	\$ (132,745)	\$ (262,019)	\$ (140,458)	\$ (279,565)
Program revenues				
Charges for services	-	146,615	-	145,068
Operating and capital grants and Contributions	-	44,651	-	-
<b>Subtotal</b>	<b>(132,745)</b>	<b>(70,753)</b>	<b>(140,458)</b>	<b>(134,497)</b>
General revenues and transfers	99,487	(6,293)	95,500	5,336
<b>Change in net assets</b>	<b>\$ (33,258)</b>	<b>\$ (77,046)</b>	<b>\$ (44,958)</b>	<b>\$ (129,161)</b>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2018, Village of South Mansfield had \$503,771, and \$1,948,350 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This account represents a net increase (decrease) (including additions and deductions) of \$(18,149) in Governmental Activities and \$(30,081) in Business-Type Activities, respectively, from the previous year.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2018

Capital Assets (Net) at Year End

	Governmental Activities	Business-Type Activities
	2018	2018
Land	\$ 19,356	\$ 44,350
Buildings and other improvements	120,829	-
Street Paving	313,551	-
Distribution System		1,904,000
Construction in Progress	50,035	-
Total	<u>\$ 503,771</u>	<u>\$ 1,948,350</u>

Additions for the year ended June 30, 2017 are as follows:

This years major additions included:

	Governmental Activities	Business-Type Activities
	2018	2018
Distribution system	\$ -	\$ 69,651
Land	-	-
Buildings and other improvements	9,160	-
Equipment, furniture and fixtures	-	-
Total	<u>\$ 9,160</u>	<u>\$ 69,651</u>

Debt

As of the year ended June 30, 2018, the Village owed the Department of Transportation and Development \$101,553 for advances to relocate water lines.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$28,442 more than budgeted amounts.

Actual expenditures were \$65,404 less than budgeted amounts.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village of South Mansfield's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) License and permits
- 4) Fines

Village of South Mansfield does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING VILLAGE OF SOUTH MANSFIELD'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village of South Mansfield's finances and to show the Village of South Mansfield's accountability for money it receives. If you have questions about this report or need additional information, contact Kevin Vanzant, Mayor of the Village of South Mansfield, 120 Brittany Drive, South Mansfield, Louisiana 71052.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF NET POSITION  
June 30, 2018

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 9,925	\$ 6,937	\$ 16,862
Accounts receivable	19,072	23,799	42,871
Total Current Assets	<u>28,997</u>	<u>30,736</u>	<u>59,733</u>
Noncurrent Assets			
Due from other funds	-	-	-
Restricted cash	-	23,319	23,319
Capital assets, net	503,771	1,948,350	2,452,121
Total Noncurrent Assets	<u>503,771</u>	<u>1,971,669</u>	<u>2,475,440</u>
Total Assets	<u>532,768</u>	<u>2,002,405</u>	<u>2,535,173</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 <b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accruals	18,663	79,911	98,574
Due to other funds	-	-	-
Total current liabilities	<u>18,663</u>	<u>79,911</u>	<u>98,574</u>
Noncurrent Liabilities			
Customer deposits	-	33,400	33,400
Advances from DOTD	-	101,553	101,553
Total Noncurrent liabilities	<u>-</u>	<u>134,953</u>	<u>134,953</u>
Total liabilities	<u>18,663</u>	<u>214,864</u>	<u>233,527</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 <b>NET POSITION</b>			
Investment in capital assets, Net of related debt	503,771	1,948,350	2,452,121
Restricted for capital projects	5,395	-	5,395
Unrestricted	4,939	(160,809)	(155,870)
Total Net Position	<u>\$ 514,105</u>	<u>\$ 1,787,541</u>	<u>\$ 2,301,646</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

STATEMENT OF ACTIVITIES

June 30, 2018

	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities						
General Government	\$ 105,436	\$ -	\$ -	\$ (105,436)	\$ -	\$ (105,436)
Depreciation	27,309	-	-	(27,309)	-	(27,309)
Total Governmental Activities	132,745	-	-	(132,745)	-	(132,745)
Business-Type Activities						
Utility Fund	262,019	146,615	44,651	-	(70,753)	(70,753)
Total Business-Type Activities	262,019	146,615	44,651	-	(70,753)	(70,753)
Total Primary Government	<u>\$ 394,764</u>	<u>\$ 146,615</u>	<u>\$ 44,651</u>	(132,745)	(70,753)	(203,498)
General Revenues						
Taxes				91,766	-	91,766
Miscellaneous				1,376	52	1,428
Transfers				6,345	(6,345)	-
Total General Revenues and Transfers				<u>99,487</u>	<u>(6,293)</u>	<u>93,194</u>
Change in Net Position				(33,258)	(77,046)	(110,304)
Net Position, Beginning of Year				<u>547,363</u>	<u>1,864,587</u>	<u>2,586,069</u>
Net Position, End of Year				<u>\$ 514,105</u>	<u>\$ 1,787,541</u>	<u>\$ 2,301,646</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
BALANCE SHEET  
GENERAL FUND  
June 30, 2018

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ASSETS	
Cash	\$ 9,925
Taxes receivable	19,072
Due from other funds	-
Other receivables	-
	<hr/>
Total Assets	<u>\$28,997</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accruals	<u>\$18,663</u>
Fund Balance	
Restricted for capital projects	5,395
Unassigned	4,939
	<hr/>
Total Fund Balance	<u>10,334</u>
Total Liabilities and Fund Balances	<u>\$28,997</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED June 30, 2018

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Total Fund Balance for Governmental Funds	\$ 10,334
Total Net Position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	503,771
Certain liabilities, such as debt, are not due and payable in the current period and therefore are not reported in the funds	<u>-</u>
Total Net Position of Governmental Activities	<u>\$ 514,105</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED June 30, 2018

<b>Revenues:</b>	
Advalorem Taxes	\$ 5,555
Franchise Taxes	14,351
P & M Beer	13,464
Sales Tax	58,396
Other Income	<u>1,376</u>
Total Revenues	<u>93,142</u>
<b>Expenditures:</b>	
General Government	<u>114,596</u>
Total Expenditures	<u>114,596</u>
Net change in fund balance before transfers	(21,454)
<b>Other Financing Source:</b>	
Transfers from other funds	<u>6,345</u>
Net change in fund balance	(15,109)
Fund Balance, Beginning of Year	<u>25,443</u>
Fund Balances, End of Year	<u><u>\$ 10,334</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED June 30, 2018

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Net changes in Fund Balances - Total Government Funds	\$(15,109)
<p>The change in Net Position reported for governmental activities in the statement of activities is different because:</p>	
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$27,309) exceeds capital outlay (\$9,160) in the current period.</p>	(18,149)
<p>Payments on debt are recorded as expenditures in the funds, but are reported in the statement of net position as a reduction of liabilities</p>	<hr style="width: 100%;"/> -
Changes in Net Position of Governmental Activities	<hr style="width: 100%;"/> <u>\$ (33,258)</u>

See accompanying notes and independent accountant's review report.



VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2018

Assets	
Current Assets	
Cash	\$ 6,937
Accounts receivable	23,799
Due from other funds	-
Total Current Assets	30,736
Noncurrent Assets	
Restricted cash	23,319
Capital Assets, Net	1,948,350
Total Noncurrent Assets	1,971,669
Total Assets	2,002,405
Deferred Outflows of Resources	
	-
Liabilities and Net Position	
Liabilities	
Accounts payable and accruals	79,911
Notes payable - due within one year	-
Total Current Liabilities	79,911
Noncurrent Liabilities	
Advances from DOTD	101,553
Customer deposits	33,400
Total Noncurrent Liabilities	134,953
Total Liabilities	214,864
Deferred Inflows of Resources	
	-
Net Position	
Investments in capital assets, Net of related debt	1,948,350
Unrestricted	(160,809)
Total Net Position	\$ 1,787,541

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED June 30, 2018

<b>OPERATING REVENUES</b>	
Charges for Services	\$ 146,615
Miscellaneous	52
Total Operating Revenues	146,667
 <b>OPERATING EXPENSES</b>	
Personnel Services	78,184
Utilities	23,881
Repair and maintenance	11,447
Other supplies and expenses	48,775
Depreciation	99,732
Total Operating Expenses	262,019
 Change in Net Position before other financing sources	 (115,352)
 <b>OTHER FINANCING SOURCES:</b>	
Grants	44,651
Transfers to other funds	(6,345)
 Change in Net Position	 (77,046)
 Net Position, Beginning of Year	 1,864,587
 Net Position, End of Year	 \$ 1,787,541

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
YEAR ENDED June 30, 2018

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Cash flows from operating activities:	
Cash received from customers	\$ 147,165
Cash payments to suppliers and employees	<u>(131,756)</u>
Net cash provided by operating activities	<u>15,409</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>(69,651)</u>
Net cash used by investing activities	<u>(69,651)</u>
Cash flows from capital and related financing activities:	
Grants	44,651
Transfers to other funds	<u>(6,345)</u>
Net cash provided by financing activities	<u>38,306</u>
Increase (Decrease) in cash	(15,936)
Cash, June 30, 2017 (including \$29,353 in restricted accounts)	<u>46,192</u>
Cash, June 30, 2018 (including \$23,319 in restricted accounts)	<u>\$ 30,256</u>
Reconciliation of changes in net position to net cash provided by operating activities:	\$ (115,352)
Changes in net assets before other financing sources	
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	99,732
Changes in assets and liabilities	
Decrease in accounts receivable	550
Increase in accounts payable	30,514
Decrease in customer deposits	<u>(35)</u>
	<u>\$ 15,409</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF SOUTH MANSFIELD  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

The Village of South Mansfield is governed by the mayor-board of aldermen form of government. The Village provides streets, planning, water/sewer and general government services to its residents.

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.                      Basis of Accounting**

The accompanying financial statements of Village of South Mansfield have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

**B.                      Reporting Entity**

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Village of South Mansfield is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village of South Mansfield may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

**C.                      Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position, page 8, and the Statement of Activities, (page 9) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**NOTE 1****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

Ad valorem taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera, are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Village of South Mansfield reports the following governmental and proprietary funds:

**Governmental Funds**

Governmental funds account for all or most of Village of South Mansfield's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

**General Fund** - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Village of South Mansfield applies all GASB pronouncements as well the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Enterprise Fund** - is used to account for operations a) that are financed/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 the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

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

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

Formal budgetary accounting is employed as a management control. Village of South Mansfield prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Town amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more. All budget appropriations lapse at year end.

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.                      Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**G.                      Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**H.                      Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable. At June 30, 2018, \$5,318 of Business-Type Activities receivables were considered to be uncollectible.

**I.                      Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**J.                      Sales Taxes**

The Village collects a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purposes, title to which improvements shall be in the public.

**NOTE 1            Summary of Significant Accounting Policies (continued):**

**K.    Net Position/Fund Balances**

In the Statement of Net Position, the differences between a government's assets and liabilities are recorded as net position. The three components of net position are as follows:

*Invested in Capital Assets, Net of Related Debt* - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction, or improvement of capital assets.

*Restricted Net Position* - This category records net position that is restricted by external sources such as banks or by law are reported separately as restricted net assets.

*Unrestricted Net Position* - This category represents net position not appropriate for expenditures or legally separated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Nonspendable* -This classification includes amounts that cannot be spent that are not in spendable form or legally required to be maintained intact.

*Restricted* - The restricted fund balances for governmental funds represent the amount that has been constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

*Committed* - The committed fund balances for governmental funds represent the amount constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be recorded 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.

*Assigned* - The assigned fund balances for governmental funds represent the amount 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.

*Unassigned* - The unassigned fund balances for governmental funds represent the amount that is available for any purpose; these amounts are reported only in the General Fund.



**NOTE 1****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****L. Compensated Absences**

Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

**M. Estimates**

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

**NOTE 2 LEVIED TAXES**

Village of South Mansfield levies taxes on real and business personal property located within its boundaries. The Parish Tax Assessor assesses the property values and prepares the Town's property tax roll. The DeSoto Parish Sales & Use Tax Commission bills and collects the property taxes and remits the tax to the Village. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. Taxes of 5.02 mills were levied on property with assessed valuations totaling \$1,106,523, and were dedicated for general operating purposes. Total taxes levied after adjustments were \$5,555. Property taxes receivable at June 30, 2018 totaled \$6,679.

**NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS****A. Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village may deposit funds within a fiscal agent bank selected and designated by the Village's management. Further, the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged 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. The carrying amount of the Village's deposits at June 30, 2018 was \$40,181 and the bank's balance was \$43,306. The difference is due to outstanding checks and deposits at year end. All deposits were collateralized by FDIC insurance.

**NOTE 4 ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 2018:

	Governmental Activities	Business-Type Activities	Total
Taxes			
Ad Valorem	\$ 3,472	\$ -	\$ 3,472
Ad Valorem - Prior Years	3,207		
Franchise	2,625	-	2,625
P & M Beer	3,830	-	3,830
Sales Tax	5,938	-	5,938
Charges for services	-	23,799	23,799
Total.	<u>\$ 19,072</u>	<u>\$ 23,799</u>	<u>\$ 39,664</u>

**NOTE 5 CAPITAL ASSETS**

A summary of Village of South Mansfield's capital assets at June 30, 2018 follows:

	Balance 7/1/2017	Additions	Retirements	Balance 6/30/2018
<b>Government Activities</b>				
Capital Assets, not being depreciated				
Construction in Progress	\$ 40,875	\$ 9,160	\$ -	\$ 50,035
Land	19,356	-	-	19,356
Total Capital Assets, not being depreciated	<u>60,231</u>	<u>-</u>	<u>-</u>	<u>69,391</u>
Capital Assets, being depreciated				
Buildings and other improvements	33,695	-	-	33,695
Park Improvements	75,345	-	-	75,345
Street Paving	523,720	-	-	523,720
Total capital assets being depreciated	<u>632,760</u>	<u>-</u>	<u>-</u>	<u>632,760</u>
Less accumulated depreciation	<u>(171,071)</u>	<u>(27,309)</u>	<u>-</u>	<u>(198,380)</u>
Total Capital Assets, being depreciated	<u>461,689</u>	<u>(27,309)</u>	<u>-</u>	<u>434,380</u>
<b>Governmental Activities</b>	<u>\$ 521,920</u>	<u>\$ (18,149)</u>	<u>\$ -</u>	<u>\$ 503,771</u>
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 44,350	\$ -	\$ -	\$ 44,350
Total Capital Assets, not being depreciated	<u>44,350</u>	<u>-</u>	<u>-</u>	<u>44,350</u>
Capital Assets, being depreciated				
Distribution System	3,967,968	69,651	-	4,037,619
Maintenance Equipment	49,176	-	-	49,176
Less accumulated depreciation	<u>(2,083,063)</u>	<u>(99,732)</u>	<u>-</u>	<u>(2,182,795)</u>
Total Capital Assets, being depreciation	<u>1,934,081</u>	<u>(30,081)</u>	<u>-</u>	<u>1,904,000</u>
<b>Total Capital Assets, net</b>	<u>\$ 1,978,431</u>	<u>\$ (30,081)</u>	<u>\$ -</u>	<u>\$ 1,948,350</u>
<b>Primary Government</b>				
<b>Total Capital Assets, net</b>	<u>\$ 2,500,351</u>	<u>\$ (48,230)</u>	<u>\$ -</u>	<u>\$ 2,452,121</u>

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at June 30, 2018:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 2,682	\$ 59,703	\$ 62,385
Payroll taxes	15,981	20,208	36,189
Other	-	-	-
Total	<u>\$ 18,663</u>	<u>\$ 79,911</u>	<u>\$ 98,574</u>

**NOTE 7 LEASES**

Village of South Mansfield was not obligated under any operating lease commitments at June 30, 2018.

**NOTE 8 RISK MANAGEMENT**

Village of South Mansfield 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 Village maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

**NOTE 9 ADVANCES FROM DOTD**

The Louisiana Department of Transportation advanced funds of \$159,982 to the Village through the Utility Relocation Assistance Funding Program to relocate water lines located in the US Highway 171 right of way. Annual repayments are required equal to 5% of gross income or 10% of the outstanding balance. The first payment must be made within one year of the date of invoicing the utility by DOTD. The Department of Transportation has invoiced the Village as follows: Agreement No. 8740 dated May 4, 2010 in the amount of \$75,545, Agreement No. LLTM 401-00 dated May 24, 2011 in the amount of \$84,437. The Village made no repayment arrangements to DOTD during the year ended June 30, 2018. The balance due on this advance at June 30, 2018 was \$101,553.

**NOTE 10 SUBSEQUENT EVENTS**

During the year, the Village reached a lawsuit settlement in the amount of \$20,000 as a result of an incident which occurred on June 22, 2015. The settlement was due in two payments of \$10,000. The first payment was paid during the year ended June 30, 2018. The second payment was made subsequent to year end with funds restricted for customer deposits.

At June 30, 2018, the Village owed \$36,188 in payroll taxes to the Internal Revenue Service. As of June 30, 2021, the Village owed \$97,290 to the Internal Revenue Service in unpaid payroll taxes, interest, and penalties.

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

FOR THE YEAR ENDED June 30, 2018

	<u>Original</u>	<u>Amended*</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Advalorem Taxes	\$ 2,200	\$ 2,200	\$ 5,555	\$ 3,355
Franchise Taxes	10,500	10,500	14,351	3,851
P & M Beer	12,000	12,000	13,464	1,464
Sales Tax	40,000	40,000	58,396	18,396
Miscellaneous	-	-	1,376	1,376
Total Revenues	<u>64,700</u>	<u>64,700</u>	<u>93,142</u>	<u>28,442</u>
<b>Expenditures</b>				
General Government	<u>180,000</u>	<u>180,000</u>	<u>114,596</u>	<u>65,404</u>
Total Expenditures	<u>180,000</u>	<u>180,000</u>	<u>114,596</u>	<u>65,404</u>
Net Changes in Fund Balances before Other Sources	(115,300)	(115,300)	(21,454)	93,846
<b>Other Sources</b>				
Transfers (to) from Other Funds	<u>-</u>	<u>-</u>	<u>6,345</u>	<u>6,345</u>
Total Other Sources	<u>-</u>	<u>-</u>	<u>6,345</u>	<u>6,345</u>
Net Changes in Fund Balances	(115,300)	(115,300)	(15,109)	100,191
Fund Balances, Beginning of Year	<u>25,443</u>	<u>25,443</u>	<u>25,443</u>	<u>-</u>
Fund Balances, End of year	<u>\$ (89,857)</u>	<u>\$ (89,857)</u>	<u>\$ 10,334</u>	<u>\$ 100,191</u>

\* The budget was not amended during the year.

VILLAGE OF SOUTH MANSFIED, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO  
MAYOR AND ALDERMEN

For the Year Ended June 30, 2018

Honorable Kevin Vanzant	\$ 6,600
Ola Mae Evans	4,800
Diane Hudson	4,800
Merelean Woods	<u>4,800</u>
Total	<u>\$21,000</u>

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED June 30, 2018

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	<u>Honorable Kevin Vanzant</u>
Agency Head:	
Salary	<u>\$ 6,600</u>
Payroll Taxes	<u>\$ 505</u>
Reimbursement	<u>\$ 300</u>



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Kevin Vanzant, Mayor  
and Members of the Board of Aldermen  
Village of South Mansfield, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Village of South Mansfield, Louisiana (the Village) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 2018 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$250,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2296.(the public bid law).

The Village made no expenditures in excess of \$30,000 for material and supplies or \$250,000 for public works during the year ended June 30, 2018.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124, and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

5. Obtain a list of disbursements made during the year; and a list of outside business interests of board members, employees, and employees' immediate families. Report whether any vendors appear on both lists.

The Village provided the listings. No vendors appeared on both lists.

#### Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided a copy of the original budget.

7. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on June 8, 2017. The budget was not amended.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the original budget to actual revenues and expenditures. The budget variances were within the 5% parameters.

#### Accounting and Reporting

9. Randomly select 6 disbursements made during the period under examination and:

( a ) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for six selected disbursements and found that payments were for the proper amount and made to the correct payee.

( b ) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

( c ) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

10. Obtain evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:13.



The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the building where the meeting is held. Management has informed me that these documents were properly posted.

Debt

11. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be the proceeds of bank loans, bond, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board. Scan these documents to identify and report whether there are any payments made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the Village provided for a timely report in accordance with R.S. 24:513.

The Village is not in compliance with R.S. 24:513.

14. Inquire of management and report whether the Village entered into any contracts that utilized state funds as defined in R.S. 39:721.1A(2); and that were subject to the public bid law while the Village was not in compliance with R.S.24:513.

Management reported that the Village was placed on the noncompliance list on January 1, 2017 and has not entered into any contracts that utilized state funds while the Village was on the non-compliance list.

Prior Comments and Recommendations

15. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

My prior year report, dated October 20, 2020, contained the following comments:

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

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

The Village was not in compliance with the state budget law.

The Village was not in compliance with the repayment terms of a DOTD Advance.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Village of South Mansfield and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Marsha D. Milligan". The signature is written in a cursive style with a distinct loop at the end of the last name.

Certified Public Accountant  
December 30, 2021

VILLAGE OF SOUTH MANSFIELD

SCHEDULE OF FINDINGS

Year Ended June 30, 2018

FINDING 2018-1:

Criteria: Effective internal control requires the segregation of duties.

Condition: The segregation of duties is inadequate to provide effective internal control. The Village has two office employees which preclude segregation of most duties.

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

Effect: Unknown.

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

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

FINDING 2018-2:

Criteria: State Law requires the Village to file its financial statements with the Louisiana Legislative Auditor within six months of year end.

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

Cause: Unknown.

Effect: The Village cannot receive state funds until the financial statements are filed with the Louisiana Legislative Auditor's office.

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

VILLAGE OF SOUTH MANSFIELD

SCHEDULE OF FINDINGS  
Year Ended June 30, 2018 (Continued)

FINDING 2018-2(Continued)

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

FINDING 2018-3:

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

Condition: At June 30, 2018, the Village owed payroll taxes totaling \$36,188. The Village is making monthly payments on these overdue taxes until the balance is paid in full.

Cause: Unknown.

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

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

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

FINDING 2018-4:

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

Condition: The Village made no payments on the advance during the year ended June 30, 2018.

Cause: The Village was not invoiced by DOTD for the year ended June 30, 2018.

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

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

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

VILLAGE OF SOUTH MANSFIELD

SCHEDULE OF FINDINGS  
Year Ended June 30, 2018 (Continued)

FINDING 2018-5:

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

Condition: The Village paid \$10,000 from funds restricted for customer deposits for a lawsuit settlement payment resulting in the liability for customer deposits exceeding the funds on deposit for customer deposits.

Cause: Unknown.

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

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

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