

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2021

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

TABLE OF CONTENTS  
June 30, 2021

|   | <u>Page</u> |
|---|-------------|
| Accountant's Compilation Report   | 1-2         |
| Government-Wide Financial Statements  |             |
| Basic Financial Statements:   |             |
| Statement of Net Position   | 3           |
| Statement of Activities   | 4           |
| Fund Financial Statements   |             |
| Balance Sheet - Governmental Funds  | 5           |
| Reconciliation of Fund Balances on the Balance Sheet<br>for Governmental Funds to Net Position of Governmental<br>Activities on the Statement of Net Position | 6           |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Governmental Funds  | 7           |
| Reconciliation of the Statement of Revenues, Expenditures<br>and Changes in Fund Balances of Governmental Funds to<br>the Statement of Activities             | 8           |
| Statement of Net Position - Proprietary Funds   | 9           |
| Statement of Revenues, Expenses, and Changes in<br>Net Position- Proprietary Funds  | 10          |
| Required Supplementary Information:   |             |
| Schedule of Revenue, Expenditures, and Changes in<br>Fund Balance of Governmental Funds - General Fund-<br>Budget (GAAP) Basis and Actual                     | 11          |
| Other Supplementary Information:  |             |
| Schedule of Compensation Paid to Mayor and Aldermen   | 12          |
| Schedule of Compensation, Reimbursements, Benefits and Other Payments<br>to Agency Head   | 13          |
| Schedule of Findings  | 14-17       |
| Corrective Action Taken on Prior Year Findings  | 18          |



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

The Honorable Alvin Williams, Mayor  
and Members of the Board of Aldermen  
Village of South Mansfield

Management is responsible for the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Village of South Mansfield as of and for the year ended June 30, 2021, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures, and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 11 be presented to supplement the basic financial statements. Such information, is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental 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. The required supplementary information was subject to my compilation engagement. I have not audited or review the required supplementary information and do not express an opinion, a conclusion, nor provide an assurance on such information.

The accompanying schedule of compensation, benefits, and other payments to agency head and the schedule of compensation paid to the mayor and board of aldermen are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the representation of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted the Management and Discussion and Analysis that accounting principles accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part or the basic financial statements, is required

by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting and for placing the basis financial statements in an appropriate operational, economic, or historical context.

*Marsha O. Milligan*

Certified Public Accountant

February 21, 2025

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF NET POSITION  
June 30, 2021

| ASSETS   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|--|------------------------------------|-------------------------------------|---------------------|
| Current Assets                                       |                                    |                                     |                     |
| Cash   | \$ 3,734                           | \$ 6,057                            | \$ 9,791            |
| Accounts receivable                                  | <u>18,844</u>                      | <u>11,143</u>                       | <u>29,987</u>       |
| Total Current Assets                                 | <u>22,578</u>                      | <u>17,200</u>                       | <u>39,778</u>       |
| Noncurrent Assets                                    |                                    |                                     |                     |
| Restricted cash                                      | -                                  | 8,319                               | 8,319               |
| Capital assets, net                                  | <u>419,463</u>                     | <u>1,698,763</u>                    | <u>2,118,226</u>    |
| Total Noncurrent Assets                              | <u>419,463</u>                     | <u>1,707,082</u>                    | <u>2,126,545</u>    |
| Total Assets   | <u>442,041</u>                     | <u>1,724,282</u>                    | <u>2,166,323</u>    |
| Deferred outflows of resources                       | <u>-</u>                           | <u>-</u>                            | <u>-</u>            |
| <br><b>LIABILITIES AND NET POSITION</b>              |                                    |                                     |                     |
| <b>LIABILITIES</b>                                   |                                    |                                     |                     |
| Current Liabilities                                  |                                    |                                     |                     |
| Accounts payable and accruals                        | 95,608                             | 158,058                             | 253,666             |
| Payroll taxes payable                                | <u>18,642</u>                      | <u>43,426</u>                       | <u>62,068</u>       |
| Total current liabilities                            | <u>114,250</u>                     | <u>201,484</u>                      | <u>315,734</u>      |
| Noncurrent Liabilities                               |                                    |                                     |                     |
| Long-term debt, net of current portion               | -                                  | 98,588                              | 98,588              |
| Customer deposits                                    | <u>-</u>                           | <u>29,010</u>                       | <u>29,010</u>       |
| Total Noncurrent liabilities                         | <u>-</u>                           | <u>127,598</u>                      | <u>127,598</u>      |
| Total liabilities                                    | <u>114,250</u>                     | <u>329,082</u>                      | <u>443,332</u>      |
| Deferred inflows of resources                        | <u>-</u>                           | <u>-</u>                            | <u>-</u>            |
| <br><b>NET POSITION</b>                              |                                    |                                     |                     |
| Investment in capital assets,<br>Net of related debt | 419,463                            | 1,600,175                           | 2,019,638           |
| Unrestricted   | <u>(91,672)</u>                    | <u>(204,975)</u>                    | <u>(296,647)</u>    |
| Total Net Position                                   | <u>\$ 327,791</u>                  | <u>\$ 1,395,200</u>                 | <u>\$ 1,722,991</u> |

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

|                                      | <u>Expenses</u>   | <u>Charges for<br/>Services</u> | <u>Capital Grants<br/>and<br/>Contributions</u> | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|--------------------------------------|-------------------|---------------------------------|---|------------------------------------|-------------------------------------|---------------------|
| Primary Government                   |                   |                                 |   |                                    |                                     |                     |
| Governmental Activities              |                   |                                 |   |                                    |                                     |                     |
| General Government                   | \$ 164,208        | \$ -                            | \$ -  | \$ (164,208)                       | \$ -                                | \$ (164,208)        |
| Interest                             | -                 | -                               | -   | -                                  |                                     |                     |
| Capital grants                       | -                 | -                               | -   | -                                  |                                     |                     |
| Depreciation                         | 27,422            | -                               | -   | (27,422)                           | -                                   | (27,422)            |
| Total Governmental Activities        | <u>191,630</u>    | <u>-</u>                        | <u>-</u>  | <u>(191,630)</u>                   |                                     | <u>(191,630)</u>    |
| Business-Type Activities             |                   |                                 |   |                                    |                                     |                     |
| Utility Fund                         | <u>343,717</u>    | <u>108,984</u>                  | <u>-</u>  | <u>-</u>                           | <u>(234,733)</u>                    | <u>(234,733)</u>    |
| Total Business-Type Activities       | <u>343,717</u>    | <u>108,984</u>                  | <u>-</u>  | <u>-</u>                           | <u>(234,733)</u>                    | <u>(234,733)</u>    |
| Total Primary Government             | <u>\$ 535,347</u> | <u>\$ 108,984</u>               | <u>\$ -</u>                                     | (191,630)                          | (234,733)                           | (426,363)           |
| General Revenues                     |                   |                                 |   |                                    |                                     |                     |
| Taxes                                |                   |                                 |   | 80,893                             | -                                   | 80,893              |
| Licenses                             |                   |                                 |   | 4,660                              | -                                   | 24,906              |
| Gas and mineral rights               |                   |                                 |   | -                                  | 13,635                              | 13,635              |
| Transfers (to) from other funds      |                   |                                 |   | (8,947)                            | 8,947                               | -                   |
| Total General Revenues and Transfers |                   |                                 |   | <u>76,606</u>                      | <u>22,582</u>                       | <u>119,434</u>      |
| Change in Net Position               |                   |                                 |   | (115,024)                          | (212,151)                           | (306,929)           |
| Net Position, Beginning of Year      |                   |                                 |   | <u>442,815</u>                     | <u>1,607,351</u>                    | <u>2,050,166</u>    |
| Net Position, End of Year            |                   |                                 |   | <u>\$ 327,791</u>                  | <u>\$ 1,395,200</u>                 | <u>\$ 1,722,991</u> |

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
BALANCE SHEET  
GENERAL FUND  
June 30, 2021

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| ASSETS                              |                  |
|-------------------------------------|------------------|
| Cash                                | \$ 3,734         |
| Taxes receivable                    | <u>18,844</u>    |
| Total Assets                        | <u>\$ 22,578</u> |
| LIABILITIES AND FUND BALANCE        |                  |
| Accounts payable                    | \$ 95,608        |
| Payroll taxes payable               | <u>18,642</u>    |
| Total Liabilities                   | <u>114,250</u>   |
| Fund Balance                        |                  |
| Unassigned (Deficit)                | <u>(91,672)</u>  |
| Total Fund Balance                  | <u>(91,672)</u>  |
| Total Liabilities and Fund Balances | <u>\$ 22,578</u> |

See accountant's compilation 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, 2021

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|  |                   |
|--|-------------------|
| Total Fund Balance for Governmental Funds  | \$ (91,672)       |
| 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.      | 419,463           |
| 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>\$ 327,791</u> |

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021

|   |                           |
|---|---------------------------|
| <b>Revenues:</b>                          |                           |
| Occupational Licenses                     | \$ 4,660                  |
| Advalorem Taxes                           | 6,149                     |
| Franchise Taxes                           | 9,217                     |
| P& M Beer                                 | 8,773                     |
| Sales Taxes                               | <u>56,754</u>             |
| Total Revenues                            | <u>85,553</u>             |
| <br><b>Expenditures:</b>                  |                           |
| General Government                        | <u>165,708</u>            |
| Total Expenditures                        | <u>165,708</u>            |
| <br><b>Other Financing Sources:</b>       |                           |
| Transfers to Other Funds                  | <u>8,947</u>              |
| Net changes in fund balance               | (89,102)                  |
| Fund Balance, Beginning of Year (Deficit) | <u>(2,570)</u>            |
| Fund Balances, End of Year (Deficit)      | <u><u>\$ (91,672)</u></u> |

See accountant's compilation 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, 2021

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|  |                           |
|--|---------------------------|
| Net changes in Fund Balances - Total Government Funds  | \$ (89,102)               |
| The change in Net Position reported for governmental activities<br>in the statement of activities is different because:  |                           |
| Governmental funds report capital outlay as<br>expenditures. However, in the statement of<br>activities the cost of those assets is allocated<br>over their estimated useful lives and reported as<br>depreciation expense. This is the amount by<br>which depreciation ( \$27,422) exceeds<br>capital outlay (\$1,500) in the current period. | (25,922)                  |
| Payments on debt are recorded as expenditures<br>in the funds, but are reported in the statement of<br>net position as a reduction of liabilities  | <u>-</u>                  |
| Changes in Net Position of Governmental Activities   | <u><u>\$(115,024)</u></u> |

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2021

| Assets  |              |
|---|--------------|
| Current Assets  |              |
| Cash  | \$ 6,057     |
| Accounts receivable                                   | 11,143       |
| Total Current Assets                                  | 17,200       |
| Noncurrent Assets                                     |              |
| Restricted cash                                       | 8,319        |
| Capital Assets, Net                                   | 1,698,763    |
| Total Noncurrent Assets                               | 1,707,082    |
| Total Assets  | 1,724,282    |
| Deferred Outflows of Resources                        |              |
|   | -            |
| Liabilities and Net Position                          |              |
| Liabilities   |              |
| Accounts payable                                      | \$ 158,058   |
| Payroll taxes payable                                 | 43,426       |
| Total Current Liabilities                             | 201,484      |
| Noncurrent Liabilities                                |              |
| Advances from DOTD                                    | 98,588       |
| Customer deposits                                     | 29,010       |
| Total Noncurrent Liabilities                          | 127,598      |
| Total Liabilities                                     | 329,082      |
| Deferred Inflows of Resources                         |              |
|   | -            |
| Net Position  |              |
| Investments in capital assets,<br>Net of related debt | 1,600,175    |
| Unrestricted (Deficit)                                | (204,975)    |
| Total Net Position                                    | \$ 1,395,200 |

See accountant's compilation report.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

**OPERATING REVENUES**

|                          |            |
|--------------------------|------------|
| Charges for Services     | \$ 108,984 |
| Miscellaneous            | -          |
| Total Operating Revenues | 108,984    |

**OPERATING EXPENSES**

|                             |         |
|-----------------------------|---------|
| Personal Services           | 76,880  |
| Utilities                   | 91,442  |
| Repair and maintenance      | 10,937  |
| Other supplies and expenses | 64,864  |
| Depreciation                | 99,594  |
| Total Operating Expenses    | 343,717 |

|   |           |
|---|-----------|
| Change in Net Position before other financing sources | (234,733) |
|---|-----------|

**OTHER FINANCING SOURCES:**

|                           |        |
|---------------------------|--------|
| Gas and mineral rights    | 13,635 |
| Transfer from other funds | 8,947  |

|                        |           |
|------------------------|-----------|
| Change in Net Position | (212,151) |
|------------------------|-----------|

|                                 |           |
|---------------------------------|-----------|
| Net Position, Beginning of Year | 1,607,351 |
|---------------------------------|-----------|

|                           |              |
|---------------------------|--------------|
| Net Position, End of Year | \$ 1,395,200 |
|---------------------------|--------------|

See accountant's compilation report.

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, 2021

|  | <u>Original</u>     | <u>Amended *</u>    | <u>Actual</u>      | <u>Variance</u>  |
|--|---------------------|---------------------|--------------------|------------------|
| Revenues   |                     |                     |                    |                  |
| Taxes, Licenses, and Permits                         | \$ 64,700           | \$ 64,700           | \$ 85,553          | \$ 20,853        |
| Miscellaneous  | -                   | -                   | -                  | -                |
| Total Revenues                                       | <u>64,700</u>       | <u>64,700</u>       | <u>85,553</u>      | <u>20,853</u>    |
| Expenditures   |                     |                     |                    |                  |
| General Government                                   | 180,000             | 180,000             | 165,708            | 14,292           |
| Total Expenditures                                   | <u>180,000</u>      | <u>180,000</u>      | <u>165,708</u>     | <u>14,292</u>    |
| Net Changes in Fund Balances<br>before Other Sources | (115,300)           | (115,300)           | (80,155)           | 35,145           |
| Other Sources  |                     |                     |                    |                  |
| Transfers (to) from Other Funds                      | -                   | -                   | (8,947)            | 8,947            |
| Total Other Sources                                  | <u>-</u>            | <u>-</u>            | <u>(8,947)</u>     | <u>8,947</u>     |
| Net Changes in Fund Balances                         | (115,300)           | (115,300)           | (89,102)           | 26,198           |
| Fund Balances, Beginning of Year                     | <u>(2,570)</u>      | <u>(2,570)</u>      | <u>(2,570)</u>     | <u>-</u>         |
| Fund Balances, End of year                           | <u>\$ (117,870)</u> | <u>\$ (117,870)</u> | <u>\$ (91,672)</u> | <u>\$ 26,198</u> |

\* The budget was not amended during the year.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO  
MAYOR AND ALDERMEN

FOR THE YEAR ENDED JUNE 30, 2021

|                      |                 |
|----------------------|-----------------|
| Kevin VanZant, Mayor | \$ 6,600        |
| Ola Mae Evans        | 4,800           |
| Merlean Woods        | 4,800           |
| Dianne Hudson        | <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, 2021

Agency Head: Honorable Kevin Vanzant, Mayor

|               |                 |
|---------------|-----------------|
| Salary        | <u>\$ 6,600</u> |
| Payroll Taxes | <u>\$ 505</u>   |

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-1: The segregation of duties is inadequate to provide effective internal control.

Criteria: Effective internal control requires the segregation of duties.

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

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

Effect: Unknown.

Recommendation: Whether or not it would be cost effective to correct a condition 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 conditions 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 condition 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 make every effort to segregate duties as allowed by space and economic limitations.

Finding #2021-2: The Village did not file its financial statements within the time frame required by state law.

Criteria: State law requires the Village to file its financial statements with the Louisiana Legislative Auditor (LLA) within the time frame required by state law.

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 LLA.

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

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.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
SCHEDULE OF FINDINGS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-3: The Village did not pay payroll taxes on a timely basis.

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

Condition: At June 30, 2021, the Village owed payroll taxes totaling \$62,068. 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 Service 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 in the future.

Finding #2021-4: The Village is not in compliance with the repayment terms of the DOTD advance.

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

Condition: The Village did not make any payments on the DOTD advance for the year ended June 30, 2021.

Cause: The Village was not invoiced by DOTD for the year ended June 30, 2021.

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

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

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

Finding #2021-5: The Village does not have sufficient cash restricted for customer deposits to cover the liability for customer deposits.

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

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
SCHEDULE OF FINDINGS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-5: (Continued)

Condition: The liability for customer deposits at June 30, 2021 was \$29,010. Funds restricted for customer deposits at June 30, 2021 was \$8,319 resulting in the liability for customer deposits exceeding funds on deposit by \$20,691.

Cause: The Village settled a lawsuit for the year ended June 30, 2018 for \$20,000 that was paid from cash restricted for customer deposits.

Effect: The amount of funds 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 strive to maintain amounts restricted for customer deposits in an amount equal to the liability for customer deposits.

Finding #2021-6: The Village is not enforcing its utility cutoff policy.

Criteria: Best practices in management of utility receivables include ensuring that service is terminated when a customer fails to pay a bill on time. Additionally, elected officials should be held to a higher standard than other customers.

Condition: The balance of overdue utility bills increased from \$6,244 at June 30, 2020 to \$15,623 at June 30, 2021. An elected official was included on the past due list of accounts.

Cause: Unknown.

Effect: The Village is not enforcing its utility cutoff policy.

Recommendation: I recommend the Village comply with the Village's cutoff policy.

Management's Response and Corrective Action Plan: We agree with the finding. We will strive to comply with the Village's cutoff policy.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
SCHEDULE OF FINDINGS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2021-7: The Village is not in compliance with the state budget law.

Criteria: State budget law requires the total of estimated expenditures must not exceed the total of funds available for the ensuing year.

Condition: For the year ended June 30, 2021, the Village adopted a budget for the general fund whereby estimated expenditures exceeded estimated revenue by \$115,300. There was no prior year fund balance to fund the budget deficit.

Cause: Unknown.

Effect: The Village is not in compliance with the state budget law.

Recommendation: I recommend the Village comply with the state budget law.

Management's Response and Corrective Action Plan: We agree with the finding. We will comply with the state budget law in the future.

VILLAGE OF SOUTH MANSFIELD, LOUISIANA  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

Finding #2020-1: The segregation of duties is inadequate to provide effective internal control.

Status: Unresolved.

Finding #2020-2: The Village did not file its financial statements within the time frame required by state law.

Status: Unresolved.

Finding #2020-3: The Village is not in compliance with IRS Regulations.

Status: Unresolved.

Finding #2020-4: The Village is not in compliance with repayment terms of a DOTD advance.

Status: Unresolved.

Finding #2020-5: The Village did not maintain restricted cash accounts in an amount equal to the liability for customer deposits.

Status: Unresolved.