

**TOWN OF MANSURA, LOUISIANA**

Financial Report

Year Ended June 30, 2017

## TABLE OF CONTENTS

|   | Page  |
|---|-------|
| Independent Auditor's Report  | 1-3   |
| <b>BASIC FINANCIAL STATEMENTS</b>   |       |
| <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>  |       |
| Statement of net position   | 6     |
| Statement of activities   | 7     |
| <b>FUND FINANCIAL STATEMENTS (FFS)</b>  |       |
| Balance sheet - governmental funds  | 10    |
| Reconciliation of the governmental funds balance sheet<br>to the statement of net position  | 11    |
| Statement of revenues, expenditures, and changes in fund balances-<br>governmental funds  | 12    |
| Reconciliation of the statement of revenues, expenditures, and<br>changes in fund balances of governmental funds to the statement of activities   | 13    |
| Statement of net position - proprietary fund  | 14    |
| Statement of revenues, expenses, and changes in net<br>position - proprietary fund  | 15    |
| Statement of cash flows - proprietary fund  | 16-17 |
| Notes to basic financial statements   | 18-34 |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>   |       |
| Budgetary comparison schedules:   |       |
| General Fund  | 36    |
| Sales Tax 1988 Special Revenue Fund   | 37    |
| Sales Tax 2002 Special Revenue Fund   | 38    |
| Notes to the required supplementary information   | 39    |
| <b>OTHER FINANCIAL INFORMATION</b>  |       |
| Nonmajor capital project funds -  |       |
| Combining balance sheet   | 41    |
| Combining statement of revenues, expenditures, and changes in fund balance  | 42    |
| General Fund - budgetary comparison schedule - expenditures   | 43-44 |
| Sales Tax 1988 Special Revenue Fund - budgetary comparison schedule - expenditures  | 45-46 |
| Sales Tax 2002 Special Revenue Fund - budgetary comparison schedule - expenditures  | 47    |
| <b>INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS</b>  |       |
| Independent Auditor's Report on Internal Control over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <i>Government Auditing Standards</i> | 49-50 |
| Summary schedule of current and prior year audit findings<br>and management's corrective action plan  | 51-55 |

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Alan M. Taylor, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®\*  
James R. Roy, CPA  
Robert J. Metz, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Deirdre L. Stock, CPA  
Karen V. Fontenot, CPA  
Tabby A. LeMay, CPA  
Shayne M. Breaux, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberna, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bndge St  
Breaux Bndge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Dnve  
Alexandna, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITOR'S REPORT

The Honorable Kenneth Pickett, Sr., Mayor  
and Members of the Board of Aldermen  
Town of Mansura, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana, (hereinafter, "the Town") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mansura, Louisiana's basic financial statements. The other financial information on pages 41 through 47 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017 on our consideration of the Town of Mansura, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mansura, Louisiana's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2017

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

TOWN OF MANSURA, LOUISIANA

Statement of Net Position  
June 30, 2017

|                                   | Governmental<br>Activities | Business-type<br>Activities | Total              |
|-----------------------------------|----------------------------|-----------------------------|--------------------|
| ASSETS                            |                            |                             |                    |
| Cash and cash equivalents         | \$ 1,059,820               | \$ 247,064                  | \$ 1,306,884       |
| Interest bearing deposits         | 400,000                    | 76,830                      | 476,830            |
| Receivables, net                  | 92,531                     | 16,570                      | 109,101            |
| Prepaid items                     | 12,998                     | 3,576                       | 16,574             |
| Due from other governmental units | 21,219                     | -                           | 21,219             |
| Restricted assets:                |                            |                             |                    |
| Cash and cash equivalents         | 18,645                     | 112,306                     | 130,951            |
| Capital assets:                   |                            |                             |                    |
| Non depreciable capital assets    | 118,628                    | 25,657                      | 144,285            |
| Depreciable capital assets, net   | <u>2,420,349</u>           | <u>3,966,813</u>            | <u>6,387,162</u>   |
| Total assets                      | <u>4,144,190</u>           | <u>4,448,816</u>            | <u>8,593,006</u>   |
| LIABILITIES                       |                            |                             |                    |
| Accounts and other payables       | 31,325                     | 7,126                       | 38,451             |
| Prepaid rental income             | 2,140                      | -                           | 2,140              |
| Long-term liabilities:            |                            |                             |                    |
| Portion due within one year -     |                            |                             |                    |
| Bonds payable                     | -                          | 47,000                      | 47,000             |
| Portion due after one year -      |                            |                             |                    |
| Bonds payable                     | <u>-</u>                   | <u>806,825</u>              | <u>806,825</u>     |
| Total liabilities                 | <u>33,465</u>              | <u>860,951</u>              | <u>894,416</u>     |
| NET POSITION                      |                            |                             |                    |
| Net investment in capital assets  | 2,538,977                  | 3,138,645                   | 5,677,622          |
| Restricted for:                   |                            |                             |                    |
| Public works and public safety    | 1,363,106                  | -                           | 1,363,106          |
| Debt service                      | -                          | 104,210                     | 104,210            |
| Sewer                             | -                          | 8,096                       | 8,096              |
| Other purposes                    | 22,914                     | -                           | 22,914             |
| Unrestricted                      | <u>185,728</u>             | <u>336,914</u>              | <u>522,642</u>     |
| Total net position                | <u>\$4,110,725</u>         | <u>\$3,587,865</u>          | <u>\$7,698,590</u> |

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

TOWN OF MANSURA, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2017

| Activities                                       | Expenses            | Program Revenues                      |                                    |                                  | Net (Expense) Revenues and Changes in Net Position |                          |                    |
|--|---------------------|---------------------------------------|------------------------------------|----------------------------------|--|--------------------------|--------------------|
|  |                     | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                            | Business-Type Activities | Total              |
| Governmental activities:                         |                     |                                       |                                    |                                  |  |                          |                    |
| General government                               | \$ 249,441          | \$ 7,200                              | \$ -                               | \$ 28,167                        | \$ (214,074)                                       | \$ -                     | \$ (214,074)       |
| Public safety:                                   |                     |                                       |                                    |                                  |  |                          |                    |
| Police   | 315,785             | 31,966                                | 24,000                             | -                                | (259,819)  | -                        | (259,819)          |
| Fire   | 111,729             | -                                     | -                                  | -                                | (111,729)  | -                        | (111,729)          |
| Recreation                                       | 28,482              | -                                     | -                                  | -                                | (28,482)   | -                        | (28,482)           |
| Streets  | 284,677             | -                                     | -                                  | -                                | (284,677)  | -                        | (284,677)          |
| Health and sanitation                            | 1,901               | 16,300                                | -                                  | -                                | 14,399   | -                        | 14,399             |
| Total governmental activities                    | 992,015             | 55,466                                | 24,000                             | 28,167                           | (884,382)  | -                        | (884,382)          |
| Business-type activities:                        |                     |                                       |                                    |                                  |  |                          |                    |
| Sewer  | 237,427             | 180,938                               | -                                  | -                                | -  | (56,489)                 | (56,489)           |
| Total business-type activities                   | 237,427             | 180,938                               | -                                  | -                                | -  | (56,489)                 | (56,489)           |
| Total  | <u>\$ 1,229,442</u> | <u>\$ 236,404</u>                     | <u>\$ 24,000</u>                   | <u>\$ 28,167</u>                 | <u>(884,382)</u>                                   | <u>(56,489)</u>          | <u>(940,871)</u>   |
| General revenues:                                |                     |                                       |                                    |                                  |  |                          |                    |
| Taxes -  |                     |                                       |                                    |                                  |  |                          |                    |
| Property taxes, levied for general purposes      |                     |                                       |                                    |                                  | 47,501   | -                        | 47,501             |
| Sales and use taxes, levied for general purposes |                     |                                       |                                    |                                  | 515,898  | -                        | 515,898            |
| Franchise taxes                                  |                     |                                       |                                    |                                  | 108,651  | -                        | 108,651            |
| Intergovernmental                                |                     |                                       |                                    |                                  | 91,323   | -                        | 91,323             |
| Licenses and permits                             |                     |                                       |                                    |                                  | 95,044   | -                        | 95,044             |
| Interest and investment earnings                 |                     |                                       |                                    |                                  | 11,001   | 1,005                    | 12,006             |
| Miscellaneous                                    |                     |                                       |                                    |                                  | 14,470   | -                        | 14,470             |
| Transfers  |                     |                                       |                                    |                                  | (64,713)   | 64,713                   | -                  |
| Total general revenues and transfers             |                     |                                       |                                    |                                  | 819,175  | 65,718                   | 884,893            |
| Change in net position                           |                     |                                       |                                    |                                  | (65,207)   | 9,229                    | (55,978)           |
| Net position, beginning                          |                     |                                       |                                    |                                  | 4,175,932  | 3,578,636                | 7,754,568          |
| Net position, ending                             |                     |                                       |                                    |                                  | <u>\$4,110,725</u>                                 | <u>\$3,587,865</u>       | <u>\$7,698,590</u> |

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Fund**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **Sales Tax 1988 Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the following purposes: streets, drainage, public safety and any other lawful corporate purpose.

#### **Sales Tax 2002 Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the following purposes: streets, drainage, public safety, sanitation and any other lawful corporate purpose.

### **Enterprise Fund**

#### **Sewer Utility Fund**

To account for the provision of sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service.

TOWN OF MANSURA, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2017

|                                     | General           | Sales Tax<br>1988 | Sales Tax<br>2002 | Other<br>Governmental<br>Funds | Totals              |
|-------------------------------------|-------------------|-------------------|-------------------|--------------------------------|---------------------|
| ASSETS                              |                   |                   |                   |                                |                     |
| Cash and cash equivalents           | \$ 123,374        | \$ 363,834        | \$ 568,343        | \$ 4,269                       | \$ 1,059,820        |
| Interest bearing deposits           | -                 | 200,000           | 200,000           | -                              | 400,000             |
| Cash - restricted                   | 18,645            | -                 | -                 | -                              | 18,645              |
| Receivables:                        |                   |                   |                   |                                |                     |
| Franchise fees                      | 35,677            | -                 | -                 | -                              | 35,677              |
| Taxes                               | 6,600             | 24,742            | 24,742            | -                              | 56,084              |
| Other                               | 770               | -                 | -                 | -                              | 770                 |
| Due from other governmental units   | 21,219            | -                 | -                 | -                              | 21,219              |
| Prepaid items                       | 1,553             | 4,744             | 6,701             | -                              | 12,998              |
| Total assets                        | <u>\$ 207,838</u> | <u>\$ 593,320</u> | <u>\$ 799,786</u> | <u>\$ 4,269</u>                | <u>\$ 1,605,213</u> |
| LIABILITIES AND FUND BALANCES       |                   |                   |                   |                                |                     |
| Liabilities:                        |                   |                   |                   |                                |                     |
| Accounts and other payables         | \$ 12,770         | \$ 9,282          | \$ 9,273          | \$ -                           | \$ 31,325           |
| Prepaid rental income               | 2,140             | -                 | -                 | -                              | 2,140               |
| Total liabilities                   | <u>14,910</u>     | <u>9,282</u>      | <u>9,273</u>      | <u>-</u>                       | <u>33,465</u>       |
| Fund balances:                      |                   |                   |                   |                                |                     |
| Nonspendable                        | 1,553             | 4,744             | 6,701             | -                              | 12,998              |
| Restricted for:                     |                   |                   |                   |                                |                     |
| Public works and public safety      | -                 | 579,294           | 783,812           | -                              | 1,363,106           |
| Other purposes                      | 18,645            | -                 | -                 | 4,269                          | 22,914              |
| Unassigned                          | 172,730           | -                 | -                 | -                              | 172,730             |
| Total fund balances                 | <u>192,928</u>    | <u>584,038</u>    | <u>790,513</u>    | <u>4,269</u>                   | <u>1,571,748</u>    |
| Total liabilities and fund balances | <u>\$ 207,838</u> | <u>\$ 593,320</u> | <u>\$ 799,786</u> | <u>\$ 4,269</u>                | <u>\$ 1,605,213</u> |

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

TOWN OF MANSURA, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2017

|  |    |                     |
|--|----|---------------------|
| Total fund balances for governmental funds at June 30, 2017  |    | \$ 1,571,748        |
| Total net position reported 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. Those assets consist of: |    |                     |
| Land   | \$ | 90,491              |
| Construction in Progress   |    | 28,137              |
| Buildings and improvements, net of \$312,962 accumulated depreciation  |    | 516,667             |
| Infrastructure, net of \$887,030 accumulated depreciation  |    | 1,814,317           |
| Equipment, furniture and fixtures, net of \$227,671 accumulated depreciation   |    | 88,862              |
| Vehicles, net of \$145,986 accumulated depreciation  |    | <u>503</u>          |
|  |    | <u>2,538,977</u>    |
| Total net position of governmental activities at June 30, 2017   |    | <u>\$ 4,110,725</u> |

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

TOWN OF MANSURA, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2017

|  | General           | Sales Tax<br>1988 | Sales Tax<br>2002 | Other<br>Governmental<br>Funds | Totals              |
|--|-------------------|-------------------|-------------------|--------------------------------|---------------------|
| Revenues:  |                   |                   |                   |                                |                     |
| Taxes  | \$ 156,152        | \$ 257,949        | \$ 257,949        | \$ -                           | \$ 672,050          |
| Licenses and permits                                 | 95,044            | -                 | -                 | -                              | 95,044              |
| Intergovernmental                                    | 118,490           | -                 | -                 | 25,000                         | 143,490             |
| Fines and forfeits                                   | 31,966            | -                 | -                 | -                              | 31,966              |
| Miscellaneous  | 26,065            | 5,242             | 8,379             | 9,285                          | 48,971              |
| Total revenues                                       | <u>427,717</u>    | <u>263,191</u>    | <u>266,328</u>    | <u>34,285</u>                  | <u>991,521</u>      |
| Expenditures:  |                   |                   |                   |                                |                     |
| General government                                   | 108,584           | 71,004            | 48,983            | 3,790                          | 232,361             |
| Public safety:                                       |                   |                   |                   |                                |                     |
| Police   | 255,360           | 27,302            | 22,334            | 200                            | 305,196             |
| Fire   | -                 | 36,418            | 30,992            | -                              | 67,410              |
| Recreation   | 16,332            | 4,608             | -                 | 96                             | 21,036              |
| Streets  | 111,521           | 45,782            | 40,372            | -                              | 197,675             |
| Sewer  | 1,190             | -                 | -                 | -                              | 1,190               |
| Appropriations to other governments                  | 20,000            | -                 | -                 | -                              | 20,000              |
| Capital outlay                                       | 5,000             | -                 | -                 | 38,872                         | 43,872              |
| Total expenditures                                   | <u>517,987</u>    | <u>185,114</u>    | <u>142,681</u>    | <u>42,958</u>                  | <u>888,740</u>      |
| Excess (deficiency) of revenues<br>over expenditures | <u>(90,270)</u>   | <u>78,077</u>     | <u>123,647</u>    | <u>(8,673)</u>                 | <u>102,781</u>      |
| Other financing sources (uses):                      |                   |                   |                   |                                |                     |
| Transfers in   | 371               | 4,915             | 3,636             | -                              | 8,922               |
| Transfers out  | (15,118)          | (360)             | (58,146)          | (11)                           | (73,635)            |
| Total other financing sources (uses)                 | <u>(14,747)</u>   | <u>4,555</u>      | <u>(54,510)</u>   | <u>(11)</u>                    | <u>(64,713)</u>     |
| Net changes in fund balances                         | (105,017)         | 82,632            | 69,137            | (8,684)                        | 38,068              |
| Fund balances, beginning                             | <u>297,945</u>    | <u>501,406</u>    | <u>721,376</u>    | <u>12,953</u>                  | <u>1,533,680</u>    |
| Fund balances, ending                                | <u>\$ 192,928</u> | <u>\$ 584,038</u> | <u>\$ 790,513</u> | <u>\$ 4,269</u>                | <u>\$ 1,571,748</u> |

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

TOWN OF MANSURA, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2017

|   |                                   |
|---|-----------------------------------|
| Total net change in fund balances for the year ended June 30, 2017 per statement of revenues, expenditures and changes in fund balances   | \$ 38,068                         |
| The change in net position reported for governmental activities in the statement of activities is different because:  |                                   |
| Governmental funds report capital outlays 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. |                                   |
| Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances   | \$ 43,872                         |
| Depreciation expense  | <u>(147,147)</u> <u>(103,275)</u> |
| Change in net position for the year ended June 30, 2017 per statement of activities   | <u>\$ (65,207)</u>                |

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

TOWN OF MANSURA, LOUISIANA

Statement of Net Position  
 Proprietary Fund - Enterprise Fund  
 June 30, 2017

|                                       | <u>Sewer<br/>Utility</u> |
|---------------------------------------|--------------------------|
| ASSETS                                |                          |
| Current assets:                       |                          |
| Cash and cash equivalents             | \$ 247,064               |
| Interest bearing deposits             | 76,830                   |
| Accounts receivable, net of allowance | 16,570                   |
| Prepaid items                         | <u>3,576</u>             |
| Total current assets                  | <u>344,040</u>           |
| Noncurrent assets:                    |                          |
| Restricted assets -                   |                          |
| Cash and cash equivalents             | 112,306                  |
| Capital assets -                      |                          |
| Non depreciable capital assets        | 25,657                   |
| Depreciable capital assets, net       | <u>3,966,813</u>         |
| Total noncurrent assets               | <u>4,104,776</u>         |
| Total assets                          | <u>4,448,816</u>         |
| LIABILITIES                           |                          |
| Current liabilities:                  |                          |
| Accounts and other payables           | 7,126                    |
| Payable from restricted assets -      |                          |
| Revenue bonds                         | <u>47,000</u>            |
| Total current liabilities             | 54,126                   |
| Noncurrent liabilities:               |                          |
| Revenue bonds payable                 | <u>806,825</u>           |
| Total liabilities                     | <u>860,951</u>           |
| NET POSITION                          |                          |
| Net investment in capital assets      | 3,138,645                |
| Restricted for:                       |                          |
| Debt service                          | 104,210                  |
| Sewer improvements                    | 8,096                    |
| Unrestricted                          | <u>336,914</u>           |
| Total net position                    | <u>\$3,587,865</u>       |

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

TOWN OF MANSURA, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position -  
 Proprietary Fund - Enterprise Fund  
 For the Year Ended June 30, 2017

|  | <u>Sewer<br/>Utility</u> |
|--|--------------------------|
| Operating revenues:                    |                          |
| Charges for services -                 |                          |
| Sewer fees                             | <u>\$ 180,938</u>        |
| Operating expenses:                    |                          |
| Salaries and related benefits          | 37,772                   |
| General liability insurance            | 6,085                    |
| Dues and subscriptions                 | 853                      |
| Maintenance and repairs                | 9,053                    |
| Supplies                               | 10,119                   |
| Contractual services                   | 1,548                    |
| Travel and conventions                 | 384                      |
| EPA reports                            | 5,158                    |
| Auto repairs and maintenance           | 3,151                    |
| Equipment repairs and maintenance      | 12,417                   |
| Legal and professional                 | 918                      |
| Utilities and telephone                | 28,992                   |
| Uniforms                               | 849                      |
| Gas and oil                            | 3,324                    |
| Depreciation expense                   | 104,588                  |
| Miscellaneous                          | 4,604                    |
| Total operating expenses               | <u>229,815</u>           |
| Operating loss                         | <u>(48,877)</u>          |
| Nonoperating revenues (expenses):      |                          |
| Interest income                        | 1,005                    |
| Interest expense                       | <u>(7,612)</u>           |
| Total nonoperating revenues (expenses) | <u>(6,607)</u>           |
| Loss before transfers                  | (55,484)                 |
| Operating transfers:                   |                          |
| Transfers in                           | 64,736                   |
| Transfers out                          | <u>(23)</u>              |
| Total operating transfers              | <u>64,713</u>            |
| Change in net position                 | 9,229                    |
| Net position, beginning                | <u>3,578,636</u>         |
| Net position, ending                   | <u>\$ 3,587,865</u>      |

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

TOWN OF MANSURA, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund - Enterprise Fund  
 For the Year Ended June 30, 2017

|   | <u>Sewer<br/>Utility</u> |
|---|--------------------------|
| Cash flows from operating activities:                     |                          |
| Receipts from customers                                   | 175,579                  |
| Payments to suppliers                                     | (90,935)                 |
| Payments to employees                                     | <u>(37,772)</u>          |
| Net cash provided by operating activities                 | <u>46,872</u>            |
| Cash flows from noncapital financing activities:          |                          |
| Cash received from other funds                            | <u>64,713</u>            |
| Cash flows from capital and related financing activities: |                          |
| Receipts from other governments                           | 53,978                   |
| Principal paid on revenue bond                            | (52,573)                 |
| Interest and fiscal charges paid on revenue bonds         | (7,612)                  |
| Acquisition of property, plant and equipment              | <u>(54,930)</u>          |
| Net cash used by capital and related financing activities | <u>(61,137)</u>          |
| Cash flows from investing activities:                     |                          |
| Interest received on interest-bearing deposits            | <u>1,005</u>             |
| Net change in cash and cash equivalents                   | 51,453                   |
| Cash and cash equivalents, beginning of period            | <u>307,917</u>           |
| Cash and cash equivalents, end of period                  | <u>\$ 359,370</u>        |

(continued)

TOWN OF MANSURA, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund - Enterprise Fund (Continued)  
 For the Year Ended June 30, 2017

|   | <u>Sewer<br/>Utility</u> |
|---|--------------------------|
| Reconciliation of operating loss to net cash provided by operating activities:                            |                          |
| Operating loss  | \$ (48,877)              |
| Adjustments to reconcile operating loss to net cash provided by operating activities:                     |                          |
| Depreciation  | 104,588                  |
| Changes in current assets and liabilities:  |                          |
| Increase in accounts receivable   | (5,359)                  |
| Increase in prepaid items   | (3,193)                  |
| Decrease in accounts payable  | <u>(287)</u>             |
| Net cash provided by operating activities   | <u>\$ 46,872</u>         |
| Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position: |                          |
| Cash and cash equivalents, beginning of period -  |                          |
| Cash - unrestricted   | \$ 269,172               |
| Interest-bearing deposits - unrestricted  | 76,830                   |
| Cash - restricted   | 38,745                   |
| Less: Interest-bearing deposits with maturity in excess of 90 days  | <u>(76,830)</u>          |
| Total cash and cash equivalents, beginning of period  | <u>307,917</u>           |
| Cash and cash equivalents, end of period -  |                          |
| Cash - unrestricted   | 247,064                  |
| Interest-bearing deposits - unrestricted  | 76,830                   |
| Cash - restricted   | 112,306                  |
| Less: Interest-bearing deposits with maturity in excess of 90 days  | <u>(76,830)</u>          |
| Total cash and cash equivalents, end of period  | <u>359,370</u>           |
| Net change  | <u>\$ 51,453</u>         |

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

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

Fund Financial Statements

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

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

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

The major funds of the Town are described below:

Governmental Funds -

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

The Special Revenue Funds account for the proceeds of two 1% sales and use taxes that are legally restricted to expenditures for specific purposes.

Proprietary Funds –

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Enterprise Fund

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

C. Measurement Focus/Basis of Accounting

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

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

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The Town considers reimbursement amounts received within one year as available. The Town accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments, are recorded as expenditures when paid.

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

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

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

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

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

Cash, cash equivalents and interest-bearing deposits

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

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

Receivables

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

Uncollectible utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2017, an allowance for utility service receivables was considered unnecessary due to immateriality.

Interfund receivables and payables

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Long-term debt

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

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

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

Compensated Absences

The Town does not accumulate unpaid vacation. Sick pay may be accumulated however it is not payable upon resignation or termination. Therefore, there are no compensated absences payable at June 30, 2017.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

1. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, laws or regulations of other governments;

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

or law through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

3. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

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

1. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requiring they maintain intact.
2. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
3. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Town through formal legislative action of the Board of Aldermen and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an Ordinance (Law) by the Board of Aldermen.
4. Assigned includes fund balance amounts that are constrained by the Town's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Board of Aldermen and approval of a Resolution by the Board of Aldermen.
5. Unassigned includes fund balance amounts which have not been classified within the above mentioned categories.

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

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

E. Revenues, Expenditures, and Expenses

Revenues

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

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

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

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

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

Interfund Transfers

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

F. Revenue Restrictions

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

| <u>Revenue Source</u> | <u>Legal Restrictions of Use</u>    |
|-----------------------|-------------------------------------|
| Sales tax             | See Note 10                         |
| Sewer revenue         | Debt service and utility operations |

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

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Town had cash and interest-bearing deposits (book balances) totaling \$1,914,665 as follows:

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

|                           |                    |
|---------------------------|--------------------|
| Cash                      | \$1,437,835        |
| Interest bearing deposits | <u>476,830</u>     |
| Total                     | <u>\$1,914,665</u> |

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

|  |                    |
|--|--------------------|
| Bank balances  | <u>\$1,926,261</u> |
| Insurance  | \$ 576,830         |
| Uninsured and collateral held by the pledging bank<br>not in the Town's name | <u>1,349,431</u>   |
| Total  | <u>\$1,926,261</u> |

(3) Receivables

Receivables at June 30, 2017 of \$ 109,101 consist of the following:

|                      | <u>General</u>   | <u>Sales Tax<br/>1988</u> | <u>Sales Tax<br/>2002</u> | <u>Sewer</u>     | <u>Total</u>     |
|----------------------|------------------|---------------------------|---------------------------|------------------|------------------|
| Charges for services | \$ -             | \$ -                      | \$ -                      | \$ 16,570        | \$ 16,570        |
| Franchise fees       | 35,677           | -                         | -                         | -                | 35,677           |
| Taxes:               |                  |                           |                           |                  |                  |
| Ad valorem           | 6,600            | -                         | -                         | -                | 6,600            |
| Sales tax            | -                | 24,742                    | 24,742                    | -                | 49,484           |
| Other                | <u>770</u>       | <u>-</u>                  | <u>-</u>                  | <u>-</u>         | <u>770</u>       |
| Totals               | <u>\$ 43,047</u> | <u>\$ 24,742</u>          | <u>\$ 24,742</u>          | <u>\$ 16,570</u> | <u>\$109,101</u> |

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(4) Due from Other Governmental Units

Amounts due from other governments at June 30, 2017 of \$21,219 consisted of the following:

|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| Due from State of Louisiana - Video Poker | \$20,213                |
| Due from State of Louisiana - Beer Tax    | <u>1,006</u>            |
| Totals                                    | <u>\$21,219</u>         |

(5) Restricted Assets

Restricted assets in the amount of \$130,951 consisted of the following:

|                               | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|-------------------------------|------------------------------------|-------------------------------------|
| Restricted assets:            |                                    |                                     |
| Sidewalk Construction Account | \$ 2,629                           | \$ -                                |
| LGAP Grant Funds              | 16,016                             | -                                   |
| Revenue Reserve Account       | -                                  | 20,809                              |
| Sinking Fund Account          | -                                  | 83,401                              |
| CWSRF Improvement Fund        | -                                  | <u>8,096</u>                        |
|                               | <u>\$ 18,645</u>                   | <u>\$ 112,306</u>                   |

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

|  | <u>Balance<br/>Beginning</u> | <u>Additions</u>   | <u>Deletions</u> | <u>Balance<br/>Ending</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| Governmental activities:                         |                              |                    |                  |                           |
| Capital assets not being depreciated:            |                              |                    |                  |                           |
| Land   | \$ 90,491                    | \$ -               | \$ -             | \$ 90,491                 |
| Construction in progress                         | 23,137                       | 5,000              | -                | 28,137                    |
| Other capital assets:                            |                              |                    |                  |                           |
| Buildings and improvements                       | 829,629                      | -                  | -                | 829,629                   |
| Infrastructure                                   | 2,701,347                    | -                  | -                | 2,701,347                 |
| Furniture, fixtures and equipment                | 282,661                      | 38,872             | 5,000            | 316,533                   |
| Vehicles   | 146,489                      | -                  | -                | 146,489                   |
| Totals   | <u>4,073,754</u>             | <u>43,872</u>      | <u>5,000</u>     | <u>4,112,626</u>          |
| Less accumulated depreciation:                   |                              |                    |                  |                           |
| Buildings and improvements                       | 289,117                      | 23,845             | -                | 312,962                   |
| Infrastructure                                   | 783,163                      | 103,867            | -                | 887,030                   |
| Furniture, fixtures and equipment                | 216,258                      | 16,413             | 5,000            | 227,671                   |
| Vehicles   | 142,964                      | 3,022              | -                | 145,986                   |
| Total accumulated depreciation                   | <u>1,431,502</u>             | <u>147,147</u>     | <u>5,000</u>     | <u>1,573,649</u>          |
| Governmental activities,<br>capital assets, net  | <u>\$ 2,642,252</u>          | <u>\$(103,275)</u> | <u>\$ -</u>      | <u>\$ 2,538,977</u>       |
| Business-type activities:                        |                              |                    |                  |                           |
| Capital assets not being depreciated:            |                              |                    |                  |                           |
| Land   | \$ 25,657                    | \$ -               | \$ -             | \$ 25,657                 |
| Other capital assets:                            |                              |                    |                  |                           |
| Sewer lines                                      | 1,070,650                    | 54,930             | -                | 1,125,580                 |
| Sewer system                                     | 4,126,988                    | -                  | -                | 4,126,988                 |
| Equipment and vehicles                           | 124,312                      | -                  | -                | 124,312                   |
| Totals   | <u>5,347,607</u>             | <u>54,930</u>      | <u>-</u>         | <u>5,402,537</u>          |
| Less accumulated depreciation:                   |                              |                    |                  |                           |
| Sewer lines                                      | 86,375                       | 20,840             | -                | 107,215                   |
| Sewer system                                     | 1,118,230                    | 79,182             | -                | 1,197,412                 |
| Equipment and vehicles                           | 100,874                      | 4,566              | -                | 105,440                   |
| Total accumulated depreciation                   | <u>1,305,479</u>             | <u>104,588</u>     | <u>-</u>         | <u>1,410,067</u>          |
| Business-type activities,<br>capital assets, net | <u>\$ 4,042,128</u>          | <u>\$ (49,658)</u> | <u>\$ -</u>      | <u>\$ 3,992,470</u>       |

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Depreciation expense was charged to governmental activities as follows:

|                            |                   |
|----------------------------|-------------------|
| General government         | \$ 17,080         |
| Police                     | 10,589            |
| Recreation                 | 7,446             |
| Fire                       | 24,319            |
| Streets                    | 87,002            |
| Health and sanitation      | <u>711</u>        |
| Total depreciation expense | <u>\$ 147,147</u> |

Depreciation expense charged to business-type activities at June 30, 2017 was \$104,588.

(7) Accounts and Other Payables

The accounts and other payables of \$38,451 consisted of the following at June 30, 2017:

|                     | <u>Governmental Activities</u> |                           |                           | <u>Business-<br/>Type<br/>Activities</u> | <u>Total</u>     |
|---------------------|--------------------------------|---------------------------|---------------------------|--|------------------|
|                     | <u>General</u>                 | <u>Sales Tax<br/>1988</u> | <u>Sales Tax<br/>2002</u> | <u>Sewer</u>                             |                  |
| Accounts payable    | \$ 7,094                       | \$ 9,282                  | \$ 9,273                  | \$ 6,490                                 | \$ 32,139        |
| Payroll liabilities | <u>5,676</u>                   | <u>-</u>                  | <u>-</u>                  | <u>636</u>                               | <u>6,312</u>     |
| Total               | <u>\$ 12,770</u>               | <u>\$ 9,282</u>           | <u>\$ 9,273</u>           | <u>\$ 7,126</u>                          | <u>\$ 38,451</u> |

(8) Changes in Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2017:

|                          | <u>Balance<br/>7/1/2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance<br/>6/30/2017</u> | <u>Amount due<br/>in one year</u> |
|--------------------------|-----------------------------|------------------|------------------|------------------------------|-----------------------------------|
| Business-type activities |                             |                  |                  |                              |                                   |
| Revenue bonds            | <u>\$ 906,398</u>           | <u>\$ -</u>      | <u>\$ 52,573</u> | <u>\$ 853,825</u>            | <u>\$ 47,000</u>                  |

Bonds payable at June 30, 2017 are comprised of the following individual issue:

\$1,010,000 Revenue bonds, Series 2012 (DEQ) dated August 6, 2013, due in annual serial installments of \$46,000 to \$55,000 through August 2033; interest at .95 percent consisting of .45 percent interest rate and .50 percent DHH administrative fee, secured by sewer fund revenues

\$ 853,825

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Annual debt service requirements of bonds outstanding are as follows:

| Year ending<br>June 30, | Business-type Activities |                      | Total             |
|-------------------------|--------------------------|----------------------|-------------------|
|                         | Principal<br>payments    | Interest<br>payments |                   |
| 2018                    | \$ 47,000                | \$ 7,438             | \$ 54,438         |
| 2019                    | 48,000                   | 6,987                | 54,987            |
| 2020                    | 48,000                   | 6,531                | 54,531            |
| 2021                    | 49,000                   | 6,070                | 55,070            |
| 2022                    | 49,000                   | 5,604                | 54,604            |
| 2023-2027               | 254,000                  | 20,873               | 274,873           |
| 2028-2032               | 265,000                  | 8,537                | 273,537           |
| 2033-2034               | <u>93,825</u>            | <u>317</u>           | <u>94,142</u>     |
| Total                   | <u>\$ 853,825</u>        | <u>\$ 62,357</u>     | <u>\$ 916,182</u> |

(9) Ad Valorem Taxes

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

For the year ended June 30, 2017, taxes of 5.02 mills were levied on property with assessed valuations totaling \$9,462,351 and were dedicated to general maintenance.

Total taxes levied were \$47,501. Taxes receivable at June 30, 2017 was \$6,600, of which \$4,429 was delinquent.

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

The proceeds of a one percent sales and use tax levied by the Town in 1988 was \$257,949, and is dedicated to operating, maintaining and purchasing of supplies for streets, drainage, public safety and any other lawful corporate purpose.

The proceeds of a one percent sales and use tax levied by the Town in 2002 was \$257,949, and is dedicated to operating, maintaining and purchasing of supplies for streets, drainage, public safety, sanitation and any other lawful corporate purpose.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

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

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

Bond Sinking Fund

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

Reserve Fund

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

Revenue Bond Depreciation and Contingency Fund

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

The Town complied with these provisions for the fiscal year ended June 30, 2017 .

(12) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits, and other payments made to Mayor Kenneth Pickett for the year ended June 30, 2017 as follows:

| <u>Purpose</u>               | <u>Amount</u>   |
|------------------------------|-----------------|
| Salary                       | \$36,000        |
| Benefits - payroll taxes     | 2,796           |
| Reimbursements               | 649             |
| Hotel                        | 309             |
| Conference registration fees | 300             |
| Travel                       | <u>164</u>      |
| Total                        | <u>\$40,218</u> |

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(13) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2017 as follows:

| <u>Elected Official</u> | <u>Term</u> | <u>Salary</u>    | <u>Term Expiration</u> |
|-------------------------|-------------|------------------|------------------------|
| Gaon Escude             | 4 years     | \$ 2,400         | December 31, 2018      |
| Judy Bazert             | 4 years     | 2,400            | December 31, 2018      |
| Lucille Hayes           | 4 years     | 2,400            | December 31, 2018      |
| Judy James              | 4 years     | 2,400            | December 31, 2018      |
| Allison Ferguson        | 4 years     | <u>2,400</u>     | December 31, 2018      |
|                         |             | <u>\$ 12,000</u> |                        |

(14) On-Behalf Payments

The State of Louisiana paid the Town's policemen \$24,000 of supplemental pay during the year ended June 30, 2017. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(15) Interfund Transactions

Transfers consisted of the following at June 30, 2017:

|  | <u>Transfers<br/>In</u> | <u>Transfers<br/>Out</u> |
|--|-------------------------|--------------------------|
| General Fund                             | \$ 371                  | \$ 15,118                |
| Sales Tax 1988 Fund                      | 4,915                   | 360                      |
| Sales Tax 2002 Fund                      | 3,636                   | 58,146                   |
| Other governmental funds                 | -                       | 11                       |
| Enterprise funds -<br>Sewer Utility Fund | <u>64,736</u>           | <u>23</u>                |
| Total                                    | <u>\$ 73,658</u>        | <u>\$ 73,658</u>         |

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(16) Litigation and Claims

At June 30, 2017, the Town was not involved in any lawsuits claiming damages that would not be adequately covered by liability insurance.

(17) Risk Management

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

**REQUIRED  
SUPPLEMENTARY INFORMATION**

TOWN OF MANSURA, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

|  | Budget            |                   | Actual            | Variance with<br>Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
|  | Original          | Final             |                   | Positive<br>(Negative)        |
| Revenues:  |                   |                   |                   |                               |
| Taxes  | \$ 155,509        | \$ 168,800        | \$ 156,152        | \$ (12,648)                   |
| Licenses and permits                                 | 88,550            | 142,800           | 95,044            | (47,756)                      |
| Intergovernmental                                    | 351,032           | 372,450           | 118,490           | (253,960)                     |
| Fines and forfeits                                   | 28,759            | 47,100            | 31,966            | (15,134)                      |
| Miscellaneous  | 25,159            | 24,800            | 26,065            | 1,265                         |
| Total revenues                                       | <u>649,009</u>    | <u>755,950</u>    | <u>427,717</u>    | <u>(328,233)</u>              |
| Expenditures:  |                   |                   |                   |                               |
| General government                                   | 174,026           | 125,231           | 108,584           | 16,647                        |
| Public safety -                                      |                   |                   |                   |                               |
| Police   | 254,307           | 254,450           | 255,360           | (910)                         |
| Fire   | 18,246            | 1,606             | -                 | 1,606                         |
| Recreation   | 14,610            | 20,254            | 16,332            | 3,922                         |
| Streets  | 115,015           | 115,015           | 111,521           | 3,494                         |
| Sewer  | 61,358            | 4,837             | 1,190             | 3,647                         |
| Appropriations to other governments                  | 20,000            | 20,000            | 20,000            | -                             |
| Capital outlay                                       | 272,000           | 272,000           | 5,000             | 267,000                       |
| Total expenditures                                   | <u>929,562</u>    | <u>813,393</u>    | <u>517,987</u>    | <u>295,406</u>                |
| Excess (deficiency) of revenues<br>over expenditures | <u>(280,553)</u>  | <u>(57,443)</u>   | <u>(90,270)</u>   | <u>(32,827)</u>               |
| Other financing sources (uses):                      |                   |                   |                   |                               |
| Transfers in   | 170,891           | 172,614           | 371               | (172,243)                     |
| Transfers out  | (2,000)           | -                 | (15,118)          | (15,118)                      |
| Total other financing sources (uses)                 | <u>168,891</u>    | <u>172,614</u>    | <u>(14,747)</u>   | <u>(187,361)</u>              |
| Change in fund balance                               | (111,662)         | 115,171           | (105,017)         | (220,188)                     |
| Fund balance, beginning                              | <u>297,945</u>    | <u>297,945</u>    | <u>297,945</u>    | <u>-</u>                      |
| Fund balance, ending                                 | <u>\$ 186,283</u> | <u>\$ 413,116</u> | <u>\$ 192,928</u> | <u>\$ (220,188)</u>           |

TOWN OF MANSURA, LOUISIANA  
Sales Tax 1988 Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

|   | Budget            |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| Revenues:                               |                   |                   |                   |   |
| Taxes -                                 |                   |                   |                   |   |
| Sales                                   | \$ 240,900        | \$ 238,200        | \$ 257,949        | \$ 19,749   |
| Other                                   | <u>5,500</u>      | <u>5,500</u>      | <u>5,242</u>      | <u>(258)</u>  |
| Total revenues                          | <u>246,400</u>    | <u>243,700</u>    | <u>263,191</u>    | <u>19,491</u>   |
| Expenditures:                           |                   |                   |                   |   |
| General Government -                    |                   |                   |                   |   |
| Finance and administrative              | 14,933            | 68,366            | 71,004            | (2,638)   |
| Public safety -                         |                   |                   |                   |   |
| Police                                  | 27,805            | 31,400            | 27,302            | 4,098   |
| Fire                                    | 18,309            | 35,354            | 36,418            | (1,064)   |
| Recreation                              | 4,640             | 4,767             | 4,608             | 159   |
| Streets                                 | 63,480            | 49,836            | 45,782            | 4,054   |
| Capital outlay                          | <u>5,000</u>      | <u>-</u>          | <u>-</u>          | <u>-</u>  |
| Total expenditures                      | <u>134,167</u>    | <u>189,723</u>    | <u>185,114</u>    | <u>4,609</u>  |
| Excess of revenues<br>over expenditures | <u>112,233</u>    | <u>53,977</u>     | <u>78,077</u>     | <u>24,100</u>   |
| Other financing sources (uses):         |                   |                   |                   |   |
| Transfers in                            | -                 | -                 | 4,915             | 4,915   |
| Transfers out                           | <u>(125,817)</u>  | <u>(126,173)</u>  | <u>(360)</u>      | <u>125,813</u>  |
| Total other financing sources (uses)    | <u>(125,817)</u>  | <u>(126,173)</u>  | <u>4,555</u>      | <u>130,728</u>  |
| Change in fund balance                  | (13,584)          | (72,196)          | 82,632            | 154,828   |
| Fund balances, beginning                | <u>501,406</u>    | <u>501,406</u>    | <u>501,406</u>    | <u>-</u>  |
| Fund balances, ending                   | <u>\$ 487,822</u> | <u>\$ 429,210</u> | <u>\$ 584,038</u> | <u>\$ 154,828</u>                                       |

TOWN OF MANSURA, LOUISIANA  
Sales Tax 2002 Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

|   | Budget            |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| <b>Revenues:</b>                        |                   |                   |                   |   |
| Taxes -                                 |                   |                   |                   |   |
| Sales                                   | \$ 240,903        | \$ 238,200        | \$ 257,949        | \$ 19,749   |
| Other                                   | 8,525             | 5,800             | 8,379             | 2,579   |
| Total revenues                          | <u>249,428</u>    | <u>244,000</u>    | <u>266,328</u>    | <u>22,328</u>   |
| <b>Expenditures:</b>                    |                   |                   |                   |   |
| General Government -                    |                   |                   |                   |   |
| Finance and administrative              | 48,250            | 51,715            | 48,983            | 2,732   |
| Public safety -                         |                   |                   |                   |   |
| Police                                  | 24,125            | 34,747            | 22,334            | 12,413  |
| Fire                                    | 24,125            | 29,286            | 30,992            | (1,706)   |
| Streets                                 | 48,190            | 44,840            | 40,372            | 4,468   |
| Capital outlay                          | 15,000            | 15,000            | -                 | 15,000  |
| Total expenditures                      | <u>159,690</u>    | <u>175,588</u>    | <u>142,681</u>    | <u>32,907</u>   |
| Excess of revenues<br>over expenditures | <u>89,738</u>     | <u>68,412</u>     | <u>123,647</u>    | <u>55,235</u>   |
| <b>Other financing sources (uses):</b>  |                   |                   |                   |   |
| Transfers in                            | -                 | -                 | 3,636             | 3,636   |
| Transfers out                           | (84,269)          | (83,810)          | (58,146)          | 25,664  |
| Total other financing sources (uses)    | <u>(84,269)</u>   | <u>(83,810)</u>   | <u>(54,510)</u>   | <u>29,300</u>   |
| Change in fund balance                  | 5,469             | (15,398)          | 69,137            | 84,535  |
| Fund balances, beginning                | <u>721,376</u>    | <u>721,376</u>    | <u>721,376</u>    | <u>-</u>  |
| Fund balances, ending                   | <u>\$ 726,845</u> | <u>\$ 705,978</u> | <u>\$ 790,513</u> | <u>\$ 84,535</u>  |

TOWN OF MANSURA, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2017

(1) Budget and Budgetary Accounting

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

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

**OTHER FINANCIAL INFORMATION**

TOWN OF MANSURA, LOUISIANA

Nonmajor Capital Projects Funds  
 Combining Balance Sheet  
 June 30, 2017

|                           |               | <u>Recreation<br/>and Parks</u> | <u>LCDBG<br/>Fire<br/>Protection</u> | <u>Totals</u>  |
|---------------------------|---------------|---------------------------------|--------------------------------------|----------------|
|                           | ASSETS        |                                 |                                      |                |
| Cash and cash equivalents |               | <u>\$ 4,208</u>                 | <u>\$ 61</u>                         | <u>\$4,269</u> |
|                           | FUND BALANCES |                                 |                                      |                |
| Restricted                |               | <u>\$ 4,208</u>                 | <u>\$ 61</u>                         | <u>\$4,269</u> |

TOWN OF MANSURA, LOUISIANA

Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2017

|  | <u>Recreation<br/>and Parks</u> | <u>LCDBG<br/>Fire<br/>Protection</u> | <u>Totals</u>   |
|--|---------------------------------|--------------------------------------|-----------------|
| Revenues:                                |                                 |                                      |                 |
| Intergovernmental                        | \$ 25,000                       | -                                    | \$ 25,000       |
| Miscellaneous                            | <u>9,285</u>                    | <u>-</u>                             | <u>9,285</u>    |
| Total revenues                           | <u>34,285</u>                   | <u>-</u>                             | <u>34,285</u>   |
| Expenditures:                            |                                 |                                      |                 |
| General government                       | 3,790                           | -                                    | 3,790           |
| Public safety:                           |                                 |                                      |                 |
| Police                                   | 200                             | -                                    | 200             |
| Recreation                               | 96                              | -                                    | 96              |
| Capital outlay                           | <u>38,872</u>                   | <u>-</u>                             | <u>38,872</u>   |
| Total expenditures                       | <u>42,958</u>                   | <u>-</u>                             | <u>42,958</u>   |
| Deficiency of revenues over expenditures | (8,673)                         | -                                    | (8,673)         |
| Other financing sources (uses):          |                                 |                                      |                 |
| Transfers out                            | <u>(11)</u>                     | <u>-</u>                             | <u>(11)</u>     |
| Net changes in fund balances             | (8,684)                         | -                                    | (8,684)         |
| Fund balances, beginning                 | <u>12,892</u>                   | <u>61</u>                            | <u>12,953</u>   |
| Fund balances, ending                    | <u>\$ 4,208</u>                 | <u>\$ 61</u>                         | <u>\$ 4,269</u> |

TOWN OF MANSURA, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2017

|                              | Budget         |                | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------|----------------|----------------|----------------|---|
|                              | Original       | Final          |                | (Negative)  |
| General government -         |                |                |                |   |
| Administration:              |                |                |                |   |
| Salaries and per diem        | \$ 105,860     | \$ 55,860      | \$ 56,087      | \$ (227)  |
| Payroll taxes                | 9,566          | 6,445          | 10,493         | (4,048)   |
| Office supplies and expenses | -              | 1,600          | 1,752          | (152)   |
| Legal and professional fees  | 49,500         | 47,705         | 28,751         | 18,954  |
| Telephone and utilities      | -              | 400            | 295            | 105   |
| Travel and conventions       | -              | 4,021          | 3,753          | 268   |
| Repairs and maintenance      | 2,000          | 2,000          | 646            | 1,354   |
| Advertising                  | 2,500          | 2,500          | 1,582          | 918   |
| Contract labor               | -              | 100            | 100            | -   |
| Magistrate                   | 1,500          | 1,500          | 1,000          | 500   |
| Miscellaneous                | 3,100          | 3,100          | 4,125          | (1,025)   |
| Total general government     | <u>174,026</u> | <u>125,231</u> | <u>108,584</u> | <u>16,647</u>   |
| Public safety -              |                |                |                |   |
| Police:                      |                |                |                |   |
| Salaries                     | 219,307        | 219,307        | 228,963        | (9,656)   |
| Payroll taxes                | 29,000         | 29,000         | 20,409         | 8,591   |
| Prisoner feeding             | 4,000          | 4,044          | 4,044          | -   |
| Law enforcement & conviction | -              | 99             | 123            | (24)  |
| Miscellaneous                | 2,000          | 2,000          | 1,821          | 179   |
| Total police                 | <u>254,307</u> | <u>254,450</u> | <u>255,360</u> | <u>(910)</u>  |
| Fire:                        |                |                |                |   |
| Salaries                     | 16,640         | -              | -              | -   |
| Payroll taxes                | 1,606          | 1,606          | -              | 1,606   |
| Total fire                   | <u>18,246</u>  | <u>1,606</u>   | <u>-</u>       | <u>1,606</u>  |

(continued)

TOWN OF MANSURA, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2017

|   | Budget            |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   | (Negative)  |
| Recreation -                            |                   |                   |                   |   |
| Defosse House - Insurance               | \$ -              | \$ 890            | \$ 653            | \$ 237  |
| Defosse House - Maintenance and repairs | 500               | 500               | 584               | (84)  |
| Defosse House - Utilities               | 250               | 250               | 188               | 62  |
| Pavillion - Materials and supplies      | 900               | 900               | 825               | 75  |
| Pavillion - Repairs and maintenance     | 3,500             | 3,500             | 3,364             | 136   |
| Pavillion - Bookings                    | -                 | -                 | 400               | (400)   |
| Pavillion - Insurance                   | 2,400             | 3,303             | 2,424             | 879   |
| Pavillion - Other                       | 1,440             | 1,440             | 900               | 540   |
| Pavillion - Utilities                   | 5,500             | 5,500             | 4,065             | 1,435   |
| Senior Center - Insurance               | -                 | 3,826             | 2,808             | 1,018   |
| Library - Utilities                     | 20                | 45                | 48                | (3)   |
| Library - Repairs and maintenance       | 100               | 100               | 73                | 27  |
| Total recreation                        | <u>14,610</u>     | <u>20,254</u>     | <u>16,332</u>     | <u>3,922</u>  |
| Streets -                               |                   |                   |                   |   |
| Salaries                                | 98,509            | 98,509            | 99,849            | (1,340)   |
| Payroll expenses                        | <u>16,506</u>     | <u>16,506</u>     | <u>11,672</u>     | <u>4,834</u>  |
| Total streets                           | <u>115,015</u>    | <u>115,015</u>    | <u>111,521</u>    | <u>3,494</u>  |
| Health and Sanitation -                 |                   |                   |                   |   |
| Salaries                                | 53,040            | -                 | -                 | -   |
| Payroll expenses                        | <u>8,318</u>      | <u>4,837</u>      | <u>1,190</u>      | <u>3,647</u>  |
| Total sewer                             | <u>61,358</u>     | <u>4,837</u>      | <u>1,190</u>      | <u>3,647</u>  |
| Appropriations to other governments     | <u>20,000</u>     | <u>20,000</u>     | <u>20,000</u>     | <u>-</u>  |
| Capital outlay:                         |                   |                   |                   |   |
| General government                      | 272,000           | 272,000           | -                 | 272,000   |
| Recreation                              | <u>-</u>          | <u>-</u>          | <u>5,000</u>      | <u>(5,000)</u>  |
| Total capital outlay                    | <u>272,000</u>    | <u>272,000</u>    | <u>5,000</u>      | <u>267,000</u>  |
| Total expenditures                      | <u>\$ 929,562</u> | <u>\$ 813,393</u> | <u>\$ 517,987</u> | <u>\$ 295,406</u>                                       |

TOWN OF MANSURA, LOUISIANA  
Sales Tax 1988 Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2017

|   | Budget        |               | Actual        | Variance with<br>Final Budget |
|---|---------------|---------------|---------------|-------------------------------|
|   | Original      | Final         |               | Positive<br>(Negative)        |
| General government -                      |               |               |               |                               |
| Administration:                           |               |               |               |                               |
| Mayor's salary and aldermen               | \$ -          | \$ 50,000     | \$ 49,500     | \$ 500                        |
| Payroll taxes                             | -             | 2,500         | 3,863         | (1,363)                       |
| Insurance                                 | -             | 585           | 429           | 156                           |
| Office supplies and expenses              | 1,000         | 1,545         | 1,464         | 81                            |
| Legal and professional fees               | -             | -             | 486           | (486)                         |
| Telephone and utilities                   | 11,993        | 9,979         | 9,270         | 709                           |
| Travel and conventions                    | -             | 502           | 502           | -                             |
| Collection fees                           | -             | -             | 3,797         | (3,797)                       |
| Janitorial supplies                       | 1,500         | 1,500         | 943           | 557                           |
| Miscellaneous                             | 440           | 1,755         | 750           | 1,005                         |
| Total general government                  | <u>14,933</u> | <u>68,366</u> | <u>71,004</u> | <u>(2,638)</u>                |
| Public safety -                           |               |               |               |                               |
| Police:                                   |               |               |               |                               |
| Insurance                                 | -             | 3,855         | 2,830         | 1,025                         |
| Office supplies and expenses              | 3,000         | 3,000         | 2,574         | 426                           |
| Telephone and utilities                   | 2,500         | 2,500         | 821           | 1,679                         |
| Travel and conventions                    | 2,900         | 2,900         | 1,797         | 1,103                         |
| Fuel                                      | 10,000        | 10,000        | 9,921         | 79                            |
| Supplies                                  | 250           | 410           | 475           | (65)                          |
| Automobile expense                        | 6,000         | 6,000         | 6,192         | (192)                         |
| Miscellaneous                             | 3,155         | 2,735         | 2,692         | 43                            |
| Total police                              | <u>27,805</u> | <u>31,400</u> | <u>27,302</u> | <u>4,098</u>                  |
| Fire:                                     |               |               |               |                               |
| Salaries                                  | -             | 16,640        | 16,594        | 46                            |
| Payroll taxes                             | -             | -             | 1,273         | (1,273)                       |
| Sales tax proceeds to volunteer fire dept | 18,309        | 18,714        | 18,551        | 163                           |
| Total fire                                | <u>18,309</u> | <u>35,354</u> | <u>36,418</u> | <u>(1,064)</u>                |

(continued)

TOWN OF MANSURA, LOUISIANA  
Sales Tax 1988 Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2017

|   | Budget           |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            |                  |   |
| Recreation -                            |                  |                  |                  |   |
| Senior Center - Miscellaneous           | \$ 240           | \$ 240           | \$ 240           | \$ -  |
| Senior Center - Utilities and telephone | 4,400            | 4,527            | 4,368            | 159   |
| Total recreation                        | <u>4,640</u>     | <u>4,767</u>     | <u>4,608</u>     | <u>159</u>  |
| Streets -                               |                  |                  |                  |   |
| Insurance                               | 10,000           | 3,392            | 2,490            | 902   |
| Fuel                                    | 14,000           | 10,852           | 8,169            | 2,683   |
| Equipment repairs and maintenance       | -                | 176              | 176              | -   |
| Supplies                                | 6,980            | 4,453            | 4,080            | 373   |
| Telephone and utilities                 | 30,500           | 29,286           | 29,754           | (468)   |
| Miscellaneous                           | 2,000            | 1,677            | 1,113            | 564   |
| Total streets                           | <u>63,480</u>    | <u>49,836</u>    | <u>45,782</u>    | <u>4,054</u>  |
| Capital outlay:                         |                  |                  |                  |   |
| Streets                                 | <u>5,000</u>     | <u>-</u>         | <u>-</u>         | <u>-</u>  |
| Total expenditures                      | <u>\$134,167</u> | <u>\$189,723</u> | <u>\$185,114</u> | <u>\$ 4,609</u>   |

TOWN OF MANSURA, LOUISIANA  
Sales Tax 2002 Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2017

|   | Budget            |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| General government -                      |                   |                   |                   |   |
| Administration:                           |                   |                   |                   |   |
| General liability insurance               | \$ 20,000         | \$ 25,150         | \$ 18,460         | \$ 6,690  |
| Office supplies and expenses              | 7,750             | 4,455             | 4,702             | (247)   |
| Travel and conventions                    | 7,850             | 4,948             | 3,648             | 1,300   |
| Contract labor                            | 7,300             | 7,300             | 3,679             | 3,621   |
| Collection fees                           | -                 | -                 | 3,797             | (3,797)   |
| Dues and subscriptions                    | 2,000             | 2,005             | 1,906             | 99  |
| Repairs and maintenance                   | 1,800             | 4,640             | 2,839             | 1,801   |
| CLECO building expenses                   | 1,550             | 1,386             | 2,338             | (952)   |
| Miscellaneous                             | -                 | 1,831             | 7,614             | (5,783)   |
| Total general government                  | <u>48,250</u>     | <u>51,715</u>     | <u>48,983</u>     | <u>2,732</u>  |
| Public safety -                           |                   |                   |                   |   |
| Police:                                   |                   |                   |                   |   |
| General liability insurance               | 6,125             | 8,705             | 6,389             | 2,316   |
| Office supplies and expenses              | 2,000             | 2,020             | 1,944             | 76  |
| Telephone and utilities                   | 5,500             | 5,500             | 4,095             | 1,405   |
| Dues and subscriptions                    | 500               | 500               | -                 | 500   |
| Repairs and maintenance                   | 3,000             | 3,263             | 2,349             | 914   |
| Inmate housing                            | -                 | 7,704             | -                 | 7,704   |
| Uniforms                                  | 2,000             | 2,000             | 1,659             | 341   |
| Supplies                                  | -                 | 55                | 56                | (1)   |
| Fuel                                      | 5,000             | 5,000             | 5,842             | (842)   |
| Total police                              | <u>24,125</u>     | <u>34,747</u>     | <u>22,334</u>     | <u>12,413</u>   |
| Fire:                                     |                   |                   |                   |   |
| Sales tax proceeds to volunteer fire dept | <u>24,125</u>     | <u>29,286</u>     | <u>30,992</u>     | <u>(1,706)</u>  |
| Streets -                                 |                   |                   |                   |   |
| General liability insurance               | -                 | 2,259             | 1,658             | 601   |
| Contract labor                            | 5,000             | 2,000             | 450               | 1,550   |
| Feeding prisoners                         | 7,000             | 7,000             | 6,795             | 205   |
| Waste management                          | 3,600             | 3,692             | 4,019             | (327)   |
| Fuel                                      | -                 | -                 | 709               | (709)   |
| Auto repairs and maintenance              | 9,000             | 8,200             | 4,810             | 3,390   |
| Equipment repairs and maintenance         | 20,490            | 16,752            | 16,901            | (149)   |
| Supplies                                  | -                 | 1,062             | 1,330             | (268)   |
| Uniforms                                  | 2,600             | 3,375             | 3,399             | (24)  |
| Animal control                            | 500               | 500               | 12                | 488   |
| Telephone and utilities                   | -                 | -                 | 289               | (289)   |
| Total streets                             | <u>48,190</u>     | <u>44,840</u>     | <u>40,372</u>     | <u>4,468</u>  |
| Capital outlay:                           |                   |                   |                   |   |
| Streets                                   | <u>15,000</u>     | <u>15,000</u>     | <u>-</u>          | <u>15,000</u>   |
| Total expenditures                        | <u>\$ 159,690</u> | <u>\$ 175,588</u> | <u>\$ 142,681</u> | <u>\$ 17,907</u>  |

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scroggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Albert R. Leger, CPA,PFS,CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®\*  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Deidre L. Stock, CPA  
Karen V. Fontenot, CPA  
Tabby A. LeMay, CPA  
Shayne Breaux, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Kenneth Pickett, Sr., Mayor  
and Members of the Board of Aldermen  
Town of Mansura, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana ("the Town") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 14, 2017.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion of the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2017-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2017-002 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Mansura's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2017-003 through 2017-005.

### **Town of Mansura, Louisiana's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2017

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2017

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

A. Internal Control Over Financial Reporting

2017-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2014

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

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

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

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

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mayor Kenneth Pickett agrees that a complete segregation of accounting functions would strengthen controls, but with limited current financial resources, the Town is not able to hire additional personnel at this time.

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2017 (Continued)

2017-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2014

CONDITION: The Town does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mayor Kenneth Pickett has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Town to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

B. Compliance

2017-003 Budget Adoption

Fiscal year finding initially occurred: 2017

CONDITION: The Town did not comply with all the provisions of the Local Government Budget Act when adopting their budget.

CRITERIA: LA R.S. 39:1305 - 1307 states in part “A budget proposed for consideration by the governing authority shall be accompanied by a proposed budget adoption instrument” and “the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection.

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2017 (Continued)

CAUSE: The Town did not adopt the appropriate adoption instrument, did not advertise in the Town's official journal the availability of the budget for public inspection.

EFFECT: The Town did not allow for public participation or adoption of the budget in accordance with the Local Government Budget Act.

RECOMMENDATION: The Town should ensure compliance with all provisions of the Local Government Budget Act by advertising in the Town's official journal the availability of the budget for public inspection and prepare the proper budget adoption instrument.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Mayor will more closely monitor the Town's budget process to ensure that the adoption instruments are approved by the Town and that appropriate advertisements are made.

2017-004 Budget Compliance

Fiscal year finding initially occurred: 2017

CONDITION: A budget variance in excess of 5% occurred in the General Fund.

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides that the budget must be amended when:

"Total revenues and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more."

CAUSE: The cause is a result of failure to properly monitor the revenues of the Town.

EFFECT: The Town may not prevent and/or detect compliance violations due to under receipt of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The Town should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: General Fund revenues did not meet projected budget due to the Town not receiving an anticipated grant by the end of the fiscal year. The Town will monitor the receipt of grants more closely and will amend the budget in accordance with LSA-RS 39:1311 et seq.

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2017 (Continued)

2017-005 Property Tax

Fiscal year finding initially occurred: 2017

CONDITION: The Town has delinquent property taxes which have not been advertised for sale.

CRITERIA: Article VII Section 25(A)(1) of the Louisiana Constitution states:

“There shall be no forfeiture of property for nonpayment of taxes. However, at the expiration of the year in which the taxes are due, the collector, without suit, and after giving notice to the delinquent in the manner provided by law, shall advertise for sale the property on which the taxes are due.”

CAUSE: The Town did not advertise for sale properties within the Town that were delinquent on the payment of property taxes.

EFFECT: The Town did not receive full payment for taxes assessed resulting in resources being unavailable to provide services to the Town's citizens.

RECOMMENDATION: The Town should take steps to ensure all delinquent property taxes are collected.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Mayor of the Town will work with the Town attorney to ensure compliance with Article VII Section (A)(1).

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2016-001 Inadequate Segregation of Functions

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

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

CURRENT STATUS: Unresolved. See item 2017-001.

2016-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Town of Mansura does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements,

TOWN OF MANSURA, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2017 (Continued)

including the related notes in accordance with generally accepted accounting principles (GAAP).

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

CURRENT STATUS: Unresolved. See item 2017-002.

2016-003 Not all employees providing record of hours worked

CONDITION: Not all employees of the Town of Mansura are providing record of hours worked.

RECOMMENDATION: All employees should have a record of time worked, including salaried employees and supervisors.

CURRENT STATUS: Resolved.

B. Compliance

2016-004 Bond Compliance

CONDITION: The Town of Mansura did not fund the required reserve accounts in accordance with the Sewer Revenue Bond Agreement associated with its Sewer Revenue Bond issue.

RECOMMENDATION: The Town of Mansura should make the monthly transfers in compliance with the revenue bond requirements.

CURRENT STATUS: Resolved

**TOWN OF MANSURA, LOUISIANA**

Report on Agreed-Upon Procedures

Year Ended June 30, 2017

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Alan M. Taylor, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®\*  
James R. Roy, CPA  
Robert J. Metz, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Dendre L. Stock, CPA  
Karen V. Fontenot, CPA  
Tabby A. LeMay, CPA  
Shayne M. Breaux, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberna, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bndge St  
Breaux Bndge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Dnve  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
WWW.KCSRCPAS.COM

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Retired

Conrad O. Chapman, CPA\* 2006

To the Board of Alderman of the  
Town of Mansura, Louisiana and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Mansura (Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Town's management is responsible for the C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we 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.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

*There were no written policies and procedures noted.*

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*There were no written policies and procedures noted.*

c) ***Disbursements***, including processing, reviewing, and approving

*There were no written policies and procedures noted.*

- d) **Receipts**, including receiving, recording, and preparing deposits  
*There were no written policies and procedures noted.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*There were no written policies and procedures noted.*
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process  
*There were no written policies and procedures noted.*
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage  
*There were no written policies and procedures noted.*
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers  
*There were no written policies and procedures noted.*
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.  
*There were no written policies and procedures noted.*
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*There were no written policies and procedures noted.*

**Board (or Finance Committee, if applicable)**

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.  
*The minutes of the managing board for the fiscal period were obtained and reviewed noting that the board met monthly.*
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).  
*The minutes of the managing board for the fiscal period were obtained and reviewed noting that the minutes did not include monthly budget-to-actual comparisons for the major funds.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*The minutes of the managing board for the fiscal period were obtained and reviewed noting that the minutes did not include monthly budget-to-actual comparisons for the major funds.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.)

*The minutes of the managing board for the fiscal period were obtained and reviewed noting non-budgetary financial information.*

### ***Bank Reconciliations***

---

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*A listing of client bank accounts and management's representation that the listing is complete was obtained.*

- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that reconciliations have been prepared for all months.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting no evidence of board member review.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting no documentation that management had researched reconciling items that have been outstanding for more than 6 months.*

## ***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

*A listing of cash collection locations and management's representation that listing is complete were obtained.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:*

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Staff members responsible for collecting cash are bonded. For one of the three departments tested, the person responsible for collecting cash is also responsible for depositing into the bank. None of the staff members who are responsible for collecting cash share a drawer with another person. No written documentation was available.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*No written documentation was available.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Collection documentation was obtained noting collections for one day were not deposited for 14 days after collection. It was also noted that for collections that do not require a receipt, there is no documentation of collection date.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*For collections that do not require a receipt, there is no documentation of collection date.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*There is no written documentation specifically defined to determine the completeness of all collections by a person who is not responsible for collections.*

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

*A listing of disbursements and management's representation that the listing is complete was obtained.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*Examined supporting documentation for each of the 25 disbursements selected and found that two (2) purchases were not initiated using a purchase order system.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Examined supporting documentation for each of the 25 disbursements selected and found that two (2) purchases were not initiated using a purchase order system.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*Examined supporting documentation for each of the 25 disbursements and found two (2) payments were processed without purchase order, receiving report or invoice approval.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*No written policies were available.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*No written policies were available.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*The supply of unused checks is maintained in a locked location.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*No exceptions noted as result of applying this procedure.*

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

*One-third of the cards were randomly selected.*

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

*Monthly statements were obtained noting evidence that the statements and supporting documentation for one purchase were not reviewed and approved by someone other than the authorized card holder.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

*Monthly statements were obtained noting no evidence that finance charges or late fees were assessed on the selected statements.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)  
*All transactions were supported with documentation of an itemized receipt.*
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.  
*One (1) of the items selected was not supported by documentation of the business/public purpose.*
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)  
*No written policies available.*
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.  
*There were no written policies available. No exceptions to Louisiana Public Bid Law were noted as a result of applying this procedure.*
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.  
*No exceptions noted as a result of applying this procedure.*

### ***Travel and Expense Reimbursement***

---

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.  
*Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.*
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.  
*No written policies were obtained.*
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals,

mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*Of the three items selected for testing, there was one (1) which no documentation could be obtained.*

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*Of the three items selected for testing, there was one (1) which no documentation could be obtained.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*Of the three items selected for testing, there was one (1) which no documentation could be obtained.*

Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*No written policy available.*

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Of the three items selected for testing, there was one (1) which no documentation could be obtained.*

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*For all items selected, none contained documentation of review or approval by someone other than the person receiving the reimbursement.*

## ***Contracts***

---

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*A listing of all contracts in effect and management's representation that the listing is complete was obtained.*

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*Of the three items selected for testing, there was one (1) which no documentation could be obtained.*

Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:-

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*Of the three items selected for testing, there was one (1) which no documentation could be obtained.*

If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*Not applicable.*

- b) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*None of the contracts selected were amended.*

- c) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*For one (1) of the contracts selected, no documentation was available.*

- d) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*For one (1) of the contracts selected, no documentation was available.*

### ***Payroll and Personnel***

---

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

*Listing of employees with their related salaries and management’s representation that the listing is complete was obtained.*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted as a result of applying this procedure.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*No exceptions noted as a result of applying this procedure.*

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exception noted as a result of applying this procedure.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*Of the two applicable employees, neither had written documentation of supervisor approval for leave.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*Of the two applicable employees, neither had written documentation that the entity maintained written leave records.*

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*No termination payments were made during the fiscal year.*

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Four of the payments required for payroll taxed were paid after the designated due date.*

### ***Ethics (excluding nonprofits)***

---

- 26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*For all items selected, no ethics compliance documentation was maintained.*

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management asserted that they have received no allegations during the fiscal period.*

#### ***Debt Service (excluding nonprofits)***

---

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*Not applicable.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*No exceptions were noted as a result of applying this procedure.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*Not applicable.*

#### ***Other***

---

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Management has asserted that the entity did not have any misappropriations of public funds or assets.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Required notices were not posted on the entity's premises and website.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*No exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we did not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide any opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
December 14, 2017