

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

DECEMBER 31, 2023

City of Mansfield, Louisiana
Annual Financial Report
December 31, 2023

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information	
Management's Discussion and Analysis	1-7
Independent Auditor's Report	8-10
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Governmental Funds:	
Balance Sheet-Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Proprietary Fund:	
Statement of Net Position	20-21
Statement of Revenues, Expenses and Changes in Net Position	22
Statement of Cash Flows	23-24
Notes to Financial Statements	26-51

City of Mansfield, Louisiana
Annual Financial Report
December 31, 2023

TABLE OF CONTENTS

	<u>Page</u>
<u>Other Required Supplementary Information</u>	
General Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual	53
Schedule of Employer's Share of Net Pension Liability	54
Schedule of Employer's Contributions	55
<u>Supplementary Information</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	57
Justice System Funding Schedule – Collecting Disbursing Entity	58
<u>Other Reports/Schedules</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60-61
Schedule of Findings	62-63
Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures	64-72
Management's Response to Exceptions to Statewide Agreed-Upon Procedures	73



The City of Mansfield

INCORPORATED 1847

P. O. BOX 773

705 POLK STREET

Mansfield, Louisiana 71052

www.cityofmansfield.net

PHONE: (318) 872-0406

FAX: (318) 872-0402

TDD: (318) 872-0406

Management's Discussion and Analysis (MD&A) December 31, 2023

As management of the City of Mansfield, Louisiana, (City) we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Mansfield as of and for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Financial Highlights

As of December 31, 2023, the assets of the City exceeded its liabilities by \$11,135,753. As of December 31, 2023, unrestricted net position was \$355,641. During 2023, net position of the governmental activities decreased by \$895,474, and net position of the business-type activities increased \$207,620.

As of the close of fiscal year 2023, the City's governmental funds reported a combined ending fund balance of \$3,852,521, a decrease of \$142,208 from prior year.

Overview of the Financial Statements

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

Basic Financial Statements

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

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

THOMAS JONES, JR.
MAYOR

MARIA T. HOGAN
CITY CLERK

WILLIAM C. BRADFORD, JR.
CITY ATTORNEY

MARY L. GREEN
ALDERWOMAN, DISTRICT A

CHRISTOPHER S. THOMAS
ALDERMAN, DISTRICT B

VICTORIA W. JACKSON
ALDERWOMAN, DISTRICT C

ANTONIO G. WASHINGTON
ALDERMAN, DISTRICT D

RITA J. MYLES
ALDERWOMAN, DISTRICT E

City of Mansfield, Louisiana**Management's Discussion and Analysis (MD&A)
December 31, 2023**

interfund activity, payables, and receivables. The government-wide financial statements include two statements: The Statement of Net Position presents all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between them reported as "net position".

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

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

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

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

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

The government-wide financial statements can be found immediately following the auditor's report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2023

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund's financial statement.

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

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

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

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

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

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

Required Supplementary Information - The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund as presented in the governmental funds financial statements, the Schedule of Employer's Share of Net Pension Liability, and the Schedule of Employer's Contributions. Annual budgets and the employer pension schedules are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Supplementary Information - Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and Act 87 of the Louisiana 2020 Legislative Session requires Justice System Funding Schedules which are presented as supplementary information.

City of Mansfield, Louisiana

**Management's Discussion and Analysis (MD&A)
December 31, 2023**

Financial Analysis of Government-Wide Activities

Net Position - The City's combined net position (governmental and business-type activities) totaled \$11,135,753 and \$11,823,607 as of December 31, 2023 and 2022, respectively, a decrease of \$687,854 (5.8%).

As of December 31, 2023, \$10,780,112 (96.8%) of the City's net position consists of investment in capital assets such as land, buildings, equipment, and water and sewer plant and improvements, less any related debt used to acquire those assets that is still outstanding, compared to \$10,441,159 (88.3%) of the City's net position as of the close of the prior year. The City uses these capital assets to provide services to the citizens of Mansfield; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The unrestricted portion of the City's net position totaled \$355,641 (3.2%) and \$1,382,447 (11.7%) as of December 31, 2023 and 2022, respectively. The City continues to maintain a high level of liquidity with \$3,077,574 of cash, demand deposits, and certificates of deposit at December 31, 2023.

Summary of the City of Mansfield's Net Position

	<u>As of December 31, 2023</u>			<u>As of December 31, 2022</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$3,991,906	\$ 691,323	\$ 4,683,229	\$4,206,713	\$ 1,489,902	\$ 5,696,615
Capital and ROU assets	<u>3,616,337</u>	<u>12,328,830</u>	<u>15,945,167</u>	<u>4,451,894</u>	<u>10,723,407</u>	<u>15,175,301</u>
Total Assets	<u>\$7,608,243</u>	<u>\$13,020,153</u>	<u>\$20,628,396</u>	<u>\$8,658,607</u>	<u>\$12,213,309</u>	<u>\$20,871,916</u>
Deferred Outflows	<u>\$1,187,314</u>	<u>\$ 296,292</u>	<u>\$ 1,483,606</u>	<u>\$1,456,395</u>	<u>\$ 314,663</u>	<u>\$ 1,771,058</u>
Long term liabilities	\$7,150,599	\$ 2,928,662	\$10,079,261	\$7,102,090	\$ 2,884,732	\$ 9,986,822
Other liabilities	<u>139,385</u>	<u>664,274</u>	<u>803,659</u>	<u>561,984</u>	<u>97,951</u>	<u>659,935</u>
Total Liabilities	<u>\$7,289,984</u>	<u>\$ 3,592,936</u>	<u>\$10,882,920</u>	<u>\$7,664,074</u>	<u>\$ 2,982,683</u>	<u>\$10,646,757</u>
Deferred Inflows	<u>\$ 76,560</u>	<u>\$ 16,769</u>	<u>\$ 93,329</u>	<u>\$ 126,442</u>	<u>\$ 46,169</u>	<u>\$ 172,611</u>
Net Position:						
Net investment in capital assets	\$ 536,014	\$10,244,098	\$10,780,112	\$1,151,894	\$ 9,289,265	\$10,441,159
Unrestricted	<u>892,999</u>	<u>(537,358)</u>	<u>355,641</u>	<u>1,172,592</u>	<u>209,855</u>	<u>1,382,447</u>
Total Net Position	<u>\$1,429,013</u>	<u>\$ 9,706,740</u>	<u>\$11,135,753</u>	<u>\$2,324,486</u>	<u>\$ 9,499,120</u>	<u>\$11,823,606</u>

City of Mansfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2023

Summary of the City of Mansfield's Changes in Net Position

The City's net position decreased by \$687,854 during the year ended December 31, 2023 compared to an increase of \$1,352,048 in 2022. This change is due primarily to an increase in expenses for public works, sewer and water in 2023.

Approximately 26% (\$2,315,135) of the City's total revenues was derived through charges for services in 2023 compared to 24% (\$2,276,141) in 2022. During the year ended December 31, 2023, approximately 57% (\$5,092,072) was derived from general revenues including taxes and interest compared to 55% (\$5,160,119) during 2022. The City received \$1,571,938 (18%) and \$1,941,544 (21%) of its total revenues through program grants and contributions during 2023 and 2022, respectively.

	As of December 31, 2023			As of December 31, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Fees, fines and charges for services	\$ 301,649	\$2,013,486	\$ 2,315,135	\$ 327,242	\$ 1,948,899	\$ 2,276,141
Operating grants and Contributions	196,384	0	196,384	1,011,972	0	1,011,972
Capital grants and Contributions	142,554	1,233,000	1,375,554	929,572	0	929,572
General Revenues:						
Ad valorem taxes	473,039	0	473,039	469,231	0	469,231
Sales and use tax	3,097,091	0	3,097,091	3,349,697	0	3,349,697
Franchise fees	279,974	0	279,974	320,360	0	320,360
Hotel and Motel	205,554	0	205,554	200,245	0	200,245
Licenses and Permits	366,830	0	366,830	288,437	0	288,437
Video Poker	267,354	0	267,354	261,874	0	261,874
Interest income	25,511	22,611	48,122	9,870	5,253	15,123
Oil & Gas Royalty	183,754	0	183,754	12,674	0	12,674
Other	146,104	24,250	170,354	221,177	21,301	242,478
Total Revenues	<u>\$5,685,798</u>	<u>\$3,293,347</u>	<u>\$ 8,979,145</u>	<u>\$7,402,351</u>	<u>\$ 1,975,453</u>	<u>\$ 9,377,804</u>
Expenses:						
General government	\$2,147,005	\$ 0	\$ 2,147,005	\$2,211,176	\$ 0	\$ 2,211,176
Public safety	2,159,824	0	2,159,824	2,071,838	0	2,071,838
Public works	624,681	0	624,681	473,939	0	473,939
Sanitation	162,971	0	162,971	159,528	0	159,528
Recreation	539	0	539	0	0	0
Interest on long-term debt	58,680	6,529	65,209	60,758	0	60,758
Water and sewer	1,083,000	3,423,770	4,506,770	0	3,048,517	3,048,517
Total Expenses	<u>\$6,236,700</u>	<u>\$3,430,299</u>	<u>\$ 9,666,999</u>	<u>\$4,977,239</u>	<u>\$ 3,048,517</u>	<u>\$ 8,025,756</u>
Increase (Decrease) in net position before Transfers	\$ (550,902)	\$ (136,952)	\$ (687,854)	\$2,425,112	\$(1,073,064)	\$ 1,352,048
Transfers	<u>(344,572)</u>	<u>344,572</u>	<u>0</u>	<u>(950,000)</u>	<u>950,000</u>	<u>0</u>
Increase (Decrease) in Net Position	\$ (895,474)	\$ (207,620)	\$ (687,854)	\$1,475,112	\$ (123,064)	\$ 1,352,048
Net Position- Beginning	<u>2,324,487</u>	<u>9,499,120</u>	<u>11,823,607</u>	<u>849,375</u>	<u>9,622,184</u>	<u>10,471,579</u>
Net Position-Ending	<u>\$1,429,013</u>	<u>\$9,706,740</u>	<u>\$11,135,753</u>	<u>\$2,324,487</u>	<u>\$ 9,499,120</u>	<u>\$11,823,607</u>

City of Mansfield, Louisiana**Management's Discussion and Analysis (MD&A)
December 31, 2023****Financial Analysis of the Individual Funds**

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,852,521, a decrease of \$142,208 in comparison with the prior year. \$1,913,827 of this total amount consists of unassigned fund balance, which is available for spending at the City's discretion.

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

At the end of the current fiscal year, the City's proprietary funds reported combined ending net position of \$9,706,740, an increase of \$207,620 in comparison with the prior year's ending net position of \$9,499,120. The Water Fund had a decrease in net position of \$697,214, and the Sewer Fund had an increase in net position of \$904,834. \$10,244,098 represents investment in capital assets net of accumulated depreciation and related outstanding debt. The unrestricted net position is a deficit of \$537,358.

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

The City's General Fund budget was amended to reflect increases in taxes and expenses related to general government and public works.

The actual revenues were \$107,039 more than the final budgeted amounts and the actual expenditures were \$138,074 more than the final budgeted amounts. The budget to actual variances for revenues were favorable.

City of Mansfield, Louisiana**Management's Discussion and Analysis (MD&A)
December 31, 2023****Capital Asset Administration**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023 totaled \$37,251,267, net of accumulated depreciation of \$22,084,506, leaving a book value of \$15,166,761. This investment in capital assets consists of land, buildings, equipment, and water and sewer plant and improvements. Depreciation charges for the year totaled \$888,882 for 2023 compared to \$884,766 for the prior year.

During 2023, major capital expenditures were for equipment and materials for public safety, public works and sewer improvements.

Debt Administration

At year-end, the City had \$4,615,492 in bonds, notes and leases outstanding, a decrease of \$118,650 compared to the prior year.

Debt, considered a liability of governmental activities, decreased by \$219,677 due to the bond payments made for \$350,000 and newly acquired leases in the amount of \$130,323.

Debt, considered a liability of the business-type activities, increased by \$101,027 due to the debt payments made for \$3,000 and newly acquired leases in the amount of \$104,027.

The City's net pension liability at December 31, 2023 is \$5,248,457.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for the General Fund for the fiscal year ended December 31, 2024 was prepared:

- Revenues are expected to be consistent with the 2023 revenues.
- The budget provides for salary increases for employees.
- Other expenditures are expected to remain consistent with the prior year.

Requests for Information

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

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

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - LLC
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Mayor and the City Council of
Mansfield, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Justice System Funding Schedule – Collecting/Disbursing Entity as required by the *Louisiana Governmental Audit Guide*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Justice System Funding Schedule – Disbursing/Receiving Entity, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 27, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

June 27, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

City of Mansfield, Louisiana
Government-Wide Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets-			
Cash & Cash Equivalents	\$3,408,646	\$ 95,034	\$ 3,503,680
Revenue Receivables, Net-			
Utility Billings	0	584,926	584,926
Other	561,073	0	561,073
Prepaid Expenses	22,187	8,706	30,893
Due from Other Funds	0	2,657	2,657
Total Current Assets	<u>\$3,991,906</u>	<u>\$ 691,323</u>	<u>\$ 4,683,229</u>
Non-Current Assets-			
Restricted Assets-			
Cash & Cash Equivalents	\$ 0	\$ 229,174	\$ 229,174
Customer's Deposit Accounts	0	320,389	320,389
Capital Assets - Net of Accumulated Depreciation	3,489,105	11,677,656	15,166,761
Right-of-Assets - Net of Accumulated Amortization	<u>127,232</u>	<u>101,611</u>	<u>228,843</u>
Total Non-Current Assets	<u>\$3,616,337</u>	<u>\$12,328,830</u>	<u>\$15,945,167</u>
 Total Assets	 <u>\$7,608,243</u>	 <u>\$13,020,153</u>	 <u>\$20,628,396</u>
Deferred Outflows of Resources-			
Pensions	<u>\$1,187,314</u>	<u>\$ 296,292</u>	<u>\$ 1,483,606</u>
Liabilities:			
Current Liabilities-			
Cash Overdraft	\$ 0	\$ 426,106	\$ 426,106
Accounts Payable	4,765	220,100	224,865
Accrued Payroll	48,860	18,068	66,928
Cash Bonds Payable	62,330	0	62,330
Due to Other Funds	2,657	0	2,657
Accrued Interest Payable	20,773	0	20,773
Current Portion - Long-Term Debt	<u>377,011</u>	<u>24,433</u>	<u>401,444</u>
Total Current Liabilities	<u>\$ 516,396</u>	<u>\$ 688,707</u>	<u>\$ 1,205,103</u>
Non-Current Liabilities-			
Payable from Restricted Assets-			
Customers' Deposits	\$ 0	\$ 215,312	\$ 215,312
Net Pension Liability	4,070,276	1,178,181	5,248,457
Long-term Debt	<u>2,703,312</u>	<u>1,510,736</u>	<u>4,214,048</u>
Total Non-Current Liabilities	<u>\$6,773,588</u>	<u>\$ 2,904,229</u>	<u>\$ 9,677,817</u>
 Total Liabilities	 <u>\$7,289,984</u>	 <u>\$ 3,592,936</u>	 <u>\$10,882,920</u>
Deferred Inflows of Resources-			
Pensions	<u>\$ 76,560</u>	<u>\$ 16,769</u>	<u>\$ 93,329</u>
Net Position:			
Net Investment in Capital Assets	\$ 536,014	\$10,244,098	\$10,780,112
Unrestricted	<u>892,999</u>	<u>(537,358)</u>	<u>355,641</u>
 Total Net Position	 <u>\$1,429,013</u>	 <u>\$ 9,706,740</u>	 <u>\$11,135,753</u>

See independent auditors' report and notes to financial statements

City of Mansfield, Louisiana
Government-Wide Statement of Activities
For the Year Ended December 31, 2023

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$2,147,005	\$ 5,942	\$ 0	\$ 0	\$(2,141,063)	\$ 0	\$(2,141,063)
Public Safety	2,159,824	71,119	166,848	0	(1,921,857)	0	(1,921,857)
Public Works	624,681	0	29,536	0	(595,145)	0	(595,145)
Sanitation	162,971	224,588	0	0	61,617	0	61,617
Recreation	539	0	0	0	(539)	0	(539)
Sewer	1,083,000	0	0	142,554	(940,446)	0	(940,446)
Interest on Long-term Debt	<u>58,680</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(58,680)</u>	<u>0</u>	<u>(58,680)</u>
Total Governmental Activities	<u>\$6,236,700</u>	<u>\$ 301,649</u>	<u>\$196,384</u>	<u>\$ 142,554</u>	<u>\$(5,596,113)</u>	<u>\$ 0</u>	<u>\$(5,596,113)</u>
Business-Type Activities:							
Water	\$2,718,123	\$1,507,695	\$ 0	\$ 150,000	\$ 0	\$(1,060,428)	\$(1,060,428)
Sewer	705,647	505,791	0	1,083,000	0	883,144	883,144
Interest on Long-Term Debt	<u>6,529</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,529)</u>	<u>(6,529)</u>
Total Business-Type Activities	<u>\$3,430,299</u>	<u>\$2,013,486</u>	<u>\$ 0</u>	<u>\$1,233,000</u>	<u>\$ 0</u>	<u>\$ (183,813)</u>	<u>\$(183,813)</u>
Total Government	<u>\$9,666,999</u>	<u>\$2,315,135</u>	<u>\$196,384</u>	<u>\$1,375,554</u>	<u>\$(5,596,113)</u>	<u>\$ (183,813)</u>	<u>\$(5,779,926)</u>
General Revenues:							
Taxes-							
Ad Valorem					\$ 473,039	\$ 0	\$ 473,039
Sales & Use					3,097,091	0	3,097,091
Franchise					279,974	0	279,974
Hotel & Motel					205,554	0	205,554
Licenses & Permits					366,830	0	366,830
Video Poker					267,354	0	267,354
Interest Income					25,511	22,611	48,122
Oil & Gas Royalty					183,754	0	183,754
Miscellaneous					10,024	0	10,024
Non-Employer Pension Revenue					86,650	24,250	110,900
Gain on Sale of Assets					49,430	0	49,430
Transfers					<u>(344,572)</u>	<u>344,572</u>	<u>0</u>
Total General Revenues					<u>\$ 4,700,639</u>	<u>\$ 391,433</u>	<u>\$ 5,092,072</u>
Change in Net Position					<u>\$ (895,474)</u>	<u>\$ 207,620</u>	<u>\$ (687,854)</u>
Net Position at Beginning of Year					<u>2,324,487</u>	<u>9,499,120</u>	<u>11,823,607</u>
Net Position at End of Year					<u>\$ 1,429,013</u>	<u>\$ 9,706,740</u>	<u>\$11,135,753</u>

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

City of Mansfield, Louisiana
Balance Sheet-Governmental Funds
December 31, 2023

	<u>Major Funds</u>			<u>Nonmajor</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u>	<u>Debt Service</u> <u>Fund</u>	<u>Police</u> <u>Witness Fund</u>	
<u>Assets</u>					
Cash & Cash Equivalents	\$1,566,643	\$ 75	\$1,804,781	\$37,147	\$3,408,646
Revenue Receivables	465,721	0	95,352	0	561,073
Prepaid Expenses	22,187	0	0	0	22,187
Due from Other Funds	<u>200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200</u>
Total Assets	<u>\$2,054,751</u>	<u>\$ 75</u>	<u>\$1,900,133</u>	<u>\$37,147</u>	<u>\$3,992,106</u>
<u>Liabilities</u>					
Accounts Payable	\$ 4,765	\$ 0	\$ 0	\$ 0	\$ 4,765
Accrued Expenses	48,860	0	20,773	0	69,633
Cash Bonds Payable	62,330	0	0	0	62,330
Due to Other Funds	<u>2,657</u>	<u>200</u>	<u>0</u>	<u>0</u>	<u>2,857</u>
Total Liabilities	<u>\$ 118,612</u>	<u>\$ 200</u>	<u>\$ 20,773</u>	<u>\$ 0</u>	<u>\$ 139,585</u>
<u>Fund Balances</u>					
Nonspendable:					
Prepaid Expenses	\$ 22,187	\$ 0	\$ 0	\$ 0	\$ 22,187
Restricted for:					
Debt Service	0	0	1,879,360	0	1,879,360
Assigned to:					
Police Witness Fees	0	0	0	37,147	37,147
Unassigned	<u>1,913,952</u>	<u>(125)</u>	<u>0</u>	<u>0</u>	<u>1,913,827</u>
Total Fund Balances	<u>\$1,936,139</u>	<u>\$(125)</u>	<u>\$1,879,360</u>	<u>\$37,147</u>	<u>\$3,852,521</u>
Total Liabilities & Fund Balances					
	<u>\$2,054,751</u>	<u>\$ 75</u>	<u>\$1,900,133</u>	<u>\$37,147</u>	<u>\$3,992,106</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2023

Total Fund Balances of the Governmental Funds	\$ 3,852,521
Amounts reported for Governmental Activities in the Statement of Net Position are different because.	
Capital and Right-of-Use Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Capital Assets	8,293,225
Less, Accumulated Depreciation	(4,804,120)
Right-of-Use Assets	151,333
Less, Accumulated Amortization	(24,101)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet-	
	1,187,314
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Long-term Debt	(2,950,000)
Capital Lease Liability	(130,323)
Net Pension Liability	(4,070,276)
Deferred Inflows of Resources are not due and payable in in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	
	<u>(76,560)</u>
Net Position of Governmental Activities	<u>\$ 1,429,013</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2023

	Major Funds			Nonmajor	Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Police Witness Fund	
REVENUES:					
Taxes	\$3,044,130	\$ 0	\$1,011,528	\$ 0	\$4,055,658
Licenses & Permits	634,184	0	0	0	634,184
Intergovernmental	196,384	142,554	0	0	338,938
Charges for Services	246,575	0	0	4,550	251,125
Fines & Forfeitures	50,524	0	0	0	50,524
Oil & Gas Royalties	183,755	0	0	0	183,755
Miscellaneous	26,120	0	9,022	393	35,535
Total Revenues	<u>\$4,381,672</u>	<u>\$142,554</u>	<u>\$1,020,550</u>	<u>\$ 4,943</u>	<u>\$5,549,719</u>
EXPENDITURES:					
Current-					
General Government	\$1,794,614	\$ 0	\$ 3,307	\$ 0	\$1,797,921
Public Safety-					
Police	1,368,841	0	0	3,811	1,372,652
Fire	646,721	0	0	0	646,721
Public Works	560,383	0	0	0	560,383
Sanitation	152,373	0	0	0	152,373
Recreation	503	0	0	0	503
Capital Outlay	453,697	142,554	0	0	596,251
Debt Service					
Principal	21,010	0	350,000	0	371,010
Interest	8,332	0	50,348	0	58,680
Total Expenditures	<u>\$5,006,474</u>	<u>\$142,554</u>	<u>\$ 403,655</u>	<u>\$ 3,811</u>	<u>\$5,556,494</u>
Excess of Revenues over Expenditures	\$ (624,802)	\$ 0	\$ 616,895	\$ 1,132	\$ (6,775)
OTHER FINANCING (USES) AND SOURCES:					
Net Operating Transfers	\$ 5,428	\$ 0	\$ (350,000)	\$ 0	\$ (344,572)
Proceeds from Asset Sales	57,806	0	0	0	57,806
Proceeds from Leases	151,333	0	0	0	151,333
Total Other Financing	<u>\$ 214,567</u>	<u>\$ 0</u>	<u>\$ (350,000)</u>	<u>\$ 0</u>	<u>\$ (135,433)</u>
Excess of Revenues and Sources over Expenditures and Uses	\$ (410,235)	\$ 0	\$ 266,895	\$ 1,132	\$ (142,208)
FUND BALANCES:					
Beginning of Year	<u>2,346,374</u>	<u>(125)</u>	<u>1,612,465</u>	<u>36,015</u>	<u>3,994,729</u>
End of Year	<u>\$1,936,139</u>	<u>\$ (125)</u>	<u>\$1,879,360</u>	<u>\$37,147</u>	<u>\$3,852,521</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of the Governmental Funds
 to the Statement of Activities
 Year Ended December 31, 2023

Net Change in Fund Balance - Governmental Funds \$ (142,208)

Amounts reported for Governmental Activities
 in the Statement of Activities are different because:

Governmental Funds report Capital Outlays as expenditures.

However, in the Statement of Activities, the cost of these assets is
 allocated over their estimated useful lives as depreciation expense.

The cost of capital assets recorded in the current period is 596,250

Depreciation and Amortization expense on capital assets is reported in the
 Government-wide financial statements, but does not require the use of
 current financial resources and is not reported in the Fund Financial
 Statements. Current year amounts are summarized below:

Depreciation Expense (316,330)

Amortization Expense (24,101)

Some revenues reported in the Statement of Activities do not provide current
 financial resources and these are not reported as revenues in governmental
 funds. Some expenses reported in the Statement of Activities do not require
 the use of current financial resources and, therefore, are not reported as
 expenditures in governmental funds. These timing differences
 are summarized below.

Non-Employer Pension Revenue 86,650

Pension Expense (224,035)

Capital Contributed to the Sewer Fund (1,083,000)

Net Effect of Sale Transactions (8,377)

Proceeds of Capital Leases (151,333)

Payments made on Long-term Debt are shown as expenditures in the
 Governmental Funds, but the payments reduce Long-term Liabilities in the
 Statement of Net Position. 371,010

Decrease in Net Position of Governmental Activities \$ (895,474)

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Net Position
Proprietary Funds
Year Ended December 31, 2023

	<u>Business-Type Activities</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Assets-			
Current Assets-			
Cash & Cash Equivalents	\$ 86,296	\$ 8,738	\$ 95,034
Receivables	123,498	437,412	560,910
Less, Allowance for Doubtful Accounts	(18,415)	(78,017)	(96,432)
Unbilled Receivables	29,219	91,229	120,448
Due from General Fund	0	2,657	2,657
Prepaid Expenses	<u>1,073</u>	<u>7,633</u>	<u>8,706</u>
Total Current Assets	<u>\$ 221,671</u>	<u>\$ 469,652</u>	<u>\$ 691,323</u>
Restricted Assets-			
Cash & Cash Equivalents	\$ 0	\$ 229,174	\$ 229,174
Customer's Deposit Accounts	<u>0</u>	<u>320,389</u>	<u>320,389</u>
Total Restricted Assets	<u>\$ 0</u>	<u>\$ 549,563</u>	<u>\$ 549,563</u>
Noncurrent Assets-			
Land	\$ 0	\$ 70,361	\$ 70,361
Buildings	3,095	0	3,095
Machinery & Equipment	133,242	510,180	643,422
Vehicles	0	110,313	110,313
Water System	0	18,262,311	18,262,311
Sewer System	9,868,539	0	9,868,539
Less, Accumulated Depreciation	(6,968,991)	(10,311,394)	(17,280,385)
Right-of-Use Assets	43,090	77,276	120,366
Less, Accumulated Amortization	<u>(6,464)</u>	<u>(12,291)</u>	<u>(18,755)</u>
Total Noncurrent Assets	<u>\$ 3,072,511</u>	<u>\$ 8,706,756</u>	<u>\$ 11,779,267</u>
Total Assets	<u>\$ 3,294,182</u>	<u>\$ 9,725,971</u>	<u>\$ 13,020,153</u>
Deferred Outflows of Resources-			
Pensions	<u>\$ 66,666</u>	<u>\$ 229,626</u>	<u>\$ 296,292</u>
Liabilities-			
Current Liabilities-			
Cash Overdraft	\$ 158,662	\$ 267,444	\$ 426,106
Accounts Payable	16,305	203,795	220,100
Accrued Payroll	<u>2,768</u>	<u>15,300</u>	<u>18,068</u>
Total Current Liabilities	<u>\$ 177,735</u>	<u>\$ 486,539</u>	<u>\$ 664,274</u>

Continued next page.

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Net Position (continued)
Proprietary Funds
Year Ended December 31, 2023

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Liabilities Payable from Restricted Assets-			
Current Portion of Revenue Bonds	\$ 0	\$ 3,000	\$ 3,000
Current Portion of Capital Leases	7,642	13,791	21,433
Customer's Deposits	<u>0</u>	<u>215,312</u>	<u>215,312</u>
Total Payable from Restricted Assets	<u>\$ 7,642</u>	<u>\$ 232,103</u>	<u>\$ 239,745</u>
Noncurrent Liabilities-			
Notes and Bonds Payable	\$ 0	\$ 1,428,142	\$ 1,428,142
Capital Leases	29,824	52,770	82,594
Net Pension Liability	<u>265,091</u>	<u>913,090</u>	<u>1,178,181</u>
Total Noncurrent Liabilities	<u>\$ 294,915</u>	<u>\$ 2,394,002</u>	<u>\$ 2,688,917</u>
Total Liabilities	<u>\$ 480,292</u>	<u>\$ 3,112,644</u>	<u>\$ 3,592,936</u>
Deferred Inflow of Resources-			
Pensions	<u>\$ 3,773</u>	<u>\$ 12,996</u>	<u>\$ 16,769</u>
Net Position-			
Net Investment in Capital Assets	\$ 3,035,045	\$ 7,209,053	\$ 10,244,098
Unrestricted	<u>(158,262)</u>	<u>(379,096)</u>	<u>(537,358)</u>
Total Net Position	<u>\$ 2,876,783</u>	<u>\$ 6,829,957</u>	<u>\$ 9,706,740</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2023

	<u>Business-Type Activities</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for Services-			
Water	\$ 0	\$ 1,440,559	\$ 1,440,559
Sewer	503,337	0	503,337
Miscellaneous-			
Penalties & Charges	1,941	55,353	57,294
Other	513	11,783	12,296
Total Operating Revenues	<u>\$ 505,791</u>	<u>\$ 1,507,695</u>	<u>\$ 2,013,486</u>
Operating Expenses:			
Personnel Services	\$ 258,615	\$ 977,167	\$ 1,235,782
Billing Office	15,663	25,417	41,080
System Maintenance	77,267	363,650	440,917
Treatment Facilities	131,616	818,787	950,403
General & Administrative	41,860	122,421	164,281
Depreciation & Amortization	180,626	410,681	591,307
Total Operating Expenses	<u>\$ 705,647</u>	<u>\$ 2,718,123</u>	<u>\$ 3,423,770</u>
Loss from Operations	<u>\$ (199,856)</u>	<u>\$(1,210,428)</u>	<u>\$(1,410,284)</u>
Non-operating Revenues (Expenses):			
Interest Income	\$ 9,342	\$ 13,269	\$ 22,611
Capital Lease Interest	(2,278)	(4,251)	(6,529)
Grant Revenue	0	150,000	150,000
Non-Employer Pension Revenue	5,456	18,794	24,250
Total Non-operating Revenues (Expenses)	<u>\$ 12,520</u>	<u>\$ 177,812</u>	<u>\$ 190,332</u>
Loss Before Contributions and Transfers	<u>\$ (187,336)</u>	<u>\$(1,032,616)</u>	<u>\$(1,219,952)</u>
Contributions and Transfers:			
Capital Contributions	\$1,083,000	\$ 0	\$ 1,083,000
Transfers	9,170	335,402	344,572
Total Contributions and Transfers	<u>\$1,092,170</u>	<u>\$ 335,402</u>	<u>\$ 1,427,572</u>
Change in Net Position	\$ 904,834	\$ (697,214)	\$ 207,620
Net Position at Beginning of Year	<u>1,971,949</u>	<u>7,527,171</u>	<u>9,499,120</u>
Net Position at End of Year	<u>\$2,876,783</u>	<u>\$6,829,957</u>	<u>\$ 9,706,740</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 497,925	\$ 1,468,882	\$ 1,966,807
Cash Payments to Suppliers for Goods and Services	(250,502)	(1,205,726)	(1,456,228)
Cash Payments to Employees	<u>(268,920)</u>	<u>(1,014,924)</u>	<u>(1,283,844)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>(21,497)</u>	\$ <u>(751,768)</u>	\$ <u>(773,265)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers from Other Funds	\$ <u>9,170</u>	\$ <u>335,402</u>	\$ <u>344,572</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	\$(1,397,424)	\$ (129,377)	\$(1,526,801)
Acquisition of Right-of-Use Assets	(43,090)	(77,276)	(120,366)
Contributed Capital	1,083,000	0	1,083,000
Capital Grant	0	150,000	150,000
Proceeds from Debt	43,090	77,276	120,366
Principal Paid on Capital Debt	(5,624)	(13,715)	(19,339)
Interest Paid on Capital Debt	<u>(2,278)</u>	<u>(4,251)</u>	<u>(6,529)</u>
Net Cash Used by Capital and Related Financing Activities	\$ <u>(322,326)</u>	\$ <u>2,657</u>	\$ <u>(319,669)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	\$ <u>9,342</u>	\$ <u>13,269</u>	\$ <u>22,611</u>
Net Decrease in Cash & Cash Equivalents	\$ (325,311)	\$ (400,440)	\$ (725,751)
CASH & CASH EQUIVALENTS			
Beginning of Year	<u>252,945</u>	<u>691,297</u>	<u>944,242</u>
End of Year	\$ <u>(72,366)</u>	\$ <u>290,857</u>	\$ <u>218,491</u>

City of Mansfield, Louisiana
Statement of Cash Flows (continued)
Proprietary Funds
Year Ended December 31, 2023

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Loss from Operations	\$(199,856)	\$(1,210,428)	\$(1,410,284)
ADJUSTMENTS TO RECONCILE LOSS FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	180,626	410,681	591,307
(Increase)/Decrease in Accounts Receivable	(7,866)	(42,763)	(50,629)
Increase (Decrease) in Accounts Payable	15,904	124,549	140,453
Increase (Decrease) in Accrued Payroll	1,130	1,634	2,764
Increase (Decrease) in Customer's Deposits	0	3,950	3,950
Increase (Decrease) in Net Pension Liability	<u>(11,435)</u>	<u>(39,391)</u>	<u>(50,826)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (21,497)</u>	<u>\$ (751,768)</u>	<u>\$ (773,265)</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:			
Current Assets-			
Cash and Cash Equivalents	\$ 86,296	\$ 8,738	\$ 95,034
Restricted Assets-			
Cash and Cash Equivalents	0	549,563	549,563
Current Liabilities-			
Cash Overdraft	<u>(158,662)</u>	<u>(267,444)</u>	<u>(426,106)</u>
Total Cash and Cash Equivalents	<u>\$ (72,366)</u>	<u>\$ 290,857</u>	<u>\$ 218,491</u>

See independent auditors' report and notes to financial statements

NOTES TO FINANCIAL STATEMENTS

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Introduction

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

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are described below.

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the City of Mansfield to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City of Mansfield.
2. Organizations for which the City of Mansfield does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the City of Mansfield has determined that there are no component units.

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

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

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

The funds of the City are described below:

Governmental Funds-

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Debt Service Fund - To account for the financial resources accumulated and payments made for principal and interest on the Sales Tax Refunding Bond, Series 2021.

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

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

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

Proprietary Funds-

Enterprise Funds

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

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

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

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

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows, including unbilled water and sewer services.

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if collected within 60 days of the end of the current fiscal period. Other major revenues that are considered susceptible to accrual include earned grant revenues, charges for services, and interest earned on investments. Franchise fees, licenses and permits, and court fines are recognized when received because they are not objectively measurable

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting

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

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

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

E. Cash and Cash Equivalents

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

F. Bad Debts

Uncollectible amounts due for customer's utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Allowance for bad debts in the proprietary funds at December 31, 2023 was \$96,432. Allowance for bad debts in the governmental funds at December 31, 2023 was \$6,397.

G. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

H. Compensated Absences

City employees earn from ten to twenty days of vacation leave and from twelve to thirty days of sick leave each year. Vacation leave does not accumulate and accrued sick leave does not vest with the employee; therefore, there is no accrual for compensated absences as of December 31, 2023.

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

I. Short-term Interfund Receivables/Payables

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

J. Interfund Transactions

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

The following is a summary of interfund operating transfers.

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Debt Service-		
Sales Tax	\$ 0	\$350,000
General Fund	11,769	6,341
Enterprise Fund-		
Water	355,073	19,671
Sewer	<u>9,170</u>	<u>0</u>
Totals	<u>\$376,012</u>	<u>\$376,012</u>

Transfers are primarily used to move funds from the Debt Service and General Funds to the Proprietary Fund so that excess revenues can be used for water and sewer services

K. Long-term Obligations

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

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

L. Restricted Assets

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

M. Pensions

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

N. Deferred Outflows/Inflows of Resources

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

O. Fund Equity

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

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

In the General Fund, the City has an unassigned fund balance of \$1,913,952 and nonspendable fund balance of \$22,187. If applicable, the City would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The City establishes fund balance commitments and assignments by passage of an ordinance or resolution.

P. Net Position

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

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

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

Q. Estimates

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

2. Ad Valorem Taxes

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

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Property Tax Calendar

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

For the year ended December 31, 2023, taxes of 17.18 mills were levied on property with an assessed valuation totaling \$26,690,585, and were dedicated as follows:

General Alimony	8.38 mills
Operating	8.80 mills

Total taxes collected were \$473,039 after small adjustments were made to the original tax roll. Delinquent taxes are collected by the sale of the related property; therefore, no provision for uncollectibles is made. There were no tax abatements during the year ending December 31, 2023

3. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2023, is as follows:

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
Governmental Activities:				
Capital Assets not Depreciated-				
Land	\$ 201,820	\$ 0	\$ 0	\$ 201,820
Construction in Progress	940,446	239,645	1,083,000	97,091
Capital Assets Depreciated-				
Buildings & Improvements	1,101,705	0	0	1,101,705
Other Improvements	3,821,832	72,453	0	3,894,285
Equipment	1,238,238	6,020	62,208	1,182,050
Office Furniture	3,556	0	0	3,556
Vehicles	<u>2,457,487</u>	<u>126,800</u>	<u>771,569</u>	<u>1,812,718</u>
Total Capital Assets	<u>\$9,765,084</u>	<u>\$444,918</u>	<u>\$1,916,777</u>	<u>\$8,293,225</u>
Less: Accumulated Depreciation-				
Buildings & Improvements	\$ 699,503	\$ 20,609	\$ 0	\$ 720,112
Other Improvements	1,659,137	81,538	0	1,740,675
Equipment	1,078,308	55,924	60,690	1,073,542
Office Furniture	3,556	0	0	3,556
Vehicles	<u>1,872,686</u>	<u>158,259</u>	<u>764,710</u>	<u>1,266,235</u>
Total Accumulated Depreciation	<u>\$5,313,190</u>	<u>\$316,330</u>	<u>\$ 825,400</u>	<u>\$4,804,120</u>
Governmental Activities Capital Assets, Net	<u>\$4,451,894</u>	<u>\$128,588</u>	<u>\$1,091,377</u>	<u>\$3,489,105</u>

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Depreciation expense of \$316,330 for the year ended December 31, 2023, was charged to the following governmental functions:

General Fund-				
General Government	\$125,048			
Public Safety	140,451			
Public Works	40,198			
Sanitation	10,598			
Recreation	<u>35</u>			
Total General Fund	<u>\$316,330</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>1-1-2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-2023</u>
Business-Type Activities:				
Capital Assets not Depreciated-				
Land	\$ 70,361	\$ 0	\$ 0	\$ 70,361
Construction in Progress	126,934	1,397,424	1,524,358	0
Capital Assets Depreciated-				
Buildings	3,095	0	0	3,095
Water Treatment Plant	4,707,554	0	0	4,707,554
Machinery & Equipment	282,635	129,377	0	412,012
Pumping Station	1,536,308	0	0	1,536,308
Transmission Line	4,090,726	0	0	4,090,726
Water System	8,269,446	0	0	8,269,446
Sewer System	5,357,855	0	0	5,357,855
Sewer Treatment Plant	<u>2,986,327</u>	<u>1,524,358</u>	<u>0</u>	<u>4,510,685</u>
Total Capital Assets	<u>\$27,431,241</u>	<u>\$3,051,159</u>	<u>\$1,524,358</u>	<u>\$28,958,042</u>
Less: Accumulated Depreciation-				
Buildings	\$ 3,095	\$ 0	\$ 0	\$ 3,095
Water Treatment Plant	3,001,265	119,503	0	3,120,768
Machinery & Equipment	592,082	19,203	0	611,285
Pumping Station	1,161,833	19,984	0	1,181,817
Transmission Line	2,658,829	53,135	0	2,711,964
Water System	2,622,326	192,537	0	2,814,863
Sewer System	4,002,869	124,446	0	4,127,315
Sewer Treatment Plant	<u>2,665,535</u>	<u>43,744</u>	<u>0</u>	<u>2,709,279</u>
Total Accumulated Depreciation	<u>\$16,707,834</u>	<u>\$ 572,552</u>	<u>\$ 0</u>	<u>\$17,280,386</u>
Business-Type Activities Capital Assets, Net	<u>\$10,723,407</u>	<u>\$2,478,607</u>	<u>\$1,524,358</u>	<u>\$11,677,656</u>

Depreciation expense of \$572,552 for the year ended December 31, 2023, was charged to the following business-type functions:

Water System	\$398,389
Sewer System	<u>174,163</u>
Total Utility Fund	<u>\$572,552</u>

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

4. Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended December 31, 2023.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Funds.				
Series 2021 Sales Tax Bonds	<u>\$3,300,000</u>	<u>\$0</u>	<u>\$350,000</u>	<u>\$2,950,000</u>
Proprietary Funds				
URAF Agreements 8085, 8751, 8996	\$ 350,227	\$0	\$ 3,000	\$ 347,227
URAF Agreements 06465	133,859	0	0	133,859
URAF Agreements LTM-116-02	49,573	0	0	49,573
URAF Agreements LTM-399	600,321	0	0	600,321
URAF Agreement 14958	<u>300,162</u>	<u>0</u>	<u>0</u>	<u>300,162</u>
Total Proprietary Funds	<u>\$1,434,142</u>	<u>\$0</u>	<u>\$ 3,000</u>	<u>\$1,431,142</u>
Grand Total	<u>\$4,734,142</u>	<u>\$0</u>	<u>\$353,000</u>	<u>\$4,381,142</u>

Bonds and notes payable at December 31, 2023 are comprised of the following:

Governmental Funds

1. Sales Tax Refunding Bonds, Series 2021, interest at 1.69%, dated September 23, 2021, in the original amount of \$3,365,000. Red River Bank of Shreveport, Louisiana agreed to purchase the Sales Tax Refunding Bonds, Series 2021 for the purpose of refinancing of the outstanding Sales Tax Bonds, Series 2010B, 2020, and 2011. The loan is secured and payable from a pledge and dedication of the revenues of a $\frac{1}{2}$ % sales and use tax of the City authorized at an election held on October 4, 2008, after payment of the reasonable costs of collecting and administering the tax. The net revenues of the tax shall be and remain pledged for the security and payment of the bonds in principal and interest, until the bonds shall be fully paid and discharged. Scheduled principal and interest payments are due annually through February 1, 2032.

Proprietary Funds

1. Utility Relocation Assistance Funding Agreement, non-interest bearing, dated March 14, 2001 (238,029); July 24, 1996 (\$106,665); and July 9, 1998 (\$50,533). Principal payments of \$3,000 due annually through 2039.
2. Utility Relocation Assistance Funding Agreement – 06465, non-interest bearing, dated May 16, 2006, due upon demand.
3. Utility Relocation Assistance Funding Agreement – LTM 116-02, non-interest bearing, dated July 12, 1982, due upon demand.
4. Utility Relocation Assistance Funding Agreement – LTM 399-02, non-interest bearing, dated December 16, 2008, due upon demand.
5. Utility Relocation Assistance Funding Agreement – 14958, non-interest bearing, dated August 23, 2020, due upon demand.

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 350,000	\$ 46,897	\$ 396,897
2025	355,000	40,940	395,940
2026	355,000	34,941	389,941
2027	365,000	28,857	393,857
2028	370,000	22,646	392,646
2029-2032	<u>1,155,000</u>	<u>32,068</u>	<u>1,187,068</u>
Total	<u>\$2,950,000</u>	<u>\$206,349</u>	<u>\$3,156,349</u>

<u>Year Ending</u> <u>December 31</u>	<u>Proprietary Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,000	\$0	\$ 3,000
2024	3,000	0	3,000
2025	3,000	0	3,000
2026	3,000	0	3,000
2027	3,000	0	3,000
2028-2032	15,000	0	15,000
2033-2037	15,000	0	15,000
2038-2042	15,000	0	15,000
2043-2047	15,000	0	15,000
2048-2052	15,000	0	15,000
2053-2057	15,000	0	15,000
Thereafter	<u>1,326,142</u>	<u>0</u>	<u>1,326,142</u>
Total	<u>\$1,431,142</u>	<u>\$0</u>	<u>\$1,431,142</u>

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

5. Restricted Assets

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

6. Debt Service Fund

Under the terms of the loan and pledge agreements for the Red River Bank of Shreveport, Louisiana to purchase the City's Sales Tax Refunding Bonds, Series 2021, the City is required to establish a Debt Service Fund to account for transactions related to these bond issues. The loan and pledge agreement requires two separate bank deposit accounts be established and maintained within the Debt Service Fund.

- *Sales Tax Account* - the proceeds of the one-half percent sales tax dedicated to fund the Sales Tax Refunding Bonds, Series 2021, shall be deposited daily into this account.
- *Sinking Fund Account* - The City must transfer from the Sales Tax Account into this account, each month on or before the 20th day of each month, an amount equal to the principal and interest accruing on the Bonds for such month, together with such additional proportionate sum as may be required to pay said principal; and interest and administrative fee as the same respectively become due.

7. Employee Retirement Systems

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

A. General Information about the Plans

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description

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

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

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

Benefits Provided

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

Retirement

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

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

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

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

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

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Survivor's Benefits

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

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

Deferred Retirement Option Plan (DROP)

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

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

Disability Benefits

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Cost-of-Living Increases

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

Deferred Benefits

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

Contributions

According to state statute, contribution for all employers are actuarially determined each year. For the year ending June 30, 2023, the actual employer contribution rate was 29.50% of member's earnings for Plan A.

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. MERS also receives revenue sharing funds each year as appropriated by the Legislature. The additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$60,626.

The City's contractually required composite contribution rate for the year ended December 31, 2023 was 29.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to the pension plan from the City were \$509,078 for the year ended December 31, 2023

Municipal Police Employees Retirement System of Louisiana (LAMPERS)

Plan Description

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

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

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

Benefits Provided

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

Retirement

Membership Prior to January 1, 2013

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

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

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

Membership Commencing January 1, 2013

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

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

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

Cost-of-Living Adjustments

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

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

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

Deferred Retirement Option Plan (DROP)

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

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

Initial Benefit Option Plan

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

Contributions

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

For the year ended June 30, 2023, total contributions due for employers and employees were 41.25%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 31.25% and 10%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 31.25% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 33.75% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$50,274 are recognized as revenue, but are not considered special funding situations.

The City's contractually required composite contribution rate for the year ended December 31, 2023 was 33.925% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to the pension plan from the City were \$209,463 for the year ended December 31, 2023

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

At December 31, 2023 and 2022, the City reported a total of \$5,248,457 and \$5,394,318 for its proportionate shares of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	June 30, 2023	June 30, 2022
MERS	\$2,945,452	\$3,105,571
LAMPERS	2,303,005	2,288,747
Total	\$5,248,457	\$5,394,318

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

The Net Pension Liabilities were measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liabilities were determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liabilities was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023 and 2022, the City's proportions of each were as follows:

Plan	Proportionate Share	
	June 30, 2023	June 30, 2022
MERS	.80590%	.74775%
LAMPERS	.21799%	.22391%
Total	1.02389%	.97166%

For the year ended December 31, 2023 and 2021, the City recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

Plan	Measurement Date	
	June 30, 2023	June 30, 2022
MERS	\$382,010	\$390,361
LAMPERS	509,739	572,121
Total	\$891,749	\$962,482

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS		LAMPERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,977	\$ 26,933	\$ 162,224	\$ 965	\$ 164,201	\$ 27,898
Changes in Assumptions	-	-	38,430	-	38,430	-
Net Difference between projected and actual earnings on pension plan	338,464	-	248,623	-	587,087	-
Changes in employer's proportion of beg NPL	133,085	7,167	190,831	36,224	323,916	43,391
Differences between employer and proportionate share of contributions	-	7,823	-	14,217	-	22,040
Subsequent Measurement Contributions	267,204	-	102,768	-	369,972	-
Total	\$ 740,730	\$ 41,923	\$ 742,876	\$ 51,406	\$ 1,483,606	\$ 93,329

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date in the amount of \$369,972, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$ 347,976
2025	224,924
2026	481,305
2027	(33,900)
Total	\$1,020,305

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation date of June 30, 2023 is as follows:

<u>Assumptions</u>	<u>MERS</u>	<u>LAMPERS</u>
Actuarial cost method	Entry age normal cost	Entry age normal cost
Expected remaining service lives	3 years	4 years
Investment rate of return	6.850%	6.750%
Inflation rate	2.500%	2.500%
Salary increases	Varies from 6.4% to 4.5% depending on years of service	Varies from 12.3% to 4.7% depending on years of service

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

Mortality rates for LAMPERS were based on Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used for healthy annuitants and beneficiaries. Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 sale was used for disabled annuitants. Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used for employee members. The assumptions were based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality.

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing diversification.

Best estimates of arithmetic real rates of return for each major asset class included in pensions target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>MERS</u>		<u>LAMPERS</u>	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	56.00%	2.44%	52.00%	3.29%
Fixed Income	29.00%	1.26%	34.00%	1.12%
Alternative	15.00%	0.65%	14.00%	0.95%
Other	0.00%	0.00%	0.00%	0.00%
Totals	100.00%	4.35%	100.00%	5.36%
Inflation		2.50%		2.54%
Expected Nominal Return		6.85%		7.90%

The discount rate used to measure the total pension liability was 6.85% for MERS and 6.75% for LAMPERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, MERS and LAMPERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS	\$4,083,492	\$2,945,452	\$1,984,148
LAMPERS	\$3,240,509	\$2,303,005	\$1,519,843

Pension Plan Fiduciary Net Position

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

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

8. Cash and Investments

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City's name.

Cash and investments are held separately by each of the City's funds. At December 31, 2023, cash and investments totaled \$3,627,137 (book balances), including \$800 cash on hand. Bank account and investment balances at December 31, 2023, totaled \$3,784,594. Of this amount, \$581,955 was insured by federal depository insurance, and \$3,202,639 was secured by government securities and pledged securities.

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

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

Cash and cash equivalents held at December 31, 2023 include \$187,240 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

9. Compensation of City Council Members

A detail of compensation paid to individual council members for the year ended December 31, 2023 follows:

Mary Green	\$ 9,600
Christopher Thomas	9,600
Victoria Jackson	9,600
Antonio Washington	9,600
Rita Myles	<u>9,600</u>
 Total	 <u>\$48,000</u>

10. Receivables

The following is a summary of receivables at December 31, 2023:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Tax, Licenses & Permits-						
Ad Valorem	\$119,125	\$ 0	\$0	\$ 0	\$ 0	\$ 121,800
Sales & Use	198,973	95,352	0	0	0	213,850
Franchise	63,220	0	0	0	0	65,850
Hotel Occupancy	11,291	0	0	0	0	12,423
Video Poker	13,220	0	0	0	0	24,835
Federal Grants	0	0	0	0	0	104,615
Other Receivables	<u>66,289</u>	<u>0</u>	<u>0</u>	<u>152,717</u>	<u>528,641</u>	<u>645,781</u>
Total	\$472,118	\$95,352	\$0	\$152,717	\$528,641	\$1,189,154
 Less, Allowances	 <u>(6,397)</u>	 <u>0</u>	 <u>0</u>	 <u>(18,415)</u>	 <u>(78,017)</u>	 <u>(96,256)</u>
 Receivables, Net	 <u>\$465,721</u>	 <u>\$95,352</u>	 <u>\$0</u>	 <u>\$134,302</u>	 <u>\$450,624</u>	 <u>\$1,145,999</u>

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

11. Capital Leases:

The City entered into seven lease agreements for vehicles for the department in March and April 2023 with five year lease terms, with an option to continue month-to-month for an unlimited period of time. The interest rates for the leases obtained in March 2023 is 8.19% and in April 2023 is 8.51%.

Right-of-use assets and amortization activity as of and for the year ended December 31, 2023, is as follows:

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
Governmental Activities				
Right-of-use Assets:				
Vehicles	\$0	\$151,333	\$0	\$151,333
Less, Accumulated Amortization:				
Vehicles	<u>0</u>	<u>24,101</u>	<u>0</u>	<u>24,101</u>
Net Right-of-Use Assets	<u>\$0</u>	<u>\$127,232</u>	<u>\$0</u>	<u>\$127,232</u>

Amortization expense of \$24,101 was charged to the Public Works function.

Business-Type Activities:

Right-of-use Assets:				
Vehicles	\$0	\$120,366	\$0	\$120,366
Less, Accumulated Amortization:				
Vehicles	<u>0</u>	<u>18,755</u>	<u>0</u>	<u>18,755</u>
Net Right-of-Use Assets	<u>\$0</u>	<u>\$101,611</u>	<u>\$0</u>	<u>\$101,611</u>

Amortization expense of \$18,755 was charged to the following business-type functions.

Water System	\$12,292
Sewer System	<u>6,463</u>
Total	<u>\$18,755</u>

The changes in capital lease liabilities for December 31, 2023 are as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities	<u>\$0</u>	<u>\$151,333</u>	<u>\$21,010</u>	<u>\$130,323</u>
Business-Type Activities:	<u>\$0</u>	<u>\$120,366</u>	<u>\$16,339</u>	<u>\$104,027</u>

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

<u>Year Ending</u> <u>December</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$27,011	\$ 9,845	\$ 36,856	\$ 21,432	\$ 7,926	\$ 29,358
2025	29,349	7,506	36,855	23,304	6,054	29,358
2026	31,890	4,966	36,856	25,337	4,021	29,358
2027	34,651	2,205	36,856	27,549	1,809	29,358
2028	<u>7,422</u>	<u>989</u>	<u>8,411</u>	<u>6,405</u>	<u>1,129</u>	<u>7,534</u>
Total	<u>\$130,323</u>	<u>\$25,511</u>	<u>\$155,834</u>	<u>\$104,027</u>	<u>\$20,939</u>	<u>\$124,966</u>

City of Mansfield, Louisiana
Notes to Financial Statements
December 31, 2023

12. On-Behalf Payments

Certain employees of the City Police Department and City Fire Department receive supplemental pay from the State. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$127,280 and the related expenditures are as follows:

City Police Department	\$ 65,880
City Fire Department	<u>61,400</u>
Total	<u>\$127,280</u>

13. Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended December 31, 2023.

14. Commitments and Contingencies

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

At December 31, 2023, there was a workers' compensation claim against the City, which is being handled by Louisiana Risk Management. The City's attorney believes the value of the claim is immaterial.

15. Subsequent Events

Management has evaluated events through June 27, 2024, the date which the financial statements were available for issue.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

City of Mansfield, Louisiana
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 2,976,362	\$3,146,362	\$3,044,130	\$(102,232)
Licenses & Permits	516,538	710,038	634,184	(75,854)
Intergovernmental	178,800	181,700	196,384	14,684
Charges for Services	272,200	262,100	246,575	(15,525)
Fines & Forfeitures	204,600	69,600	50,524	(19,076)
Oil & Gas Royalties	12,000	4,500	183,755	179,255
Miscellaneous-				
Interest	6,500	12,500	16,096	3,596
Miscellaneous	<u>52,400</u>	<u>102,400</u>	<u>10,024</u>	<u>(92,376)</u>
Total Revenues	<u>\$ 4,219,400</u>	<u>\$4,489,200</u>	<u>\$4,381,672</u>	<u>\$(107,528)</u>
EXPENDITURES:				
Current-				
General Government	\$ 1,554,500	\$1,726,600	\$1,794,614	\$ (68,014)
Public Safety-				
Police	1,517,900	1,459,800	1,368,841	90,959
Fire	567,050	602,050	646,721	(44,671)
Public Works	439,550	547,050	560,383	(13,333)
Sanitation	140,400	155,400	152,373	3,027
Recreation	0	0	503	(503)
Debt Service	0	0	29,342	(29,342)
Capital Outlay	<u>1,133,000</u>	<u>377,500</u>	<u>453,697</u>	<u>(76,197)</u>
Total Expenditures	<u>\$ 5,352,400</u>	<u>\$4,868,400</u>	<u>\$5,006,474</u>	<u>\$(138,074)</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$(1,133,000)</u>	<u>\$ (379,200)</u>	<u>\$ (624,802)</u>	<u>\$(245,602)</u>
OTHER FINANCING SOURCES AND (USES):				
Transfers	\$ 0	\$ 0	\$ 5,428	\$ 5,428
Sale of Assets	0	0	57,806	57,806
Insurance Proceeds	<u>0</u>	<u>0</u>	<u>151,333</u>	<u>151,333</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 214,567</u>	<u>\$ 214,567</u>
Excess (Deficiency) of Revenues and Sources over (Under) Expenditures and Uses	<u>\$(1,133,000)</u>	<u>\$ (379,200)</u>	<u>\$ (410,235)</u>	<u>\$ (31,035)</u>
Fund Balance-Beginning of Year	<u>2,346,374</u>	<u>2,346,374</u>	<u>2,346,374</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 1,213,374</u>	<u>\$1,967,174</u>	<u>\$1,936,139</u>	<u>\$ (31,035)</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended December 31, 2023

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Municipal Employees' Retirement System</i>					
2015	.88523 ⁿ %	\$3,162,196	\$1,491,121	212 ⁿ %	66.13 ⁿ %
2016	.80079 ⁿ %	\$3,282,200	\$1,481,072	222 ⁿ %	62.11 ⁿ %
2017	.73346 ⁿ %	\$3,068,390	\$1,310,670	234 ⁿ %	62.49 ⁿ %
2018	.73966 ⁿ %	\$3,062,690	\$1,397,346	219 ⁿ %	63.94 ⁿ %
2019	.78791 ⁿ %	\$3,292,392	\$1,540,817	214 ⁿ %	64.68 ⁿ %
2020	.81096 ⁿ %	\$3,506,099	\$1,586,426	221 ⁿ %	64.52 ⁿ %
2021	.75390 ⁿ %	\$2,096,978	\$1,414,068	148 ⁿ %	77.82 ⁿ %
2022	.74775 ⁿ %	\$3,105,571	\$1,492,828	208 ⁿ %	67.87 ⁿ %
2023	.80590 ⁿ %	\$2,945,451	\$1,880,481	157 ⁿ %	72.46 ⁿ %
<i>Municipal Police Employees' Retirement System</i>					
2015	.22672 ⁿ %	\$1,776,083	\$613,552	289 ⁿ %	70.73 ⁿ %
2016	.19602 ⁿ %	\$1,837,222	\$476,917	385 ⁿ %	66.04 ⁿ %
2017	.14780 ⁿ %	\$1,290,330	\$404,849	319 ⁿ %	70.08 ⁿ %
2018	.12814 ⁿ %	\$1,083,320	\$399,156	271 ⁿ %	71.89 ⁿ %
2019	.13690 ⁿ %	\$1,243,272	\$485,790	256 ⁿ %	71.01 ⁿ %
2020	.17289 ⁿ %	\$1,597,934	\$549,577	291 ⁿ %	70.94 ⁿ %
2021	.17389 ⁿ %	\$ 926,913	\$581,543	159 ⁿ %	84.09 ⁿ %
2022	.22391 ⁿ %	\$2,288,747	\$605,619	378 ⁿ %	70.80 ⁿ %
2023	.21799 ⁿ %	\$2,303,005	\$648,947	355 ⁿ %	71.30 ⁿ %

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

City of Mansfield, Louisiana
 Schedule of Employer's Contributions
 For the Year Ended December 31, 2023

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Municipal Employees' Retirement System</i>					
2015	\$294,496	\$294,496	\$0	\$1,491,121	19.75% ^a
2016	\$292,512	\$292,512	\$0	\$1,481,072	19.75% ^a
2017	\$311,298	\$311,298	\$0	\$1,310,670	23.75% ^a
2018	\$354,593	\$354,593	\$0	\$1,397,346	25.38% ^a
2019	\$414,351	\$414,351	\$0	\$1,540,817	26.89% ^a
2020	\$454,609	\$454,609	\$0	\$1,586,426	28.66% ^a
2021	\$417,150	\$417,150	\$0	\$1,414,068	29.50% ^a
2022	\$440,384	\$440,384	\$0	\$1,492,828	29.50% ^a
2023	\$509,078	\$509,078	\$0	\$1,880,481	27.07% ^a
<i>Municipal Police Employees' Retirement System</i>					
2015	\$180,998	\$180,998	\$0	\$613,552	29.50% ^a
2016	\$145,792	\$145,792	\$0	\$476,917	30.57% ^a
2017	\$126,636	\$126,636	\$0	\$404,849	31.28% ^a
2018	\$125,734	\$125,734	\$0	\$399,156	31.50% ^a
2019	\$157,312	\$157,312	\$0	\$485,790	32.38% ^a
2020	\$182,034	\$182,034	\$0	\$549,577	33.12% ^a
2021	\$182,791	\$182,791	\$0	\$581,543	31.43% ^a
2022	\$203,997	\$203,997	\$0	\$605,619	33.68% ^a
2023	\$209,463	\$209,463	\$0	\$648,947	32.28% ^a

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2023.

SUPPLEMENTARY INFORMATION

City of Mansfield, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2023

Agency Head Name: Thomas Jones, Jr., Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$45,000
Benefits-Insurance	23,219
Benefits-Retirement	13,275
Deferred Compensation	0
Car allowance	9,000
Per Diem	233
Reimbursements (fuel & auto)	371
Travel	260
Other	<u>0</u>
Total	\$91,358

See independent auditor's report.

City of Mansfield, Louisiana
Justice System Funding Schedule
Collecting/Disbursing Entity
For the Year Ended December 31, 2023

Cash Basis Presentation	First Six Month Period Ended 06/30/23	Second Six Month Period Ended 12/31/23
1. Beginning Balance of Amounts Collected (i.e. cash on hand)	62,100	61,598
2. Add: Collections		
a Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
b Bond Fees	6,830	7,200
c Asset Forfeiture/Sale	-	-
d Pre-Trial Diversion Program Fees	-	-
e Criminal Court Costs/Fees	4,020	1,440
f Criminal Fines - Contempt	-	-
g Criminal Fines - Other	44,424	17,025
h Restitution	-	-
i Probation/Parole/Supervision Fees	-	-
j Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
k Interest Earnings on Collected Balances	-	-
l Other (do not include collections that fit into more specific categories above)	-	-
iii Subtotal Collections	55,274	25,665
3. Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
<i>Indigent Defender Fund; Criminal Fines-Other</i>	1,558	1,413
<i>LACLE-Crime Victims; Criminal Fines-Other</i>	121	53
<i>Ware Youth Center; Criminal Fines-Other</i>	983	315
<i>LACLE-Police Training; Criminal Fines-Other</i>	262	84
<i>North LA Crime Lab; Criminal Fines-Other</i>	1,210	400
<i>LA Supreme Court-CMIS; Criminal Fines-Other</i>	392	125
<i>DHH-Traumatic Head Injury; Criminal Fines-Other</i>	285	95
<i>LA Supreme Court-Justice System; Criminal Fines-Other</i>	64	20
<i>DeSoto Crimestoppers; Criminal Fines-Other</i>	254	82
4. Less: Amounts Retained by Collecting Agency		
a Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
b Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
c Amounts "Self-Disbursed" to Collecting Agency:		
<i>Criminal Court Costs/Fees</i>	4,020	1,440
<i>Criminal Fines-Other</i>	36,128	14,106
5. Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
a Civil Fee Refunds	-	-
b Bond Fee Refunds	7,500	6,300
c Restitution Payments to Individuals (additional detail is not required)	-	-
d Other Disbursements to Individuals (additional detail is not required)	-	-
e Payments to 3rd Party Collection/Processing Agencies	-	-
6. Subtotal Disbursements/Retainage	55,776	24,462
7. Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	61,598	62,801
8. Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
9. Other Information:		
a Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
b Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

See independent auditor's report.

OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
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Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

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

To the Mayor and the City Council of
Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Mansfield’s (City) basic financial statements and have issued our report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

City of Mansfield's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Mansfield's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

June 27, 2024

City of Mansfield, Louisiana
Schedule of Findings
Year Ended December 31, 2023

I SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the City of Mansfield as of and for the year ended December 31, 2023.
2. The audit disclosed one significant deficiency in internal control that is required to be reported under *Government Auditing Standards*.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Internal Control-

2023-001 Failure to Follow Established Policies and Procedures for Permits and Fees

Criteria – Louisiana governments are required to establish an adequate system of internal controls to help the entity operate efficiently and effectively, protect its assets, maintain accurate records, and ensure compliance with policies, rules, regulations, and laws. Management is responsible for ensuring that internal controls for all accounting functions including revenue are set up, followed, and reviewed regularly.

Condition – Audit procedures revealed instances where the City failed to follow its established internal control policies and procedures with regard to ensuring the completeness, valuation and accuracy of revenue receipts.

Effect – Failure to follow established internal control policies and procedures does not allow management or employees to prevent, detect and correct potential fraud or misstatements on a timely basis.

Cause – The City failed to consistently adhere to its established policies and procedures for revenue receipts.

Recommendation – We recommend that the City review its established policies and procedures, and take immediate steps to ensure adherence to these policies.

Response – We have reviewed our current established policies and procedures. We will revisit our policy and procedures to assure that the language is clear to assure proper internal controls. Employees will be given a refresher briefing of the set policies and procedures.

City of Mansfield, Louisiana
Schedule of Findings (continued)
Year Ended December 31, 2023

Compliance-

2023-002 Failure to Comply with the Public Bid Law

Criteria – Louisiana Public Bid Law governs contracts for public works and the purchase of materials and supplies by public entities that meet certain threshold requirements. Public entities purchasing materials and supplies exceeding \$60,000 must advertise at least 15 days prior to opening bids

Condition – The City did not properly advertise for the purchase of materials and supplies exceeding \$60,000.

Effect – The City is not in compliance with the Public Bid Law.

Cause – The City was not aware of the requirements of the Public Bid Law.

Recommendation – We recommend that the City follow all requirements as stated in the Public Bid Law.

Response – We were unaware of the publication of contracts and material in excess of \$60,000 in our local newspaper. We have added the flowchart for purchases in our policies and procedures.

III. PRIOR YEAR FINDINGS

Internal Control-

2022-001 Failure to Follow Established Policies and Procedures for Payroll

Condition – Audit procedures revealed instances where the City failed to follow its established internal control policies and procedures with regard to (1) approval of time sheets by supervisors, (2) approval of time sheets by employees, (3) accurate record keeping of hours worked, and (4) lack of employee supervision.

Status – This condition was cleared at December 31, 2023.

T | C | B | T
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www.tcbtcpa.com

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the City of Mansfield and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. The City of Mansfield’s (City) management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***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.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or custodial fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, custodial fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Information Technology/Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Prevention of Sexual Harassment**, including R.S. 42.342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results: One exception was noted as a result of these procedures. There were no written policies and procedures addressing Information Technology/Disaster Recovery/Business Continuity.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual comparisons on all proprietary funds, and semi-annual budget-to-actual comparisons on all special revenue funds.
 - Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted net position in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

- Observed whether the board finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Results: No exceptions were noted as a result of these procedures.

Bank Reconciliations

- 3 We obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results: One exception was noted as a result of these procedures. The bank reconciliations were not prepared within two months of the related statement closing date.

Collections (excluding electronic funds transfers)

- 4 We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5 We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
 - Employees that are responsible for cash collections do not share cash drawers registers
 - Each employee responsible for collecting cash is not also responsible for preparing making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was in force during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and.
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.

Procedure Results: No exceptions were noted as a result of these procedures.

Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - Only employees officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's

representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:

- We observed that the disbursement, whether paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - We observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: No exceptions were noted as a result of these procedures.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
- We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder
 - We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results: One exception was noted as a result of these procedures. There was a missing receipt for a credit card charge.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, and obtained the related expense reimbursement forms/prepaid

expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1, 8th bullet).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: No exceptions were noted as a result of these procedures.

Contracts

16. We obtained from management a listing of all agreements/contracts (or active vendor list) for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to 5) from the listing, excluding our contract, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, the document approval).
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results: No exceptions were noted as a result of these procedures.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:

- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - We observed that supervisors approved the attendance and leave of the selected employees or officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary pay rate found with the personnel file.
19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. If applicable, we agreed the hours to the employee's or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.
20. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedure Results: No exceptions were noted as a result of these procedures.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
- We observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: No exceptions were noted as a result of these procedures.

Debt Service

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual

reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results: No exceptions were noted as a result of these procedures.

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. We observed whether the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Results: No exceptions were noted as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:
 - We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the selected employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows.
 - Hired before June 9, 2020, completed the training.
 - Hired on or after June 9, 2020, completed the training within 30 days of initial service or employment.

Procedure Results: We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

30. We randomly selected the employees/officials from procedure #17 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
 - Number and percentage of public servants in the agency who have completed the training requirements;
 - Number of sexual harassment complaints received by the agency;
 - Number of complaints which resulted in a finding that sexual harassment occurred;
 - Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - Amount of time it took to resolve each complaint.

Procedure Results: No exceptions were noted as a result of these procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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 do 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.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an 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.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

June 27, 2024

City of Mansfield, Louisiana
Management's Responses to Exceptions to the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2023

Item 1: Exception – *There were no written policies and procedures addressing Information Technology/Disaster Recovery/Business Continuity.*

Response – We will add this policy to our Employee Handbook. Refresher training will be conducted for all employees in 2024.

Item 3: Exception – *The bank reconciliations were not prepared within two months of the related statement closing date.*

Response – We will ensure that bank reconciliations are done in a timely fashion going forward. The reason there was a lag for 2023 is that we changed our water billing system and experienced some challenges in retrieving the data.

Item 14: Exception – *There was a missing receipt for a credit card charge.*

Response – We do have the missing receipt. This receipt should have been requested as soon as the card charge was noted.