

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

**DECEMBER 31, 2022**

City of Mansfield, Louisiana  
Annual Financial Report  
December 31, 2022

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## The City of Mansfield

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### Management's Discussion and Analysis (MD&A) December 31, 2022

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, 2022. 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, 2022, the assets of the City exceeded its liabilities by \$11,823,606. As of December 31, 2022, unrestricted net position was \$1,382,447. During 2022, net position of the governmental activities increased by \$1,475,112, and net assets of the business-type activities decreased \$123,064.

As of the close of fiscal year 2022, the City's governmental funds reported a combined ending fund balance of \$3,994,729, an increase of \$495,079 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

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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, 2022**

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, 2022**

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, Act 87 of the Louisiana 2020 Legislative Session requires Justice System Funding Schedules, and the Schedule of Expenditures of Federal Awards required by the Uniform Guidance which are presented as supplementary information.

**City of Mansfield, Louisiana**

**Management's Discussion and Analysis (MD&A)  
December 31, 2022**

**Financial Analysis of Government-Wide Activities**

**Net Position** - The City's combined net position (governmental and business-type activities) totaled \$11,823,606 and \$10,471,558 as of December 31, 2022 and 2021, respectively, an increase of \$1,352,048 (12.9%).

As of December 31, 2022, \$10,441,159 (88.3%) 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 \$12,894,656 (123%) 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 \$1,382,447 (11.7%) and a deficit of \$2,423,099 (-23%) as of December 31, 2022 and 2021, respectively. The City continues to maintain a high level of liquidity with \$3,879,367 of cash, demand deposits, and certificates of deposit at December 31, 2022.

**Summary of the City of Mansfield's Net Position**

	<u>As of December 31, 2022</u>			<u>As of December 31, 2021</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	\$4,206,713	\$ 1,489,902	\$ 5,696,615	\$ 3,689,478	\$ 1,285,606	\$ 4,975,084
Capital assets	<u>4,451,894</u>	<u>10,723,407</u>	<u>15,175,301</u>	<u>3,280,513</u>	<u>11,258,415</u>	<u>14,538,928</u>
Total Assets	<u>\$8,658,607</u>	<u>\$12,213,309</u>	<u>\$20,871,916</u>	<u>\$ 6,969,991</u>	<u>\$12,544,021</u>	<u>\$19,514,012</u>
Deferred Outflows	<u>\$1,456,395</u>	<u>\$ 314,663</u>	<u>\$ 1,771,058</u>	<u>\$ 570,100</u>	<u>\$ 130,152</u>	<u>\$ 700,252</u>
Long term liabilities	\$7,102,090	\$ 2,884,732	\$ 9,986,822	\$ 5,485,100	\$ 2,483,780	\$ 7,968,880
Other liabilities	<u>561,984</u>	<u>97,951</u>	<u>659,935</u>	<u>254,830</u>	<u>261,803</u>	<u>516,633</u>
Total Liabilities	<u>\$7,664,074</u>	<u>\$ 2,982,683</u>	<u>\$10,646,757</u>	<u>\$ 5,739,930</u>	<u>\$ 2,745,583</u>	<u>\$ 8,485,513</u>
Deferred Inflows	<u>\$ 126,442</u>	<u>\$ 46,169</u>	<u>\$ 172,611</u>	<u>\$ 950,787</u>	<u>\$ 306,407</u>	<u>\$ 1,257,194</u>
Net Position:						
Net investment in capital assets	\$1,151,894	\$ 9,289,265	\$10,441,159	\$ 3,280,513	\$ 9,614,143	\$12,894,656
Unrestricted	<u>1,172,592</u>	<u>209,855</u>	<u>1,382,447</u>	<u>(2,431,139)</u>	<u>8,041</u>	<u>(2,423,098)</u>
Total Net Position	<u>\$2,324,486</u>	<u>\$ 9,499,120</u>	<u>\$11,823,606</u>	<u>\$ 849,374</u>	<u>\$ 9,622,184</u>	<u>\$10,471,558</u>

## City of Mansfield, Louisiana

**Management's Discussion and Analysis (MD&A)**  
**December 31, 2022**

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

The City's net position increased by \$1,352,048 during the year ended December 31, 2022 compared to an increase of \$382,234 in 2021. This change is due primarily to an increase in grant and tax revenue in 2022.

Approximately 24% (\$2,276,141) of the City's total revenues was derived through charges for services in 2022 compared to 29% (\$2,041,053) in 2021. During the year ended December 31, 2022, approximately 55% (\$5,160,119) was derived from general revenues including taxes and interest compared to 55% (\$3,891,696) during 2021. The City received \$1,941,544 (21%) and \$1,162,906 (16%) of its total revenues through program grants and contributions during 2022 and 2021, respectively.

	<u>As of December 31, 2022</u>			<u>As of December 31, 2021</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>
Program Revenues:						
Fees, fines and charges for services	\$ 327,242	\$ 1,948,899	\$ 2,276,141	\$ 326,207	\$ 1,714,846	\$ 2,041,053
Operating grants and Contributions	1,011,972	0	1,011,972	1,162,906	0	1,162,906
Capital grants and Contributions	929,572	0	929,572	0	0	0
General Revenues:						
Ad valorem taxes	469,231	0	469,231	457,987	0	457,987
Sales and use tax	3,349,697	0	3,349,697	2,261,558	0	2,261,558
Franchise fees	320,360	0	320,360	261,353	0	261,353
Hotel and Motel	200,245	0	200,245	160,906	0	160,906
Licenses and Permits	288,437	0	288,437	273,842	0	273,842
Video Poker	261,874	0	261,874	249,353	0	249,353
Interest income	9,870	5,253	15,123	11,221	2,688	13,909
Oil & Gas Royalty	12,674	0	12,674	11,332	0	11,332
Other	221,177	21,301	242,478	113,324	88,132	201,456
Total Revenues	<u>\$7,402,351</u>	<u>\$ 1,975,453</u>	<u>\$ 9,377,804</u>	<u>\$5,289,989</u>	<u>\$ 1,805,666</u>	<u>\$ 7,095,655</u>
Expenses:						
General government	\$2,211,176	\$ 0	\$ 2,211,176	\$1,543,806	\$ 0	\$ 1,543,806
Public safety	2,071,838	0	2,071,838	1,848,502	0	1,848,502
Public works	473,939	0	473,939	440,208	0	440,208
Sanitation	159,528	0	159,528	138,875	0	138,875
Recreation	0	0	0	1,671	0	1,671
Interest on long-term debt	60,758	0	60,758	93,990	0	93,990
Water and sewer	0	3,048,517	3,048,517	0	2,646,369	2,646,369
Total Expenses	<u>\$4,977,239</u>	<u>\$ 3,048,517</u>	<u>\$ 8,025,756</u>	<u>\$4,067,052</u>	<u>\$ 2,646,369</u>	<u>\$ 6,713,421</u>
Increase (Decrease) in net position before Transfers	\$2,425,112	\$(1,073,064)	\$ 1,352,048	\$1,222,937	\$ (840,703)	\$ 382,234
Transfers	<u>(950,000)</u>	<u>950,000</u>	<u>0</u>	<u>(105,000)</u>	<u>105,000</u>	<u>0</u>
Increase (Decrease) in Net Position	\$1,475,112	\$ (123,064)	\$ 1,352,048	\$1,117,937	\$ (735,703)	\$ 382,234
Net Position- Beginning	<u>849,374</u>	<u>9,622,184</u>	<u>10,471,578</u>	<u>(268,563)</u>	<u>10,357,887</u>	<u>10,089,324</u>
Net Position-Ending	<u>\$2,324,486</u>	<u>\$ 9,499,120</u>	<u>\$11,823,606</u>	<u>\$ 849,374</u>	<u>\$ 9,622,184</u>	<u>\$10,471,558</u>

**City of Mansfield, Louisiana****Management's Discussion and Analysis (MD&A)  
December 31, 2022****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 \$3,994,729, an increase of \$495,079 in comparison with the prior year. \$2,308,502 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 \$9,499,120, a decrease of \$123,064 in comparison with the prior year's ending net position of \$9,622,184. The Water Fund had a decrease in net position of \$125,941, and the Sewer Fund had an increase in net position of \$2,877. \$9,289,265 represents investment in capital assets net of accumulated depreciation and related outstanding debt. A total of \$209,855 is unrestricted and is available for spending at the City's discretion.

**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 American Rescue Plan Act (ARPA) funding received in the amount of \$856,492, as well as premium pay for the various departments.

The actual revenues were \$499,242 more than the final budgeted amounts and the actual expenditures were \$172,467 less than the final budgeted amounts. The budget to actual variances for revenues and expenditures were favorable.

**City of Mansfield, Louisiana****Management's Discussion and Analysis (MD&A)  
December 31, 2022****Capital Asset Administration**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022 totaled \$37,196,325, net of accumulated depreciation of \$22,021,024, leaving a book value of \$15,175,301. This investment in capital assets consists of land, buildings, equipment, and water and sewer plant and improvements. Depreciation charges for the year totaled \$884,766 for 2022 compared to \$871,017 for the prior year.

During 2022, major capital expenditures were for equipment and materials for public safety, public works and sewer improvements.

**Debt Administration**

At year-end, the City had \$4,734,142 in bonds and notes outstanding, a decrease of \$68,000 compared to the prior year.

Debt, considered a liability of governmental activities, decreased by \$65,000 due to the debt payments made.

Debt, considered a liability of the business-type activities, decreased by \$3,000 due to the debt payments made.

The City's net pension liability at December 31, 2022 is \$5,394,318.

**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, 2023 was prepared:

- Revenues are expected to be lower than the 2022 revenues, as the American Rescue Plan Act (ARPA) funds to be received in 2022 will not be received in 2023.
- 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**  
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**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, 2022, 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, 2022, 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*, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations for Federal Awards*, 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, Justice System Funding Schedule – Disbursing/Receiving Entity, and the Schedule of Expenditures of Federal Awards, 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 April 28, 2023, 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 April 28, 2023, on the results of our state wide 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 state wide 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

April 28, 2023

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

City of Mansfield, Louisiana  
Government-Wide Statement of Net Position  
December 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Current Assets-			
Cash & Cash Equivalents	\$3,468,538	\$ 410,829	\$ 3,879,367
Revenue Receivables, Net-			
Utility Billings	0	534,297	534,297
Other	700,428	0	700,428
Prepaid Expenses	37,747	8,706	46,453
Due from Other Funds	0	2,657	2,657
Total Current Assets	<u>\$4,206,713</u>	<u>\$ 956,489</u>	<u>\$ 5,163,202</u>
Non-Current Assets-			
Restricted Assets-			
Cash & Cash Equivalents	\$ 0	\$ 218,666	\$ 218,666
Customer's Deposit Accounts	0	314,747	314,747
Capital Assets - Net of Accumulated Depreciation	<u>4,451,894</u>	<u>10,723,407</u>	<u>15,175,301</u>
Total Non-Current Assets	<u>\$4,451,894</u>	<u>\$11,256,820</u>	<u>\$15,708,714</u>
Total Assets	<u>\$8,658,607</u>	<u>\$12,213,309</u>	<u>\$20,871,916</u>
Deferred Outflows of Resources-			
Pensions	<u>\$1,456,395</u>	<u>\$ 314,663</u>	<u>\$ 1,771,058</u>
<b>Liabilities:</b>			
Current Liabilities-			
Accounts Payable	\$ 85,933	\$ 79,647	\$ 165,580
Accrued Payroll	38,057	15,304	53,361
Cash Bonds Payable	62,100	0	62,100
Due to Other Funds	2,657	0	2,657
Accrued Interest Payable	23,237	0	23,237
Current Portion - Long-Term Debt	<u>350,000</u>	<u>3,000</u>	<u>353,000</u>
Total Current Liabilities	<u>\$ 561,984</u>	<u>\$ 97,951</u>	<u>\$ 659,935</u>
Non-Current Liabilities-			
Payable from Restricted Assets-			
Customers' Deposits	\$ 0	\$ 211,362	\$ 211,362
Net Pension Liability	4,152,090	1,242,228	5,394,318
Long-term Debt	<u>2,950,000</u>	<u>1,431,142</u>	<u>4,381,142</u>
Total Non-Current Liabilities	<u>\$7,102,090</u>	<u>\$ 2,884,732</u>	<u>\$ 9,986,822</u>
Total Liabilities	<u>\$7,664,074</u>	<u>\$ 2,982,683</u>	<u>\$10,646,757</u>
Deferred Inflows of Resources-			
Pensions	<u>\$ 126,442</u>	<u>\$ 46,169</u>	<u>\$ 172,611</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	\$1,151,894	\$ 9,289,265	\$10,441,159
Unrestricted	<u>1,172,592</u>	<u>209,855</u>	<u>1,382,447</u>
Total Net Position	<u>\$2,324,486</u>	<u>\$ 9,499,120</u>	<u>\$11,823,606</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, 2022

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	\$2,211,176	\$ 4,834	\$ 0	\$ 0	\$(2,206,342)	\$ 0	\$(2,206,342)
Public Safety	2,071,838	99,107	1,002,817	25,000	(944,914)	0	(944,914)
Public Works	473,939	0	9,155	0	(464,784)	0	(464,784)
Sanitation	159,528	223,301	0	0	63,773	0	63,773
Sewer	0	0	0	904,572	904,572	0	904,572
Interest on Long-term Debt	<u>60,758</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(60,758)</u>	<u>0</u>	<u>(60,758)</u>
Total Governmental Activities	<u>\$4,977,239</u>	<u>\$ 327,242</u>	<u>\$1,011,972</u>	<u>\$929,572</u>	<u>\$(2,708,453)</u>	<u>\$ 0</u>	<u>\$(2,708,453)</u>
Business-Type Activities:							
Water	\$2,206,298	\$1,409,209	\$ 0	\$ 0	\$ 0	\$ (797,089)	\$ (797,089)
Sewer	<u>842,219</u>	<u>539,690</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(302,529)</u>	<u>(302,529)</u>
Total Business-Type Activities	<u>\$3,048,517</u>	<u>\$1,948,899</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(1,099,618)</u>	<u>\$(1,099,618)</u>
Total Government	<u>\$8,025,756</u>	<u>\$2,276,141</u>	<u>\$1,011,972</u>	<u>\$929,572</u>	<u>\$(2,708,453)</u>	<u>\$(1,099,618)</u>	<u>\$(3,808,071)</u>
General Revenues:							
Taxes-							
Ad Valorem					\$ 469,231	\$ 0	\$ 469,231
Sales & Use					3,349,697	0	3,349,697
Franchise					320,360	0	320,360
Hotel & Motel					200,245	0	200,245
Licenses & Permits					288,437	0	288,437
Video Poker					261,874	0	261,874
Interest Income					9,870	5,253	15,123
Oil & Gas Royalty					12,674	0	12,674
Miscellaneous					21,522	0	21,522
Non-Employer Pension Revenue					81,759	21,301	103,060
Insurance Proceeds					117,896	0	117,896
Transfers					<u>(950,000)</u>	<u>950,000</u>	<u>0</u>
Total General Revenues					<u>\$ 4,183,565</u>	<u>\$ 976,554</u>	<u>\$ 5,160,119</u>
Change in Net Position					\$ 1,475,112	\$ (123,064)	\$ 1,352,048
Net Position at Beginning of Year					<u>849,374</u>	<u>9,622,184</u>	<u>10,471,558</u>
Net Position at End of Year					<u>\$ 2,324,486</u>	<u>\$ 9,499,120</u>	<u>\$11,823,606</u>

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

City of Mansfield, Louisiana  
Balance Sheet-Governmental Funds  
December 31, 2022

	<u>Major Funds</u>			<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Capital</u>	<u>Debt Service</u>	<u>Police</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Projects Fund</u>	<u>Fund</u>	<u>Witness Fund</u>	<u>Funds</u>
<u>Assets</u>					
Cash & Cash Equivalents	\$1,900,883	\$ 75	\$1,531,565	\$36,015	\$3,468,538
Revenue Receivables	513,747	82,544	104,137	0	700,428
Prepaid Expenses	37,747	0	0	0	37,747
Due from Other Funds	<u>200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200</u>
Total Assets	<u>\$2,452,577</u>	<u>\$82,619</u>	<u>\$1,635,702</u>	<u>\$36,015</u>	<u>\$4,206,913</u>
<u>Liabilities</u>					
Accounts Payable	\$ 3,389	\$82,544	\$ 0	\$ 0	\$ 85,933
Accrued Expenses	38,057	0	23,237	0	61,294
Cash Bonds Payable	62,100	0	0	0	62,100
Due to Other Funds	<u>2,657</u>	<u>200</u>	<u>0</u>	<u>0</u>	<u>2,857</u>
Total Liabilities	<u>\$ 106,203</u>	<u>\$82,744</u>	<u>\$ 23,237</u>	<u>\$ 0</u>	<u>\$ 212,184</u>
<u>Fund Balances</u>					
Nonspendable:					
Prepaid Expenses	\$ 37,747	\$ 0	\$ 0	\$ 0	\$ 37,747
Restricted for:					
Debt Service	0	0	1,612,465	0	1,612,465
Assigned to:					
Police Witness Fees	0	0	0	36,015	36,015
Unassigned	<u>2,308,627</u>	<u>(125)</u>	<u>0</u>	<u>0</u>	<u>2,308,502</u>
Total Fund Balances	<u>\$2,346,374</u>	<u>\$ (125)</u>	<u>\$1,612,465</u>	<u>\$36,015</u>	<u>\$3,994,729</u>
Total Liabilities & Fund Balances	<u>\$2,452,577</u>	<u>\$82,619</u>	<u>\$1,635,702</u>	<u>\$36,015</u>	<u>\$4,206,913</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, 2022

Total Fund Balances of the Governmental Funds	\$ 3,994,729
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Capital Assets	9,765,084
Less, Accumulated Depreciation	(5,313,190)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet-	
	1,456,395
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	(3,300,000)
Net Pension Liability	(4,152,090)
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>(126,442)</u>
Net Position of Governmental Activities	<u>\$ 2,324,486</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, 2022

	Major Funds			Nonmajor	Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Police Witness Fund	
<b>REVENUES:</b>					
Taxes	\$3,234,235	\$ 0	\$1,105,298	\$ 0	\$4,339,533
Licenses & Permits	550,311	0	0	0	550,311
Intergovernmental	1,036,972	904,572	0	0	1,941,544
Charges for Services	245,830	0	0	7,279	253,109
Fines & Forfeitures	74,134	0	0	0	74,134
Miscellaneous	<u>42,748</u>	<u>0</u>	<u>1,298</u>	<u>19</u>	<u>44,065</u>
Total Revenues	<u>\$5,184,230</u>	<u>\$904,572</u>	<u>\$1,106,596</u>	<u>\$ 7,298</u>	<u>\$7,202,696</u>
<b>EXPENDITURES:</b>					
Current-					
General Government	\$1,754,845	\$ 0	\$ 0	\$ 0	\$1,754,845
Public Safety-					
Police	1,367,418	0	0	4,545	1,371,963
Fire	569,107	0	0	0	569,107
Public Works	444,026	0	0	0	444,026
Sanitation	149,458	0	0	0	149,458
Capital Outlay	555,784	904,572	0	0	1,460,356
Debt Service					
Principal	0	0	65,000	0	65,000
Interest	<u>0</u>	<u>0</u>	<u>60,758</u>	<u>0</u>	<u>60,758</u>
Total Expenditures	<u>\$4,840,638</u>	<u>\$904,572</u>	<u>\$ 125,758</u>	<u>\$ 4,545</u>	<u>\$5,875,513</u>
Excess of Revenues over Expenditures	\$ 343,592	\$ 0	\$ 980,838	\$ 2,753	\$1,327,183
<b>OTHER FINANCING (USES) AND SOURCES:</b>					
Operating Transfers	\$ (300,000)	\$ 0	\$ (650,000)	\$ 0	\$ (950,000)
Insurance Proceeds	<u>117,896</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>117,896</u>
Total Other Financing	<u>\$ (182,104)</u>	<u>\$ 0</u>	<u>\$ (650,000)</u>	<u>\$ 0</u>	<u>\$ (832,104)</u>
Excess of Revenues and Sources over Expenditures and Uses	\$ 161,488	\$ 0	\$ 330,838	\$ 2,753	\$ 495,079
<b>FUND BALANCES:</b>					
Beginning of Year	<u>2,184,886</u>	<u>(125)</u>	<u>1,281,627</u>	<u>33,262</u>	<u>3,499,650</u>
End of Year	<u>\$2,346,374</u>	<u>\$ (125)</u>	<u>\$1,612,465</u>	<u>\$36,015</u>	<u>\$3,994,729</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, 2022

Net Change in Fund Balance - Governmental Funds	\$ 495,079
<p>Amounts reported for Governmental Activities          in the Statement of Activities are different because:</p>	
<p>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</p>	
	1,460,356
<p>Depreciation 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 depreciation expense is</p>	
	(288,973)
<p>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:</p>	
Non-Employer Pension Revenue	81,759
Pension Expense	(338,109)
<p>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.</p>	
	<u>65,000</u>
Increase in Net Position of Governmental Activities	<u>\$1,475,112</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana  
Statement of Net Position  
Proprietary Funds  
Year Ended December 31, 2022

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Assets-			
Current Assets-			
Cash & Cash Equivalents	\$ 252,945	\$ 157,884	\$ 410,829
Receivables	123,019	414,778	537,797
Less, Allowance for Doubtful Accounts	(18,453)	(71,605)	(90,058)
Unbilled Receivables	21,870	64,688	86,558
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>\$ 380,454</u>	<u>\$ 576,035</u>	<u>\$ 956,489</u>
Restricted Assets-			
Cash & Cash Equivalents	\$ 0	\$ 218,666	\$ 218,666
Customer's Deposit Accounts	<u>0</u>	<u>314,747</u>	<u>314,747</u>
Total Restricted Assets	<u>\$ 0</u>	<u>\$ 533,413</u>	<u>\$ 533,413</u>
Noncurrent Assets-			
Land	\$ 0	\$ 70,361	\$ 70,361
Construction in Progress	126,934	0	126,934
Buildings	3,095	0	3,095
Machinery & Equipment	133,242	380,803	514,045
Vehicles	0	110,313	110,313
Water System	0	18,262,311	18,262,311
Sewer System	8,344,182	0	8,344,182
Less, Accumulated Depreciation	<u>(6,794,829)</u>	<u>(9,913,005)</u>	<u>(16,707,834)</u>
Total Noncurrent Assets	<u>\$ 1,812,624</u>	<u>\$ 8,910,783</u>	<u>\$ 10,723,407</u>
Total Assets	<u>\$ 2,193,078</u>	<u>\$ 10,020,231</u>	<u>\$ 12,213,309</u>
Deferred Outflows of Resources-			
Pensions	<u>\$ 70,799</u>	<u>\$ 243,864</u>	<u>\$ 314,663</u>
Liabilities-			
Current Liabilities-			
Accounts Payable	\$ 401	\$ 79,246	\$ 79,647
Accrued Payroll	<u>1,638</u>	<u>13,666</u>	<u>15,304</u>
Total Current Liabilities	<u>\$ 2,039</u>	<u>\$ 92,912</u>	<u>\$ 94,951</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, 2022

	<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
Customer's Deposits	<u>0</u>	<u>211,362</u>	<u>211,362</u>
Total Payable from Restricted Assets	<u>\$ 0</u>	<u>\$ 214,362</u>	<u>\$ 214,362</u>
Noncurrent Liabilities-			
Notes and Bonds Payable	\$ 0	\$ 1,431,142	\$ 1,431,142
Net Pension Liability	<u>279,501</u>	<u>962,727</u>	<u>1,242,228</u>
Total Noncurrent Liabilities	<u>\$ 279,501</u>	<u>\$ 2,393,869</u>	<u>\$ 2,673,370</u>
Total Liabilities	<u>\$ 281,540</u>	<u>\$ 2,701,143</u>	<u>\$ 2,982,683</u>
Deferred Inflow of Resources-			
Pensions	<u>\$ 10,388</u>	<u>\$ 35,781</u>	<u>\$ 46,169</u>
Net Position-			
Net Investment in Capital Assets	\$ 1,812,624	\$ 7,476,641	\$ 9,289,265
Unrestricted	<u>159,325</u>	<u>50,530</u>	<u>209,855</u>
Total Net Position	<u>\$ 1,971,949</u>	<u>\$ 7,527,171</u>	<u>\$ 9,499,120</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, 2022

	<u>Business-Type Activities</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for Services-			
Water	\$ 0	\$1,313,791	\$ 1,313,791
Sewer	528,616	0	528,616
Miscellaneous-			
Penalties & Charges	11,074	46,888	57,962
Other	<u>0</u>	<u>48,530</u>	<u>48,530</u>
Total Operating Revenues	<u>\$ 539,690</u>	<u>\$1,409,209</u>	<u>\$ 1,948,899</u>
Operating Expenses:			
Personnel Services	\$ 291,285	\$ 877,948	\$ 1,169,233
Billing Office	11,308	11,857	23,165
System Maintenance	69,292	199,452	268,744
Treatment Facilities	144,937	625,969	770,906
General & Administrative	116,205	104,471	220,676
Depreciation	<u>209,192</u>	<u>386,601</u>	<u>595,793</u>
Total Operating Expenses	<u>\$ 842,219</u>	<u>\$2,206,298</u>	<u>\$ 3,048,517</u>
Loss from Operations	<u>\$ (302,529)</u>	<u>\$ (797,089)</u>	<u>\$(1,099,618)</u>
Non-operating Revenues (Expenses):			
Interest Income	\$ 613	\$ 4,640	\$ 5,253
Non-Employer Pension Revenue	<u>4,793</u>	<u>16,508</u>	<u>21,301</u>
Total Non-operating Revenues (Expenses)	<u>\$ 5,406</u>	<u>\$ 21,148</u>	<u>\$ 26,554</u>
Loss Before Transfers	<u>\$ (297,123)</u>	<u>\$ (775,941)</u>	<u>\$(1,073,064)</u>
Transfers	<u>300,000</u>	<u>650,000</u>	<u>950,000</u>
Change in Net Position	\$ 2,877	\$ (125,941)	\$ (123,064)
Net Position at Beginning of Year	<u>1,969,072</u>	<u>7,653,112</u>	<u>9,622,184</u>
Net Position at End of Year	<u>\$1,971,949</u>	<u>\$7,527,171</u>	<u>\$ 9,499,120</u>

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana  
Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2022

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 520,489	\$1,387,338	\$ 1,907,827
Cash Payments to Suppliers for Goods and Services	(354,228)	(891,032)	(1,245,260)
Cash Payments to Employees	<u>(297,155)</u>	<u>(888,200)</u>	<u>(1,185,355)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>(130,894)</u>	\$ <u>(391,894)</u>	\$ <u>(522,788)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Transfers from Other Funds	\$ <u>300,000</u>	\$ <u>650,000</u>	\$ <u>950,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	\$ (60,784)	\$ 0	\$ (60,784)
Principal Paid on Capital Debt	<u>0</u>	<u>(3,000)</u>	<u>(3,000)</u>
Net Cash Used by Capital and Related Financing Activities	\$ <u>(60,784)</u>	\$ <u>(3,000)</u>	\$ <u>(63,784)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Income	\$ <u>613</u>	\$ <u>4,640</u>	\$ <u>5,253</u>
Net Increase in Cash & Cash Equivalents	\$ 108,935	\$ 259,746	\$ 368,681
<b>CASH &amp; CASH EQUIVALENTS:</b>			
Beginning of Year	<u>144,010</u>	<u>431,551</u>	<u>575,561</u>
End of Year	\$ <u>252,945</u>	\$ <u>691,297</u>	\$ <u>944,242</u>

See independent auditors' report and notes to financial statements.

Continued next page.

City of Mansfield, Louisiana  
Statement of Cash Flows (continued)  
Proprietary Funds  
Year Ended December 31, 2022

	<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	\$(302,529)	\$ (797,089)	\$(1,099,618)
ADJUSTMENTS TO RECONCILE LOSS FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation	209,192	386,601	595,793
(Increase)/Decrease in Accounts Receivable	(19,201)	(22,386)	(41,587)
Increase/(Decrease) in Accounts Payable	(12,486)	50,717	38,231
Increase/(Decrease) in Accrued Payroll	(1,367)	5,256	3,889
Increase/(Decrease) in Customer's Deposits	0	515	515
Increase/(Decrease) in Net Pension Liability	<u>(4,503)</u>	<u>(15,508)</u>	<u>(20,011)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$(130,894)</u>	<u>\$ (391,894)</u>	<u>\$ (522,788)</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:			
Current Assets-			
Cash and Cash Equivalents	\$ 252,945	\$ 157,884	\$ 410,829
Restricted Assets-			
Cash and Cash Equivalents	<u>0</u>	<u>533,413</u>	<u>533,413</u>
Total Cash and Cash Equivalents	<u>\$ 252,945</u>	<u>\$ 691,297</u>	<u>\$ 944,242</u>

See independent auditors' report and notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

City of Mansfield, Louisiana  
Notes to Financial Statements  
December 31, 2022

## 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022 was \$90,058. Allowance for bad debts in the governmental funds at December 31, 2022 was \$5,890.

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, 2022.

City of Mansfield, Louisiana  
Notes to Financial Statements  
December 31, 2022

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	\$650,000
General Fund	0	300,000
Enterprise Fund-		
Water	650,000	0
Sewer	<u>300,000</u>	<u>0</u>
Totals	<u>\$950,000</u>	<u>\$950,000</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, 2022

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, 2022

In the General Fund, the City has an unassigned fund balance of \$2,308,627 and nonspendable fund balance of \$37,747. 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, 2022

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, 2022, taxes of 17.18 mills were levied on property with an assessed valuation totaling \$26,543,065, and were dedicated as follows:

General Alimony	8.38 mills
Operating	8.80 mills

Total taxes collected were \$469,231 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, 2022.

3. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2022, is as follows:

	<u>Balance</u> <u>1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2022</u>
Governmental Activities:				
Capital Assets not Depreciated-				
Land	\$ 201,820	\$ 0	\$0	\$ 201,820
Construction in Progress	35,875	904,571	0	940,446
Capital Assets Depreciated-				
Buildings & Improvements	1,101,705	0	0	1,101,705
Other Improvements	3,765,610	56,222	0	3,821,832
Equipment	1,164,019	74,219	0	1,238,238
Office Furniture	3,556	0	0	3,556
Vehicles	<u>2,032,143</u>	<u>425,344</u>	<u>0</u>	<u>2,457,487</u>
Total Capital Assets	<u>\$8,304,728</u>	<u>\$1,460,356</u>	<u>\$0</u>	<u>\$9,765,084</u>
Less, Accumulated Depreciation-				
Buildings & Improvements	\$ 678,199	\$ 21,304	\$0	\$ 699,503
Other Improvements	1,581,837	77,300	0	1,659,137
Equipment	1,014,707	63,601	0	1,078,308
Office Furniture	3,556	0	0	3,556
Vehicles	<u>1,745,918</u>	<u>126,768</u>	<u>0</u>	<u>1,872,686</u>
Total Accumulated Depreciation	<u>\$5,024,217</u>	<u>\$ 288,973</u>	<u>\$0</u>	<u>\$5,313,190</u>
Governmental Activities Capital Assets, Net	<u>\$3,280,511</u>	<u>\$1,171,383</u>	<u>\$0</u>	<u>\$4,451,894</u>

City of Mansfield, Louisiana  
Notes to Financial Statements  
December 31, 2022

Depreciation expense of \$288,973 for the year ended December 31, 2022, was charged to the following governmental functions:

General Fund-				
General Government	\$118,222			
Public Safety	130,768			
Public Works	29,914			
Sanitation	<u>10,069</u>			
Total General Fund	<u>\$288,973</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2022</u>
Business-Type Activities:				
Capital Assets not Depreciated-				
Land	\$ 70,361	\$ 0	\$0	\$ 70,361
Construction in Progress	66,150	60,784	0	126,934
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	0	0	282,635
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>0</u>	<u>0</u>	<u>2,986,327</u>
Total Capital Assets	<u>\$27,370,457</u>	<u>\$ 60,784</u>	<u>\$0</u>	<u>\$27,431,241</u>
Less, Accumulated Depreciation-				
Buildings	\$ 3,095	\$ 0	\$0	\$ 3,095
Water Treatment Plant	3,001,265	0	0	3,001,265
Machinery & Equipment	584,669	7,413	0	592,082
Pumping Station	1,141,198	20,635	0	1,161,833
Transmission Line	2,604,903	53,926	0	2,658,829
Water System	2,310,287	312,039	0	2,622,326
Sewer System	3,844,833	158,036	0	4,002,869
Sewer Treatment Plant	<u>2,621,791</u>	<u>43,744</u>	<u>0</u>	<u>2,665,535</u>
Total Accumulated Depreciation	<u>\$16,112,041</u>	<u>\$ 595,793</u>	<u>\$0</u>	<u>\$16,707,834</u>
Business-Type Activities Capital Assets, Net	<u>\$11,258,416</u>	<u>\$(535,009)</u>	<u>\$0</u>	<u>\$10,723,407</u>

Depreciation expense of \$595,793 for the year ended December 31, 2022, was charged to the following business-type functions:

Water System	\$386,601
Sewer System	<u>209,192</u>
Total Utility Fund	<u>\$595,793</u>

City of Mansfield, Louisiana  
Notes to Financial Statements  
December 31, 2022

#### 4. Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended December 31, 2022.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Funds:				
Series 2021 Sales Tax Bonds	<u>\$3,365,000</u>	<u>\$0</u>	<u>\$65,000</u>	<u>\$3,300,000</u>
Proprietary Funds:				
URAF Agreements 8085, 8751, 8996	\$ 353,227	\$0	\$ 3,000	\$ 350,227
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>\$1,437,142</u>	<u>\$0</u>	<u>\$ 3,000</u>	<u>\$1,434,142</u>
Grand Total	<u>\$4,802,142</u>	<u>\$0</u>	<u>\$68,000</u>	<u>\$4,734,142</u>

Bonds and notes payable at December 31, 2022 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 ½% 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, 2022

<u>Governmental Funds</u>			
<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 350,000	\$ 52,813	\$ 402,813
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
2028-2032	<u>1,525,000</u>	<u>54,714</u>	<u>1,579,714</u>
Total	<u>\$3,300,000</u>	<u>\$259,162</u>	<u>\$3,559,162</u>

<u>Proprietary Funds</u>			
<u>Year Ending December 31</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>1,329,142</u>	<u>0</u>	<u>1,329,142</u>
Total	<u>\$1,434,142</u>	<u>\$0</u>	<u>\$1,434,142</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.

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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.

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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](http://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.

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### **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.

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### **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**

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, 2022, 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 \$53,250.

The City's contractually required composite contribution rate for the year ended December 31, 2022 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 \$440,384 for the year ended December 31, 2022.

### *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.

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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](http://www.lampers.org) or [www.la.state.la.us](http://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.

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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.

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### 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, 2022, total contributions due for employers and employees were 39.75%. 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 29.75% and 10%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 29.75% 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 32.25% 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 \$49,809 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, 2022 was 31.25% 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 \$203,997 for the year ended December 31, 2022.

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

At December 31, 2022 and 2021, the City reported a total of \$5,394,318 and \$3,023,891 for its proportionate shares of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	June 30, 2022	June 30, 2021
MERS	\$3,105,571	\$2,096,978
LAMPERS	2,288,747	926,913
Total	\$5,394,318	\$3,023,891

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The Net Pension Liabilities were measured as of June 30, 2022 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, 2022 and 2021, the City's proportions of each were as follows:

Plan	Proportionate Share	
	June 30, 2022	June 30, 2021
MERS	.74775%	.75390%
LAMPERS	.22391%	.17389%
Total	.97166%	.92779%

For the year ended December 31, 2022 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, 2022	June 30, 2021
MERS	\$390,361	\$247,298
LAMPERS	572,121	106,102
Total	\$962,482	\$353,400

At December 31, 2022, 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	\$ 3,668	\$ 11,890	\$ 11,288	\$ 18,654	\$ 14,956	\$ 30,544
Changes in Assumptions	30,086	-	78,949	17,023	109,035	17,023
Net Difference between projected and actual earnings on pension plan	516,754	-	408,613	-	925,367	-
Changes in employer's proportion of beg NPL	-	87,399	361,479	-	361,479	87,399
Differences between employer and proportionate share of contributions	-	16,135	-	21,510	-	37,645
Subsequent Measurement Contributions	236,149	-	124,072	-	360,221	-
Total	\$ 786,657	\$ 115,424	\$ 984,401	\$ 57,187	\$ 1,771,058	\$ 172,611

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The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date in the amount of \$360,221, 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:	
2023	\$ 327,646
2024	284,965
2025	163,466
2026	462,149
Total	\$1,238,226

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation date of June 30, 2022 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.

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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, 2022 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	53.00%	2.31%	55.50%	3.60%
Fixed Income	38.00%	1.65%	30.50%	0.85%
Alternative	9.00%	0.39%	14.00%	0.95%
Other	0.00%	0.00%	0.00%	0.00%
Totals	100.00%	4.35%	100.00%	5.40%
Inflation		2.60%		2.66%
Expected Nominal Return		6.95%		8.06%

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	\$4,131,017	\$3,105,571	\$2,239,104
LAMPERS	\$3,203,808	\$2,288,747	\$1,524,369

*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.

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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, 2022, cash and investments totaled \$4,411,980 (book balances), including \$800 cash on hand. Bank account and investment balances at December 31, 2022, totaled \$4,766,707. Of this amount, \$1,064,003 was insured by federal depository insurance, and \$3,702,704 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, 2022 include \$178,042 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.

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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, 2022 follows:

Mary Green	\$ 9,600
Christopher Thomas	9,600
Victoria Jackson	4,800
Antonio Washington	4,800
Rita Myles	4,800
Mitchell Lewis	4,800
Kervin Campbell	4,800
Joseph Hall, Jr.	<u>4,800</u>
 Total	 <u>\$48,000</u>

10. Receivables

The following is a summary of receivables at December 31, 2022:

<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	\$141,963	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,800
Sales & Use	208,305	104,137	0	0	0	213,850
Franchise	77,441	0	0	0	0	65,850
Hotel Occupancy	17,110	0	0	0	0	12,423
Video Poker	21,312	0	0	0	0	24,835
Federal Grants	0	0	82,544	0	0	104,615
Other Receivables	<u>53,506</u>	<u>0</u>	<u>0</u>	<u>144,889</u>	<u>479,466</u>	<u>645,781</u>
Total	\$519,637	\$104,137	\$82,544	\$144,889	\$479,466	\$1,189,154
 Less, Allowances	 <u>(5,890)</u>	 <u>0</u>	 <u>0</u>	 <u>(18,453)</u>	 <u>(71,605)</u>	 <u>(96,256)</u>
 Receivables, Net	 <u>\$513,747</u>	 <u>\$104,137</u>	 <u>\$82,544</u>	 <u>\$126,436</u>	 <u>\$407,861</u>	 <u>\$1,234,725</u>

City of Mansfield, Louisiana  
Notes to Financial Statements  
December 31, 2022

11. American Rescue Plan Act Funds

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, which established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide governments with the resources needed to respond to the economic effects of the pandemic, and to build a stronger, more equitable economy during the recovery. The City is required to spend these funds in accordance with guidance found in Assistance Listing 21.027. During the year ending December 31, 2022, the City received \$856,492 of ARPA funds as reflected in intergovernmental revenues in the General Fund. These funds must be expended by December 31, 2024 and disbursed by December 31, 2026. The City is required to maintain appropriate documentation for the use of these funds and report expenditures to the Office of Recovery Programs with the U.S. Department of the Treasury. During the current year, these funds were identified as revenue replacement and were utilized to cover expenses related to Covid premium pay for employees, broadband feasibility study, replacement of health and safety assets, renovations to the existing water and sewer treatment facilities, and general government obligations.

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 \$99,583 and the related expenditures are as follows:

City Police Department	\$61,083
City Fire Department	<u>38,500</u>
Total	<u>\$99,583</u>

13. Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended December 31, 2022.

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, 2022, 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 April 28, 2023, 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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable
	<u>Original</u>	<u>Final</u>		( <u>Unfavorable</u> )
<b>REVENUES:</b>				
Taxes	\$2,256,490	\$2,612,490	\$3,234,235	\$ 621,745
Licenses & Permits	444,500	485,000	550,311	65,311
Intergovernmental	1,016,898	1,037,598	1,036,972	(626)
Charges for Services	254,700	254,500	245,830	(8,670)
Fines & Forfeitures	154,600	129,600	74,134	(55,466)
Miscellaneous-				
Interest	5,400	6,400	8,552	2,152
Oil and Gas Royalties	5,000	8,000	12,674	4,674
Miscellaneous	<u>27,400</u>	<u>151,400</u>	<u>21,522</u>	<u>(129,898)</u>
Total Revenues	<u>\$4,164,988</u>	<u>\$4,684,988</u>	<u>\$5,184,230</u>	<u>\$ 499,242</u>
<b>EXPENDITURES:</b>				
Current-				
General Government	\$1,468,550	\$1,650,775	\$1,754,845	\$(104,070)
Public Safety-				
Police	1,192,300	1,307,641	1,367,418	(59,777)
Fire	554,950	593,783	569,107	24,676
Public Works	452,200	476,206	444,026	32,180
Sanitation	135,900	148,900	149,458	(558)
Capital Outlay	<u>558,000</u>	<u>835,800</u>	<u>555,784</u>	<u>280,016</u>
Total Expenditures	<u>\$4,361,900</u>	<u>\$5,013,105</u>	<u>\$4,840,638</u>	<u>\$ 172,467</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ (196,912)</u>	<u>\$ (328,117)</u>	<u>\$ 343,592</u>	<u>\$ 671,709</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers Out	\$ (350,000)	\$ (350,000)	\$ (300,000)	\$ 50,000
Insurance Proceeds	<u>0</u>	<u>0</u>	<u>117,896</u>	<u>117,896</u>
Total Other Financing	<u>\$ (350,000)</u>	<u>\$ (350,000)</u>	<u>\$ (182,104)</u>	<u>\$ 167,896</u>
Excess (Deficiency) of Revenues and Sources over (Under) Expenditures and Uses	<u>\$ (546,912)</u>	<u>\$ (678,117)</u>	<u>\$ 161,488</u>	<u>\$ 839,605</u>
Fund Balance-Beginning of Year	<u>2,184,886</u>	<u>2,184,886</u>	<u>2,184,886</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,637,974</u>	<u>\$1,506,769</u>	<u>\$2,346,374</u>	<u>\$ 839,605</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, 2022

<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%	\$3,162,196	\$1,491,121	212%	66.13%
2016	.80079%	\$3,282,200	\$1,481,072	222%	62.11%
2017	.73346%	\$3,068,390	\$1,310,670	234%	62.49%
2018	.73966%	\$3,062,690	\$1,397,346	219%	63.94%
2019	.78791%	\$3,292,392	\$1,540,817	214%	64.68%
2020	.81096%	\$3,506,099	\$1,586,426	221%	64.52%
2021	.75390%	\$2,096,978	\$1,414,068	148%	77.82%
2022	.74775%	\$3,105,571	\$1,492,828	208%	67.87%
<i>Municipal Police Employees' Retirement System</i>					
2015	.22672%	\$1,776,083	\$613,552	289%	70.73%
2016	.19602%	\$1,837,222	\$476,917	385%	66.04%
2017	.14780%	\$1,290,330	\$404,849	319%	70.08%
2018	.12814%	\$1,083,320	\$399,156	271%	71.89%
2019	.13690%	\$1,243,272	\$485,790	256%	71.01%
2020	.17289%	\$1,597,934	\$549,577	291%	70.94%
2021	.17389%	\$ 926,913	\$581,543	159%	84.09%
2022	.22391%	\$2,288,747	\$605,619	378%	70.80%

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

See independent auditors' report and notes to financial statements.

City of Mansfield, Louisiana  
 Schedule of Employer's Contributions  
 For the Year Ended December 31, 2022

<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%
2016	\$292,512	\$292,512	\$0	\$1,481,072	19.75%
2017	\$311,298	\$311,298	\$0	\$1,310,670	23.75%
2018	\$354,593	\$354,593	\$0	\$1,397,346	25.38%
2019	\$414,351	\$414,351	\$0	\$1,540,817	26.89%
2020	\$454,609	\$454,609	\$0	\$1,586,426	28.66%
2021	\$417,150	\$417,150	\$0	\$1,414,068	29.50%
2022	\$440,384	\$440,384	\$0	\$1,492,828	29.50%
<i>Municipal Police Employees' Retirement System</i>					
2015	\$180,998	\$180,998	\$0	\$613,552	29.50%
2016	\$145,792	\$145,792	\$0	\$476,917	30.57%
2017	\$126,636	\$126,636	\$0	\$404,849	31.28%
2018	\$125,734	\$125,734	\$0	\$399,156	31.50%
2019	\$157,312	\$157,312	\$0	\$485,790	32.38%
2020	\$182,034	\$182,034	\$0	\$549,577	33.12%
2021	\$182,791	\$182,791	\$0	\$581,543	31.43%
2022	\$203,997	\$203,997	\$0	\$605,619	33.68%

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, 2022.

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, 2022

<u>Purpose</u>	John Mayweather, Sr. January 1 – June 30, 2022 <u>Amount</u>	Thomas Jones, Jr. July 1 – December 31, 2022 <u>Amount</u>
Salary	\$22,500	\$22,500
Benefits-Insurance	5,491	10,008
Benefits-Retirement	6,638	6,638
Deferred Compensation	0	0
Benefits-Other	392	392
Car allowance	4,500	4,500
Travel	0	456
Other	<u>0</u>	<u>0</u>
Total	<u>\$39,521</u>	<u>\$44,494</u>

See independent auditor's report.

City of Mansfield, Louisiana  
Justice System Funding Schedule  
Collecting/Disbursing Entity  
For the Year Ended December 31, 2022

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 06/30/22</b>	<b>Second Six Month Period Ended 12/31/22</b>
<b>1. Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	58,814	59,893
<b>2. Add: Collections</b>		
a Civil Fees (including refundable amounts such as garnishments or advance deposits )	-	-
b Bond Fees	3,900	6,800
c Asset Forfeiture/Sale	-	-
d Pre-Trial Diversion Program Fees	-	-
e Criminal Court Costs/Fees	4,396	4,563
f Criminal Fines - Contempt	-	-
g Criminal Fines - Other	42,950	49,001
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)	-	-
<b>m Subtotal Collections</b>	<b>51,246</b>	<b>60,364</b>
<b>3. Less: Disbursements To Governments &amp; Nonprofits:</b> (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>	5,885	5,238
<i>LCLE-Crime Victims; Criminal Fines-Other</i>	218	75
<i>Ware Youth Center; Criminal Fines-Other</i>	1,080	1,140
<i>LCLE-Police Training; Criminal Fines-Other</i>	288	304
<i>North LA Crime Lab; Criminal Fines-Other</i>	1,390	1,420
<i>LA Supreme Court-CMIS; Criminal Fines-Other</i>	475	453
<i>DHH-Traumatic Head Injury; Criminal Fines-Other</i>	445	440
<i>LA Supreme Court-Justice System; Criminal Fines-Other</i>	103	74
<i>DeSoto Crimestoppers; Criminal Fines-Other</i>	288	294
<b>4. Less: Amounts Retained by Collecting Agency</b>		
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>	4,396	4,563
<i>Criminal Fines-Other</i>	33,697	39,557
<b>5. Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
a Civil Fee Refunds	-	-
b Bond Fee Refunds	1,900	4,600
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	-	-
<b>6. Subtotal Disbursements/Retainage</b>	<b>50,167</b>	<b>58,157</b>
<b>7. Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>59,893</b>	<b>62,100</b>
<b>8. Ending Balance of "Partial Payments" Collected but not Disbursed</b> (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.	-	-
<b>9. Other Information:</b>		
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 )	6,065	7,662

See independent auditor's report.

City of Mansfield, Louisiana  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2022

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant ID Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>	<u>Amount Provided Subrecipients</u>
<b>US Department of Housing &amp; Urban Development:</b>					
Passed through the LA Division of Administration:					
Community Development Block Grant	14.228	B-20-DC-22-0001	\$ 904,572	\$ 904,572	\$0
<b>US Department of Treasury:</b>					
Passed through the LA Division of Administration:					
Coronavirus State & Local Fiscal Recovery Funds	21.027	LA1168	\$ <u>856,492</u>	\$ <u>856,492</u>	\$0
<b>Total Federal Financial Assistance</b>			<b><u>\$1,761,064</u></b>	<b><u>\$1,761,064</u></b>	<b><u>\$0</u></b>

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the City of Mansfield under programs of the federal government for the year ended December 31, 2022. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City of Mansfield, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Mansfield.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City of Mansfield has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER REPORTS/SCHEDULES

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

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

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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, 2022, 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 April 28, 2023.

**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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

## 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 determination of 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

April 28, 2023

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Mayor and City Council of  
Mansfield, Louisiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Mansfield's (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

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

April 28, 2023

City of Mansfield, Louisiana  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2022

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, 2022.
2. The audit disclosed one material weakness in internal control that is required to be reported under *Government Auditing Standards*.
3. The audit disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any instances of material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any findings related to federal awards that are required to be reported under the Uniform Guidance.
7. The following programs were major for the year ended December 31, 2022:
  - Community Development Block Grants (CFDA #14.228)
  - Coronavirus State and Local Fiscal Recovery Funds (CFDA #21.027)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. The City of Mansfield does not qualify as a low-risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Internal Control-

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

*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 payroll 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 (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.

City of Mansfield, Louisiana  
 Schedule of Findings and Questioned Costs (continued)  
 Year Ended December 31, 2022

*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 payroll supervision, record keeping, and approval.

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

*Response* – The City will ensure to consistently adhere to its policies and procedures by having all employees sign in and out on a daily log sheet at each work location. The supervisors will collect, review, and verify the daily logs and sign timesheets accordingly. The accountant shall return unsigned timesheets to the appropriate supervisor for signature.

### III. FINDINGS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

No findings were identified.

### IV. PRIOR YEAR FINDINGS

#### Internal Control-

#### *2021-001 Failure to Follow Established Policies and Procedures*

*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) secondary review of bank reconciliations, and (3) regular review of budget-to-actual financial statements by members of management.

*Status* – This condition concerning the approval of time sheets by supervisors was not cleared at December 31, 2022. See finding 2022-001.

#### Compliance-

#### *2021-002 Local Government Budget Act*

*Condition* - For the year ended December 31, 2022, actual expenditures in the General Fund were more than budgeted expenditures by more than the 5% variance allowed by state law.

*Status* – This condition was cleared at December 31, 2022.

**T | C | B | T**  
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**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, 2022 through December 31, 2022. 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, 2022 through December 31, 2022. 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***

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1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
  - ***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 agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- ***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 schedule.
- ***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, P-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.
- ***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 - We noted no exceptions with regard to Written Policies and Procedures.**

#### ***Board or Finance Committee***

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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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, 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 fund balance 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.

**Procedure Results - We noted no exceptions with regard to Board or Finance Committee.**

### ***Bank Reconciliations***

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3. We obtained a listing of client 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, and 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 include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (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 - We noted no exceptions with regard to Bank Reconciliations.**

### ***Collections (excluding electronic funds transfers)***

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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, 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 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 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 agency 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 enforced 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 - We noted no exceptions with regard to Collections.**

***Non-Payroll Disbursements – General (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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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 (up to five).
9. For each location selected under #8 above, obtain 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, inquire 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/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.
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 matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.

- We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Procedure Results - We noted no exceptions with regard to Non-Payroll Disbursements.**

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

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
12. 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.
13. 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 (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) 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 - We noted one exception with regard to Credit Cards/Debit Cards/Fuel Cards. We found an instance when the original receipts for credit/debit card purchases were not included with the supporting documentation.**

***Travel and Expense Reimbursement***

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14. 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 five 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 five 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](http://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 #1h).

- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Procedure Results - We noted no exceptions with regard to Travel and Expense Reimbursement.**

***Contracts***

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15. We obtained from management a listing of all agreements/contracts 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 five) 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 that 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 was approval documented).
  - 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 - We noted no exceptions with regard to Contracts.**

***Payroll and Personnel***

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16. 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 five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance 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/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.
18. 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 policy on termination payments.

If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.

19. 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, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

**Procedure Results - We noted one exception with regard to Payroll and Personnel. One of the attendance and leave forms selected lacked evidence of approval of supervisor.**

### *Ethics*

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20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:

- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- 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.

**Procedure Results - We noted one exception with regard to Ethics. One of the selected employee files did not have documentation demonstrating the completion of one hour of ethics training.**

### *Debt Service*

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21. 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 bond/note issued.
22. 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 - We noted no exceptions with regard to Debt Service.**

### *Fraud Notice*

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23. 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 City attorney of the parish in which the entity is domiciled.
24. 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 - We noted no exceptions with regard to Fraud Notice.**

### ***Information Technology Disaster Recovery/Business Continuity***

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25. 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 occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
- We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

**Procedure Results - We performed the procedures regarding Information Technology/Disaster Recovery/Business Continuity and discussed the results with management.**

### ***Sexual Harassment***

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26. We randomly selected the employees/officials from procedure #16 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.

27. 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).

28. 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 - We noted one exception with regard to Sexual Harassment. One of the selected employee files did not have documentation demonstrating the completion of one hour of sexual harassment training.**

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

April 28, 2023

City of Mansfield, Louisiana  
Management's Responses to Exceptions to the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2022

Item 12: Exception – We found an instance where the original receipts for credit/debit card purchase were not included with the supporting documentation.

Response – We will educate all employees with the importance of maintaining supporting documentation for all credit card purchases.

Item 17: Exception – One of the attendance and leave forms selected lacked evidence of approval from the supervisor.

Response – We will adhere to policies and procedures by having all employees sign in and out on a daily log sheet at each work location.

Item 20: Exception – One of the selected employee files did not have documentation demonstrating the completion of one hour of ethics training.

Response – We will ensure all employees complete the ethics training and include the documentation in the personnel files.

Item 26: Exception – One of the selected employee files did not have documentation demonstrating the completion of one hour of sexual harassment training.

Response – We will ensure all employees complete the sexual harassment training and include the documentation in the personnel files.