

TOWN OF MANSURA, LOUISIANA

Financial Report

Year Ended June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana, (hereinafter, "the Town") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Mansura, Louisiana has omitted management's discussion and analysis that, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mansura, Louisiana's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules included in other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2016, on our consideration of the Town of Mansura, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mansura, Louisiana's internal control over financial reporting and compliance.

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

Marksville, Louisiana
October 31, 2016

BASIC FINANCIAL STATEMENTS

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

TOWN OF MANSURA, LOUISIANA

Statement of Net Position

June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 260,087	\$ 269,172	\$ 529,259
Interest bearing deposits	400,000	76,830	476,830
Receivables, net	73,516	11,211	84,727
Prepaid items	5,867	383	6,250
Restricted assets:			
Cash and cash equivalents	818,867	38,745	857,612
Due from other governmental units	10,063	53,978	64,041
Capital assets:			
Land and construction in progress	113,628	25,657	139,285
Depreciable capital assets, net	<u>2,528,624</u>	<u>4,016,471</u>	<u>6,545,095</u>
Total assets	<u>4,210,652</u>	<u>4,492,447</u>	<u>8,703,099</u>
LIABILITIES			
Accounts and other payables	33,320	7,413	40,733
Prepaid rental income	1,400	-	1,400
Long-term liabilities:			
Bonds due within one year	-	46,000	46,000
Bonds due after one year	<u>-</u>	<u>860,398</u>	<u>860,398</u>
Total liabilities	<u>34,720</u>	<u>913,811</u>	<u>948,531</u>
NET POSITION			
Net investment in capital assets	2,642,252	3,135,730	5,777,982
Restricted for:			
Public works and public safety	1,222,782	-	1,222,782
Debt service	-	34,629	34,629
Sewer	-	58,094	58,094
Other purposes	28,421	-	28,421
Unrestricted	<u>282,477</u>	<u>350,183</u>	<u>632,660</u>
Total net position	<u>\$ 4,175,932</u>	<u>\$ 3,578,636</u>	<u>\$ 7,754,568</u>

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

TOWN OF MANSURA, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2016

Activities	Expenses	Fees, Fines, and Charges for Services	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 287,856	\$ -	\$ -	\$ (287,856)	\$ -	\$ (287,856)
Public safety:						
Police	339,394	24,360	-	(315,034)	-	(315,034)
Fire	108,211	-	-	(108,211)	-	(108,211)
Recreation	31,737	-	-	(31,737)	-	(31,737)
Streets	296,441	-	-	(296,441)	-	(296,441)
Health and sanitation	988	-	-	(988)	-	(988)
Total governmental activities	1,064,627	24,360	-	(1,040,267)	-	(1,040,267)
Business-type activities:						
Sewer	234,750	151,615	-	-	(83,135)	(83,135)
Total business-type activities	234,750	151,615	-	-	(83,135)	(83,135)
Total	\$ 1,299,377	\$ 175,975	\$ -	(1,040,267)	(83,135)	(1,123,402)
General revenues:						
Taxes -						
Property taxes, levied for general purposes				46,329	-	46,329
Sales and use taxes, levied for general purposes				497,256	-	497,256
Franchise taxes				103,180	-	103,180
Intergovernmental				84,278	-	84,278
Licenses and permits				93,972	-	93,972
Interest and investment earnings				13,020	867	13,887
Rent				26,370	-	26,370
Miscellaneous				6,552	-	6,552
Transfers				(24,414)	24,414	-
Total general revenues and transfers				846,543	25,281	871,824
Change in net position				(193,724)	(57,854)	(251,578)
Net position - July 1, 2015				4,369,656	3,636,490	8,006,146
Net position - June 30, 2016				\$ 4,175,932	\$ 3,578,636	\$ 7,754,568

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

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

Special Revenue Fund

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

Sales Tax 1988 Fund

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

Sales Tax 2002 Fund

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

Capital Projects Funds

Recreation and Parks Fund

To account for monies received from General Fund for improvements and maintenance of recreation areas through the Town.

LCDBG Fire Protection Grant Fund

To account for monies received through a Louisiana Community Development Block Grant Program for water improvements for better fire protection.

Enterprise Fund

Sewer Utility Fund

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

TOWN OF MANSURA, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2016

	General	Sales Tax 1988	Sales Tax 2002	Other Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 247,144	\$ -	\$ -	\$ 12,943	\$ 260,087
Interest bearing deposits	-	200,000	200,000	-	400,000
Cash - restricted	15,478	292,976	510,413	-	818,867
Receivables:					
Franchise fees	24,702	-	-	-	24,702
Taxes	4,429	18,438	18,438	-	41,305
Other	7,509	-	-	-	7,509
Due from other governmental units	10,063	-	-	-	10,063
Prepaid items	5,857	-	-	10	5,867
Total assets	<u>\$ 315,182</u>	<u>\$ 511,414</u>	<u>\$ 728,851</u>	<u>\$ 12,953</u>	<u>\$ 1,568,400</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 15,837	\$ 10,008	\$ 7,475	-	\$ 33,320
Prepaid rental income	1,400	-	-	-	1,400
Total liabilities	<u>17,237</u>	<u>10,008</u>	<u>7,475</u>	<u>-</u>	<u>34,720</u>
Fund balances:					
Nonspendable	5,857	-	-	10	5,867
Restricted for:					
Public works and public safety		501,406	721,376		1,222,782
Other purposes	15,478			12,943	28,421
Unassigned	276,610	-	-	-	276,610
Total fund balances	<u>297,945</u>	<u>501,406</u>	<u>721,376</u>	<u>12,953</u>	<u>1,533,680</u>
Total liabilities and fund balances	<u>\$ 315,182</u>	<u>\$ 511,414</u>	<u>\$ 728,851</u>	<u>\$ 12,953</u>	<u>\$ 1,568,400</u>

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

TOWN OF MANSURA, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

Total fund balances for governmental funds at June 30, 2016		\$1,533,680
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 90,491	
Construction in Progress	23,137	
Buildings and improvements, net of \$289,117 accumulated depreciation	540,512	
Infrastructure, net of \$783,163 accumulated depreciation	1,918,184	
Equipment, furniture and fixtures, net of \$216,258 accumulated depreciation	66,403	
Vehicles, net of \$142,964 accumulated depreciation	<u>3,525</u>	<u>2,642,252</u>
Total net position of governmental activities at June 30, 2016		<u>\$4,175,932</u>

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

TOWN OF MANSURA, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended June 30, 2016

	General	Sales Tax 1988	Sales Tax 2002	Other Governmental Funds	Totals
Revenues:					
Taxes	\$ 149,509	\$ 248,628	\$ 248,628	\$ -	\$ 646,765
Licenses and permits	93,972	-	-	-	93,972
Intergovernmental	84,278	-	-	-	84,278
Fines and forfeits	24,360	-	-	-	24,360
Miscellaneous	31,224	5,585	7,280	1,853	45,942
Total revenues	<u>383,343</u>	<u>254,213</u>	<u>255,908</u>	<u>1,853</u>	<u>895,317</u>
Expenditures:					
General government	200,999	57,694	5,438	4,370	268,501
Public safety:				-	
Police	258,662	31,479	23,804	-	313,945
Fire	-	33,466	30,418	8	63,892
Recreation	19,933	5,329	-	1,620	26,882
Streets	204,089	4,176	3,290	-	211,555
Sewer	277	-	-	-	277
Appropriations to other governments	20,000	-	-	-	20,000
Capital outlay	162,800	-	-	-	162,800
Total expenditures	<u>866,760</u>	<u>132,144</u>	<u>62,950</u>	<u>5,998</u>	<u>1,067,852</u>
				-	
Excess (deficiency) of revenues over expenditures	<u>(483,417)</u>	<u>122,069</u>	<u>192,958</u>	<u>(4,145)</u>	<u>(172,535)</u>
Other financing sources (uses):					
Transfers in	468,259	-	-	20	468,279
Transfers out	-	(226,712)	(265,900)	(81)	(492,693)
Total other financing sources (uses)	<u>468,259</u>	<u>(226,712)</u>	<u>(265,900)</u>	<u>(61)</u>	<u>(24,414)</u>
Net changes in fund balances	(15,158)	(104,643)	(72,942)	(4,206)	(196,949)
Fund balances, beginning	<u>313,103</u>	<u>606,049</u>	<u>794,318</u>	<u>17,159</u>	<u>1,730,629</u>
Fund balances, ending	<u>\$ 297,945</u>	<u>\$ 501,406</u>	<u>\$ 721,376</u>	<u>\$ 12,953</u>	<u>\$ 1,533,680</u>

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

TOWN OF MANSURA, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016

Total net change in fund balances for the year ended June 30, 2016 per
statement of revenues, expenditures and changes in fund balances \$ (196,949)

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 162,800	
Depreciation expense	<u>(159,575)</u>	3,225

Change in net position for the year ended June 30, 2016 per statement of activities \$ (193,724)

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

TOWN OF MANSURA, LOUISIANA

Statement of Net Position
 Proprietary Fund - Enterprise Fund
 June 30, 2016

	<u>Sewer Utility</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 269,172
Interest bearing deposits	76,830
Accounts receivable, net of allowance	11,211
Prepaid items	<u>383</u>
Total current assets	<u>357,596</u>
Noncurrent assets:	
Restricted assets -	
Cash and cash equivalents	38,745
Due from other governmental agencies	53,978
Capital assets -	
Land and construction in progress	25,657
Depreciable capital assets, net	<u>4,016,471</u>
Total noncurrent assets	<u>4,134,851</u>
Total assets	<u>4,492,447</u>
LIABILITIES	
Current liabilities:	
Accounts payable	7,413
Payable from restricted assets -	
Revenue bonds	<u>46,000</u>
Total current liabilities	53,413
Noncurrent liabilities:	
Revenue bonds payable	<u>860,398</u>
Total liabilities	<u>913,811</u>
NET POSITION	
Net investment in capital assets	3,135,730
Restricted for:	
Debt service	34,629
Sewer	58,094
Unrestricted	<u>350,183</u>
Total net position	<u>\$ 3,578,636</u>

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

TOWN OF MANSURA, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position -
 Proprietary Fund - Enterprise Fund
 For the Year Ended June 30, 2016

	<u>Sewer Utility</u>
Operating revenues:	
Charges for services -	
Sewer fees	<u>\$ 151,615</u>
Operating expenses:	
Salaries and related benefits	55,446
Dues and subscriptions	485
Maintenance and repairs	560
Supplies	13,209
Contractual services	4,049
Travel and conventions	58
EPA reports	4,505
Auto repairs and maintenance	1,926
Equipment repairs and maintenance	3,663
Engineering fees	1,071
Utilities and telephone	32,772
Uniforms	1,826
Gas and oil	206
Depreciation expense	104,750
Miscellaneous	<u>2,989</u>
Total operating expenses	<u>227,515</u>
Operating loss	<u>(75,900)</u>
Nonoperating revenues (expenses):	
Interest income	867
Interest expense	<u>(7,235)</u>
Total nonoperating revenues (expenses)	<u>(6,368)</u>
Loss before transfers	(82,268)
Transfers in (out):	
Transfer to 1988 Sales Tax	(300)
Transfer from 2002 Sales Tax	20,000
Transfer from General Fund	<u>4,714</u>
Total transfers in (out)	<u>24,414</u>
Change in net position	(57,854)
Net position, beginning	<u>3,636,490</u>
Net position, ending	<u><u>\$ 3,578,636</u></u>

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

TOWN OF MANSURA, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - Enterprise Fund
 For the Year Ended June 30, 2016

	<u>Sewer Utility</u>
Cash flows from operating activities:	
Receipts from customers	\$ 155,228
Payments to suppliers	(64,628)
Payments to employees	<u>(55,446)</u>
Net cash provided by operating activities	<u>35,154</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(300)
Cash received from other funds	<u>27,983</u>
Net cash provided by noncapital financing activities	<u>27,683</u>
Cash flows from capital and related financing activities:	
Proceeds from revenue bonds	112,615
Principal paid on revenue bond	(37,000)
Interest and fiscal charges paid on revenue bonds	(7,235)
Acquisition of property, plant and equipment	<u>(112,263)</u>
Net cash used by capital and related financing activities	<u>(43,883)</u>
Cash flows from investing activities:	
Interest received on interest-bearing deposits	<u>867</u>
Net increase in cash and cash equivalents	19,821
Cash and cash equivalents, beginning of period	<u>288,096</u>
Cash and cash equivalents, end of period	<u>\$ 307,917</u>

(continued)

TOWN OF MANSURA, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - Enterprise Fund (Continued)
 For the Year Ended June 30, 2016

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (75,900)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	104,750
Changes in current assets and liabilities:	
Decrease in accounts receivable	3,613
Decrease in prepaid items	2,210
Increase in accounts payable	<u>481</u>
Net cash provided by operating activities	<u>\$ 35,154</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 284,327
Interest-bearing deposits - unrestricted	76,830
Cash - restricted	3,769
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(76,830)</u>
Total cash and cash equivalents, beginning of period	<u>288,096</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	269,172
Interest-bearing deposits - unrestricted	76,830
Cash - restricted	38,745
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(76,830)</u>
Total cash and cash equivalents, end of period	<u>307,917</u>
Net increase	<u>\$ 19,821</u>

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

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

Fund Financial Statements

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

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

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

The major funds of the Town are described below:

Governmental Funds -

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

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

Proprietary Funds –

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Enterprise Fund

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

C. Measurement Focus/Basis of Accounting

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

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

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

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

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

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

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

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

Cash, cash equivalents and interest-bearing deposits

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

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

Receivables

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

Uncollectible utility service receivables are recognized as bad debt at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2016, an allowance for utility service receivables was considered unnecessary due to immateriality.

Interfund receivables and payables

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

term interfund loans are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items.

Restricted Assets

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

Capital Assets

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

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

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

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

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Long-term debt

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

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

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

Compensated Absences

The Town does not accumulate unpaid vacation time. Sick leave may be accumulated; however, it is not payable upon resignation or termination. Therefore, there are no compensated absences payable at June 30, 2016.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has no deferred outflows of resources at June 30, 2016.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Town has no deferred inflows of resources at June 30, 2016.

Equity Classifications

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

1. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

2. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
3. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

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

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

It is the Town's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

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

E. Revenues, Expenditures, and Expenses

Revenues

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

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

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

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Expenditures/Expenses

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

G. Use of Estimates

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2016, the Town had cash and interest-bearing deposits (book balances) totaling \$1,863,701 as follows:

Cash	\$ 1,386,871
Interest bearing deposits	<u>476,830</u>
Total	<u>\$ 1,863,701</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or the Town will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2016, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 1,843,831</u>
Insurance	\$ 546,534
Uninsured and collateral held by the pledging bank not in the Town's name	<u>1,297,297</u>
Total	<u>\$ 1,843,831</u>

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(3) Receivables

Receivables at June 30, 2016 totaling \$84,727 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ -	\$ 11,211	\$ 11,211
Franchise fees	24,702	-	24,702
Taxes:			
Ad valorem	4,429	-	4,429
Sales tax	36,876	-	36,876
Other	<u>7,509</u>	<u>-</u>	<u>7,509</u>
Totals	<u>\$ 73,516</u>	<u>\$ 11,211</u>	<u>\$ 84,727</u>

(4) Due from Other Governmental Units

Amounts due from other governments at June 30, 2016 of \$64,041 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Due from other governmental agencies:			
Due from State of Louisiana - Video Poker	\$ 10,063	\$ -	\$ 10,063
Due from State of Louisiana - DEQ	<u>-</u>	<u>53,978</u>	<u>53,978</u>
Totals	<u>\$ 10,063</u>	<u>\$ 53,978</u>	<u>\$ 64,041</u>

(5) Restricted Assets

Restricted assets in the amount of \$857,612 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Restricted assets:			
Sidewalk Construction Account	\$ 2,629	\$ -	\$ 2,629
LGAP Grant Funds	12,849	-	12,849
Sales Tax 1988 Account	292,976	-	292,976
Sales Tax 2002 Account	510,413	-	510,413
Revenue Reserve Account	-	6,892	6,892
Sinking Fund Account	-	27,737	27,737
CWSRF Improvement Fund	<u>-</u>	<u>4,116</u>	<u>4,116</u>
	<u>\$ 818,867</u>	<u>\$ 38,745</u>	<u>\$ 857,612</u>

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2016</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 90,491	\$ -	\$ -	\$ 90,491
Construction in progress	30,029	-	6,892	23,137
Other capital assets:				
Buildings and improvements	829,629	-	-	829,629
Infrastructure	2,531,655	169,692	-	2,701,347
Furniture, fixtures and equipment	282,661	-	-	282,661
Vehicles	146,489	-	-	146,489
Totals	<u>3,910,954</u>	<u>169,692</u>	<u>6,892</u>	<u>4,073,754</u>
Less accumulated depreciation:				
Buildings and improvements	264,294	24,823	-	289,117
Infrastructure	681,707	101,456	-	783,163
Furniture, fixtures and equipment	200,100	16,158	-	216,258
Vehicles	125,826	17,138	-	142,964
Total accumulated depreciation	<u>1,271,927</u>	<u>159,575</u>	<u>-</u>	<u>1,431,502</u>
Governmental activities, capital assets, net	<u>\$ 2,639,027</u>	<u>\$ 10,117</u>	<u>\$ 6,892</u>	<u>\$ 2,642,252</u>

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

	<u>Balance</u> <u>7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2016</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 25,657	\$ -	\$ -	\$ 25,657
Construction in progress	-	-	-	-
Other capital assets:				
Sewer lines	958,387	112,263	-	1,070,650
Sewer system	4,126,988	-	-	4,126,988
Equipment and vehicles	124,312	-	-	124,312
Totals	<u>5,235,344</u>	<u>112,263</u>	<u>-</u>	<u>5,347,607</u>
Less accumulated depreciation:				
Sewer lines	67,208	19,167	-	86,375
Sewer system	1,039,048	79,182	-	1,118,230
Equipment and vehicles	94,473	6,401	-	100,874
Total accumulated depreciation	<u>1,200,729</u>	<u>104,750</u>	<u>-</u>	<u>1,305,479</u>
Business-type activities, capital assets, net	<u>\$ 4,034,615</u>	<u>\$ 7,513</u>	<u>\$ -</u>	<u>\$ 4,042,128</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 19,355
Police	25,449
Recreation	4,855
Fire	24,319
Streets	84,886
Sewer	711
Total depreciation expense	<u>\$ 159,575</u>

Depreciation expense charged to business-type activities at June 30, 2016 totaled \$104,750.

(7) Accounts and Other Payables

The accounts and other payables of \$40,733 consist of the following at June 30, 2016:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Accounts payable	\$ 24,448	\$ 6,637	\$ 31,085
Payroll liabilities	<u>8,872</u>	<u>776</u>	<u>9,648</u>
	<u>\$ 33,320</u>	<u>\$ 7,413</u>	<u>\$ 40,733</u>

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(8) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2016:

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2016</u>	<u>Amount due in one year</u>
Long-term debt:					
Revenue bonds	\$ 943,398	\$ -	\$ 37,000	\$906,398	\$46,000

Bonds payable at June 30, 2016 is comprised of the following individual issue:

Business-type activities:

\$1,010,000 Revenue bonds, Series 2012 (DEQ) dated August 6, 2013, due in annual serial installments of \$46,000 to \$55,000 through August 2033; interest at .95 percent consisting of .45 percent interest rate and .50 percent DHH administrative fee, secured by sewer fund revenues \$906,398

Annual debt service requirements of bonds outstanding are as follows:

Year ending June 30,	<u>Business-type Activities</u>		
	<u>Principal payments</u>	<u>Interest payments</u>	<u>Total</u>
2017	\$ 46,000	\$ 7,539	\$ 53,539
2018	47,000	7,438	54,438
2019	48,000	6,987	54,987
2020	48,000	6,531	54,531
2021	49,000	6,070	55,070
2022-2026	251,000	23,271	274,271
2027-2031	263,000	11,045	274,045
2032-2034	<u>154,398</u>	<u>1,013</u>	<u>155,411</u>
Total	<u>\$906,398</u>	<u>\$ 69,894</u>	<u>\$976,292</u>

(9) Ad Valorem Taxes

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

For the year ended June 30, 2016, taxes of 5.02 mills were levied on property with assessed valuations totaling \$9,228,884 and were dedicated to general maintenance.

Total taxes levied were \$46,329. Taxes receivable at June 30, 2016 totaled \$4,429, which was current.

(10) Dedication of Proceeds and Flow of Funds – 1% Sales and Use Tax

The proceeds of a one percent sales and use tax levied by the Town in 1988 totaled \$248,628, and is dedicated to the following purposes:

Operating, maintaining and purchasing of supplies for streets, drainage, public safety, sanitation and any other lawful corporate purpose.

The proceeds of a half percent sales and use tax levied by the Town in 2002 totaled \$248,628 and is dedicated to the following purposes:

Operating, maintaining and purchasing of supplies for streets, drainage, public safety, sanitation and any other lawful corporate purpose.

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

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

Bond Sinking Fund

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

Reserve Fund

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

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

Revenue Bond Depreciation and Contingency Fund

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

(12) Compensation, Benefits and Other Payments to Mayors

A detail of compensation, benefits, and other payments made to the Mayor Kenneth Pickett for the year ended June 30, 2016 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 36,000
Benefits - payroll taxes	2,754
Reimbursements	668
Travel	<u>164</u>
	<u>\$ 39,586</u>

(13) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2016 follows:

<u>Elected Official</u>	<u>Office</u>	<u>Term</u>	<u>Salary</u>	<u>Term Expiration</u>
Kenneth Pickett, Sr.	Mayor	4 years	\$ 36,000	December 31, 2018
Gaon Escude	Alderman	4 years	2,400	December 31, 2018
Judy Bazert	Alderman	4 years	2,400	December 31, 2018
Lucille Hayes	Alderman	4 years	2,400	December 31, 2018
Judy James	Alderman	4 years	2,400	December 31, 2018
Delas Huddleston	Alderman	4 years	1,000	December 31, 2018
Allison Ferguson	Alderman	4 years	<u>1,200</u>	December 31, 2018
			<u>\$ 47,800</u>	

TOWN OF MANSURA, LOUISIANA

Notes to Basic Financial Statements (continued)

(14) Retirement Commitments

The Town of Mansura, Louisiana has no retirement commitments or pension plans for its employees. As of June 30, 2016, all employees of the Town are members of the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (6.2 percent contributed by the Town; 6.2 percent contributed by the employee). The Town's contributions during the years ending June 30, 2016, 2015 and 2014 were \$37,488, \$34,995, and \$29,669, respectively.

(15) Interfund Transactions

Transfers consisted of the following at June 30, 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	468,259	-
Sales Tax 1988 Fund		226,712
Sales Tax 2002 Fund	-	265,900
Nonmajor governmental funds:		
Recreation Fund	-	81
LCDBG - Fire Protection Grant Fund	<u>20</u>	<u>-</u>
Total governmental funds	468,279	492,693
Enterprise funds -		
Sewer Utility Fund	<u>24,414</u>	<u>-</u>
Total	<u>\$ 492,693</u>	<u>\$ 492,693</u>

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

(16) Litigation and Claims

At June 30, 2016, the Town was not involved in any lawsuits claiming damages that would not be adequately covered by liability insurance.

(17) Risk Management

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF MANSURA, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 196,000	\$ 137,330	\$ 149,509	\$ 12,179
Licenses and permits	56,900	84,005	93,972	9,967
Intergovernmental	68,000	67,693	84,278	16,585
Fines and forfeits	20,000	17,843	24,360	6,517
Miscellaneous	39,700	25,569	31,224	5,655
Total revenues	<u>380,600</u>	<u>332,440</u>	<u>383,343</u>	<u>50,903</u>
Expenditures:				
General government	220,300	201,364	200,999	365
Public safety -				
Police	228,106	261,394	258,662	2,732
Fire	520	10	-	10
Recreation	16,440	20,245	19,933	312
Streets	212,787	208,596	204,089	4,507
Sewer	-	600	277	323
Appropriations to other governments	15,000	20,000	20,000	-
Capital outlay	150,000	152,000	162,800	(10,800)
Total expenditures	<u>843,153</u>	<u>864,209</u>	<u>866,760</u>	<u>(2,551)</u>
Excess (deficiency) of revenues over expenditures	<u>(462,553)</u>	<u>(531,769)</u>	<u>(483,417)</u>	<u>48,352</u>
Other financing sources (uses):				
1988 Sales Tax fund	80,000	198,775	227,012	28,237
2002 Sales Tax fund	145,000	234,164	245,900	11,736
Sewer fund	-	(200)	(4,714)	(4,514)
Parks and recreation fund	(5,000)	-	81	81
Capital projects fund	-	-	(20)	(20)
Total other financing sources (uses)	<u>220,000</u>	<u>432,739</u>	<u>468,259</u>	<u>35,520</u>
Change in fund balance	(242,553)	(99,030)	(15,158)	83,872
Fund balance, beginning	<u>313,103</u>	<u>313,103</u>	<u>313,103</u>	<u>-</u>
Fund balance, ending	<u>\$ 70,550</u>	<u>\$ 214,073</u>	<u>\$ 297,945</u>	<u>\$ 83,872</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 1988 Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes -				
Sales	\$ 250,000	\$ 239,382	\$ 248,628	\$ 9,246
Other	4,000	4,600	5,585	985
Total revenues	<u>254,000</u>	<u>243,982</u>	<u>254,213</u>	<u>10,231</u>
Expenditures:				
General Government -				
Finance and administrative	63,600	60,057	57,694	2,363
Public safety -				
Police	33,100	21,300	31,479	(10,179)
Fire	37,740	36,400	33,466	2,934
Recreation	5,600	4,415	5,329	(914)
Streets	-	10,875	4,176	6,699
Capital outlay	180,000	-	-	-
Debt service	10,000	-	-	-
Total expenditures	<u>330,040</u>	<u>133,047</u>	<u>132,144</u>	<u>903</u>
Excess (deficiency) of revenues over expenditures	(76,040)	110,935	122,069	11,134
Other financing sources (uses):				
Transfer to General fund	(80,000)	(198,775)	(227,012)	(28,237)
Transfer from Sewer fund	-	-	300	300
Total other financing sources (uses)	<u>(80,000)</u>	<u>(198,775)</u>	<u>(226,712)</u>	<u>(27,937)</u>
Change in fund balance	(156,040)	(87,840)	(104,643)	(16,803)
Fund balances, beginning	<u>606,049</u>	<u>606,049</u>	<u>606,049</u>	<u>-</u>
Fund balances, ending	<u>\$ 450,009</u>	<u>\$ 518,209</u>	<u>\$ 501,406</u>	<u>\$(16,803)</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 2002 Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes -				
Sales	\$ 250,000	\$ 239,382	\$ 248,628	\$ 9,246
Other	4,000	6,000	7,280	1,280
Total revenues	<u>254,000</u>	<u>245,382</u>	<u>255,908</u>	<u>10,526</u>
Expenditures:				
General Government -				
Finance and administrative	50,000	5,782	5,438	344
Public safety -				
Police	32,600	22,250	23,804	(1,554)
Fire	30,000	30,500	30,418	82
Streets	19,000	3,400	3,290	110
Debt service	10,000	-	-	-
Total expenditures	<u>141,600</u>	<u>61,932</u>	<u>62,950</u>	<u>(1,018)</u>
Excess of revenues over expenditures	112,400	183,450	192,958	9,508
Other financing uses:				
Transfer to General fund	(145,000)	(245,000)	(245,900)	(900)
Transfer to Sewer fund	(50,000)	-	(20,000)	(20,000)
Total other financing sources (uses)	<u>(195,000)</u>	<u>(245,000)</u>	<u>(265,900)</u>	<u>(20,900)</u>
Change in fund balance	(82,600)	(61,550)	(72,942)	(11,392)
Fund balances, beginning	<u>794,318</u>	<u>794,318</u>	<u>794,318</u>	<u>-</u>
Fund balances, ending	<u>\$ 711,718</u>	<u>\$ 732,768</u>	<u>\$ 721,376</u>	<u>\$ (11,392)</u>

TOWN OF MANSURA, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2016

(1) Budget and Budgetary Accounting

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

1. The Mayor meets with the Alderman and Town Clerk to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. Anticipated changes from the prior year are taken into account and reflected in the projections.
3. Once adopted, the budget is made available for public inspection and a budget summary is published in the Town's designated official journal.
4. The Town does not formally integrate its budget as a management tool.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets are prepared for the General Fund and Special Revenue Funds utilizing generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the Board of Alderman. Such amendments were not material in relation to the original appropriation.
7. The Town's expenditures exceeded appropriations by \$2,551 in the General Fund and by \$1,018 in the Sales Tax 2002 Fund.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF MANSURA, LOUISIANA

Nonmajor Capital Projects Funds
 Combining Balance Sheet
 June 30, 2016

	<u>Recreation and Parks</u>	<u>LCDBG Fire Protection</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 12,882	\$ 61	\$ 12,943
Prepaid items	<u>10</u>	<u>-</u>	<u>10</u>
Total assets	<u>\$ 12,892</u>	<u>\$ 61</u>	<u>\$ 12,953</u>
LIABILITIES AND FUND BALANCES			
Fund balances:			
Nonspendable	10	-	10
Restricted	<u>12,882</u>	<u>61</u>	<u>12,943</u>
Total fund balances	<u>12,892</u>	<u>61</u>	<u>12,953</u>
 Total liabilities and fund balances	 <u>\$ 12,892</u>	 <u>\$ 61</u>	 <u>\$ 12,953</u>

TOWN OF MANSURA, LOUISIANA

Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2016

	<u>Recreation and Parks</u>	<u>LCDBG Fire Protection</u>	<u>Totals</u>
Revenues:			
Miscellaneous	<u>\$ 1,853</u>	<u>\$-</u>	<u>\$ 1,853</u>
Expenditures:			
General government	4,370	-	4,370
Public safety:			
Fire	-	8	8
Recreation	1,620	-	1,620
Total expenditures	<u>5,990</u>	<u>8</u>	<u>5,998</u>
Deficiency of revenues over expenditures	<u>(4,137)</u>	<u>(8)</u>	<u>(4,145)</u>
Other financing sources (uses):			
Transfers in	-	20	20
Transfers out	<u>(81)</u>	<u>-</u>	<u>(81)</u>
Total other financing sources (uses)	<u>(81)</u>	<u>20</u>	<u>(61)</u>
Net changes in fund balances	(4,218)	12	(4,206)
Fund balances, beginning	<u>17,110</u>	<u>49</u>	<u>17,159</u>
Fund balances, ending	<u>\$ 12,892</u>	<u>\$ 61</u>	<u>\$ 12,953</u>

TOWN OF MANSURA, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
General government -				
Administration:				
Salaries and per diem	\$ 46,900	\$ 49,000	\$ 54,444	\$ (5,444)
Payroll taxes	17,200	5,375	12,861	(7,486)
Insurance	84,200	22,689	35,031	(12,342)
Office supplies and expenses	3,500	8,000	8,166	(166)
Legal and professional fees	18,000	53,000	32,306	20,694
Telephone and utilities	24,000	13,700	11,772	1,928
Travel and conventions	5,000	7,500	9,169	(1,669)
Repairs and maintenance	3,000	3,500	2,962	538
Advertising	2,000	3,000	2,392	608
Dues and subscriptions	3,000	2,000	2,327	(327)
Contract labor	2,500	7,600	7,327	273
Janitorial supplies	5,000	2,500	1,272	1,228
Magistrate	1,000	1,300	511	789
Miscellaneous	<u>5,000</u>	<u>22,200</u>	<u>20,459</u>	<u>1,741</u>
Total general government	<u>220,300</u>	<u>201,364</u>	<u>200,999</u>	<u>365</u>
Public safety -				
Police:				
Salaries	204,000	201,500	212,926	(11,426)
Payroll taxes	17,606	32,000	25,845	6,155
Hospitalization	-	2,359	-	2,359
Insurance	-	8,000	11,911	(3,911)
Office supplies and expenses	-	1,600	-	1,600
Telephone and utilities	3,000	3,800	2,477	1,323
Travel and conventions	-	600	320	280
Prisoner feeding	2,000	5,200	4,788	412
Automobile expense	-	3,600	100	3,500
Repairs and maintenance	-	800	-	800
Law enforcement & conviction	500	500	108	392
Miscellaneous	<u>1,000</u>	<u>1,435</u>	<u>187</u>	<u>1,248</u>
Total police	<u>228,106</u>	<u>261,394</u>	<u>258,662</u>	<u>2,732</u>
Fire:				
Utilities	500	-	-	-
Miscellaneous	<u>20</u>	<u>10</u>	<u>-</u>	<u>10</u>
Total fire	<u>520</u>	<u>10</u>	<u>-</u>	<u>10</u>

(continued)

TOWN OF MANSURA, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Recreation -				
Defosse House - Insurance	\$ 1,200	\$ -	\$ -	\$ -
Defosse House - Maintenance and repairs	500	500	396	104
Defosse House - Utilities	1,000	500	193	307
Pavilion - Materials and supplies	3,000	600	862	(262)
Pavilion - Repairs and maintenance	2,000	5,700	6,528	(828)
Pavilion - Bookings	-	-	400	(400)
Pavilion - Insurance	2,000	3,800	3,669	131
Pavilion - Other	1,740	2,300	1,540	760
Pavilion - Utilities	5,000	6,100	5,133	967
Senior Center - Utilities	-	675	-	675
Senior Center - Pest Control	-	40	-	40
Library - Utilities	-	30	1	29
Depot - Insurance	-	-	1,211	(1,211)
Total recreation	<u>16,440</u>	<u>20,245</u>	<u>19,933</u>	<u>312</u>
Streets -				
Salaries	95,000	93,500	95,111	(1,611)
Payroll expenses	13,267	19,200	16,518	2,682
Insurance	3,500	-	-	-
Medical expenses	500	2,396	418	1,978
Waste management	5,000	3,400	3,494	(94)
Fuel	14,500	11,300	9,627	1,673
Prisoner feeding	7,000	9,200	6,745	2,455
Auto repairs and maintenance	10,000	4,500	4,211	289
Equipment repairs and maintenance	15,000	17,000	30,243	(13,243)
Supplies	-	5,000	2,320	2,680
Street overlay and repairs	25,000	7,500	4,637	2,863
Drainage improvement	-	1,000	-	1,000
Utilities	20,000	31,000	28,151	2,849
Other	4,020	3,600	2,614	986
Total streets	<u>212,787</u>	<u>208,596</u>	<u>204,089</u>	<u>4,507</u>
Sewer -				
Insurance	-	600	277	323
Total sewer	<u>-</u>	<u>600</u>	<u>277</u>	<u>323</u>
Appropriations to other governments	<u>15,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Capital outlay:				
Recreation	<u>150,000</u>	<u>152,000</u>	<u>162,800</u>	<u>(10,800)</u>
Total expenditures	<u>\$ 843,153</u>	<u>\$ 864,209</u>	<u>\$ 866,760</u>	<u>\$ (2,551)</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 1988 Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
General government -				
Administration:				
Mayor's salary and aldermen	\$ 54,500	\$ 50,000	\$ 47,800	\$ 2,200
Payroll taxes	6,500	3,825	3,657	168
Insurance	100	-	-	-
Office supplies and expenses	-	150	111	39
Telephone and utilities	-	100	284	(184)
Travel and conventions	-	100	95	5
Collection fees	-	5,782	5,438	344
Repairs and maintenance	2,500	-	-	-
Miscellaneous	-	100	309	(209)
Total general government	<u>63,600</u>	<u>60,057</u>	<u>57,694</u>	<u>2,363</u>
Public safety -				
Police:				
Office supplies and expenses	3,000	1,600	2,901	(1,301)
Telephone and utilities	-	-	180	(180)
Travel and conventions	2,900	1,000	2,254	(1,254)
Fuel	10,000	7,200	10,917	(3,717)
Supplies	2,700	-	5,601	(5,601)
Automobile expense	13,500	10,800	8,679	2,121
Miscellaneous	1,000	700	947	(247)
Total police	<u>33,100</u>	<u>21,300</u>	<u>31,479</u>	<u>(10,179)</u>
Fire:				
Salaries	16,640	16,000	13,814	2,186
Payroll taxes	1,300	1,400	1,105	295
Utilities	500	-	-	-
Sales tax proceeds to volunteer fire dept	19,300	19,000	18,547	453
Total fire	<u>37,740</u>	<u>36,400</u>	<u>33,466</u>	<u>2,934</u>

(continued)

TOWN OF MANSURA, LOUISIANA
Sales Tax 1988 Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Recreation -				
Senior Center - Miscellaneous	\$ 100	\$ 200	\$ 240	\$ (40)
Senior Center - Utilities and telephone	4,000	3,675	4,400	(725)
Library - Repairs and maintenance	1,000	525	674	(149)
Library - Utilities and telephone	500	15	15	-
Total recreation	<u>5,600</u>	<u>4,415</u>	<u>5,329</u>	<u>(914)</u>
Streets -				
Fuel	-	800	1,689	(889)
Auto repairs and maintenance	-	50	50	-
Supplies	-	-	98	(98)
Animal controls	-	25	24	1
Telephone and utilities	-	-	2,315	(2,315)
Miscellaneous	-	10,000	-	10,000
Total streets	<u>-</u>	<u>10,875</u>	<u>4,176</u>	<u>6,699</u>
Capital outlay:				
Streets	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$330,040</u>	<u>\$133,047</u>	<u>\$132,144</u>	<u>\$ 903</u>

TOWN OF MANSURA, LOUISIANA
Sales Tax 2002 Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
General government -				
Administration:				
Collection fees	-	5,782	\$ 5,438	344
Miscellaneous	50,000	-	-	-
Total general government	50,000	5,782	5,438	344
Public safety -				
Police:				
General liability insurance	12,400	9,800	-	9,800
Worker's comp insurance	-	-	9,787	(9,787)
Office supplies and expenses	3,200	1,500	1,859	(359)
Telephone and utilities	6,500	3,500	4,123	(623)
Repairs and maintenance	8,000	6,000	6,076	(76)
Uniforms	2,500	1,160	1,669	(509)
Miscellaneous	-	290	290	-
Total police	32,600	22,250	23,804	(1,554)
Fire:				
Sales tax proceeds to volunteer fire dept	30,000	30,500	30,418	82
Streets -				
Legal & Professional	\$ 2,000	\$ -	\$ -	\$ -
Contract labor	1,000	250	233	17
Equipment repairs and maintenance	-	550	550	-
Supplies	14,500	2,200	2,130	70
Animal control	-	50	36	14
Telephone and utilities	1,500	350	341	9
Total streets	19,000	3,400	3,290	110
Debt service	10,000	-	-	-
Total expenditures	\$ 141,600	\$ 61,932	\$ 62,950	\$ (1,018)

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana ("the Town") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 31, 2016.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2016-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2016-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mansura, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2016-003.

Town of Mansura, Louisiana's Response to Findings

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

Purpose of this Report

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

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

Marksville, Louisiana
October 31, 2016

TOWN OF MANSURA, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended June 30, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/16)						
<u>Internal Control:</u>						
2016-001	2014	Due to the small number of administrative personnel, the Town did not have adequate segregation of duties in all accounting functions.	No	We agree that a complete segregation of accounting functions would strengthen the controls, but with limited current financial resources, hiring additional personnel is not economically feasible.	Mayor, Kenneth Pickett, Sr.	N/A
2016-002	2014	The Town does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Mayor, Kenneth Pickett, Sr.	N/A
<u>Compliance:</u>						
2016-003	2016	The Town did not set sewer rates at a level sufficient to meet obligations of outstanding revenue bonds.	Yes	Subsequent to the end of the fiscal year, the Town has increased sewer rates in accordance with the requirements of outstanding revenue bonds.	Mayor, Kenneth Pickett, Sr.	Immediately

(continued)

TOWN OF MANSURA, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
For the Year Ended June 30, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (6/30/15)</u>						
<u>Internal Control:</u>						
2015-001	2014	Due to the small number of administrative personnel, the Town did not have adequate segregation of duties in all accounting functions.	No			
2015-002	2014	The Town does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No			
2015-003	2014	Not all employees are providing proper timesheets or timecards. All employees should have a record of time worked, including salaried employees and supervisors.	Yes			
<u>Compliance</u>						
2015-004	2015	The Town did not fund the required reserve accounts in accordance with the Sewer Revenue Bond Agreement associated with its Sewer Revenue Bond issue.	Yes			