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CITY OF MANSFIELD, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2010

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Release Date **NOV 02 2011**

CITY OF MANSFIELD, LOUISIANA

Financial Statements
And Independent Auditor's Reports

As of and for the Year Ended December 31, 2010

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CITY OF MANSFIELD, LOUISIANA

Financial Statements
And Independent Auditor's Reports

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INDEPENDENT AUDITOR'S REPORT

WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

The Honorable Curtis W. McCoy, Mayor
and the Members of the Board of Aldermen
City of Mansfield Louisiana

I 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 City of Mansfield, Louisiana, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Mansfield Louisiana's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my 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 City of Mansfield, Louisiana, as of December 31, 2010 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 14, 2011, on my consideration of the City of Mansfield, Louisiana's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and 51 through 53 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. I 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

POST OFFICE BOX 5946
PHONE 318-861-8612

SHREVEPORT LA 71135
FAX 318-861-8682

comparing the information for consistency with management's responses to my inquiries the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mansfield, Louisiana's financial statements as a whole. The accompanying financial information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

William E Weatherford, CPA, LLC

William E Weatherford, CPA, LLC
Certified Public Accountant
Shreveport Louisiana
October 14, 2011

REQUIRED SUPPLEMENTAL INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS



The City of Mansfield

INCORPORATED 1847

P O BOX 773

705 POLK STREET

Mansfield, Louisiana 71052

PHONE (318) 872-0406

FAX (318) 872-0402

TDD (318) 872-0406

CITY OF MANSFIELD, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Mansfield, Louisiana, 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, 2010. 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.

CURTIS W MCCOY
MAYOR

FINANCIAL HIGHLIGHTS

MARVIN R. JACKSON
CITY CLERK

As of December 31, 2010, the assets of the City exceeded its liabilities by \$10,866,538. Of this amount \$2,030,302 (18.68%) is reported as "unrestricted net assets" and represents the amount available to be used to meet the City's ongoing obligations to the citizens of Mansfield, Louisiana. During 2010, net assets of the governmental activities decreased by \$415,805 (12.12%), while net assets of the business-type activities increased \$4,153,401 (112.34%).

RICHARD Z. JOHNSON JR.
CITY ATTORNEY

As of close of the fiscal year 2010, the City's governmental funds reported a combined ending fund balance of \$4,294,291, an increase of \$2,155,585 (100.79%).

G B HALL III
ALDERMAN DISTRICT A

The City issued \$4,120,000 of taxable Sales Tax Bonds, Series 2010. The bond issue consisted of \$1,000,000 of Sales Tax Revenue Bonds, Series 2010A (ARRA) and \$3,120,000 of Sales Tax Bonds, Series 2010B. On February 14, 2010 the City entered a loan and pledge agreement with the Louisiana Department of Health and Hospitals whereby the Department agreed to purchase the Sales Tax Bonds, Series 2010 through the State Drinking Water Revolving Loan Fund for the purpose of constructing and acquiring improvements, extensions and replacements to its water system. The loan is secured and payable from a pledge and dedication of sales and use tax revenues and the net revenues of the water system. The City borrowed \$2,691,189 through the Drinking Water Revolving Loan Fund during 2010. \$91,988 was forgiven by the Louisiana Department of Health and Hospitals through a 100% principal forgiveness program under the American Recovery and Reinvestment Act of 2009 (ARRA).

TROY N TERRELL
ALDERMAN DISTRICT B

MITCHELL L. LEWIS
ALDERMAN DISTRICT C

JOSEPH HALL, JR.
ALDERMAN DISTRICT D

The City has issued \$1,214,800 of taxable Sewer Revenue Bonds, Series 2009. The Louisiana Department of Environmental Quality agreed to purchase the Sewer Revenue Bonds through the State Clean Water Revolving Loan Fund. During 2010, the City received \$1,025,665 for wastewater collection system improvements. The loan is non-interest bearing and provides for 100% principal forgiveness under the American Recovery and Reinvestment Act of 2009 (ARRA).

ALVIN RAY WOODLEY
ALDERMAN DISTRICT E

Video poker revenues increased 17.78% (\$39,326) during the year ended December 31, 2010 from \$221,181 for 2009 to \$260,507.

Sales tax revenues increased \$499,836(26.36%) during 2010 from \$1,895,943 during the prior year to \$2,395,779 during the current year. On October 4, 2008, the citizens of the City of Mansfield, in a special election, authorized the assessment of a ½% sales and use tax for a period of thirty (30) years upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and upon the sale of services in the City for the purpose of acquiring, constructing, improving, maintaining, operating, and supporting the waterworks system of the City of Mansfield, including improvements, extensions, replacements, equipment, fixtures and machinery thereof, with the proceeds of the tax to be subject to being funded into bonds for such capital purposes. The sales tax became effective on January 1, 2009. During 2010, the City collected \$794,523 in sales taxes dedicated to the purposes noted above compared to \$627,209 during the prior year.

The City of Mansfield received oil and gas related revenues of \$1,059,909 during the year ended December 31, 2010.

On December 28, 2010, the City disposed of property located at the intersection of Polk Street and Van Buren Street for \$66,500.

On July 14, 2010, improvements to the wastewater treatment plant costing \$874,882 were completed. This project was primarily funded by a Louisiana Community Block Grant which provided \$810,141 over the period of construction.

Expenditures for public safety increased 14.86% (\$159,705) from \$1,074,740 during 2009 to \$1,234,445 during 2010.

During 2010, the City terminated its fiduciary relationship with International Paper Corporation and closed the fund used to account for assets held by the City as an agent for the Company.

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 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 the 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 interfund activity, payables, and receivables. The government-wide financial statements include two statements.

- **The *statement of net assets*** presents all of the City's assets and liabilities, with the difference between the two reported as 'net assets'. Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- **The *statement of activities*** presents information showing how the City's net assets changed during the most recent year using the full accrual basis of accounting. All changes in net assets 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 assets and changes in them. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets 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, parks and recreation, and maintenance.

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 this discussion and analysis.

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 three categories. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The three 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 assist in determining

whether there will be adequate financial resources available to meet the current needs of the City

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 funds 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.

- *Fiduciary Funds* – These funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statement because those funds are not available to support the City's own programs.

The fiduciary fund financial statements can be found immediately following the proprietary fund 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 funds 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. Annual budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Following the required supplementary information is other supplementary information that is provided to show additional details.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Assets

Net assets may serve over time as a useful indicator of the City's financial position. The City's combined net assets (governmental and business type activities) totaled \$10,866,538 and \$7,128,942 as of December 31, 2010 and 2009 respectively, an increase of \$3,737,596 (52.43%).

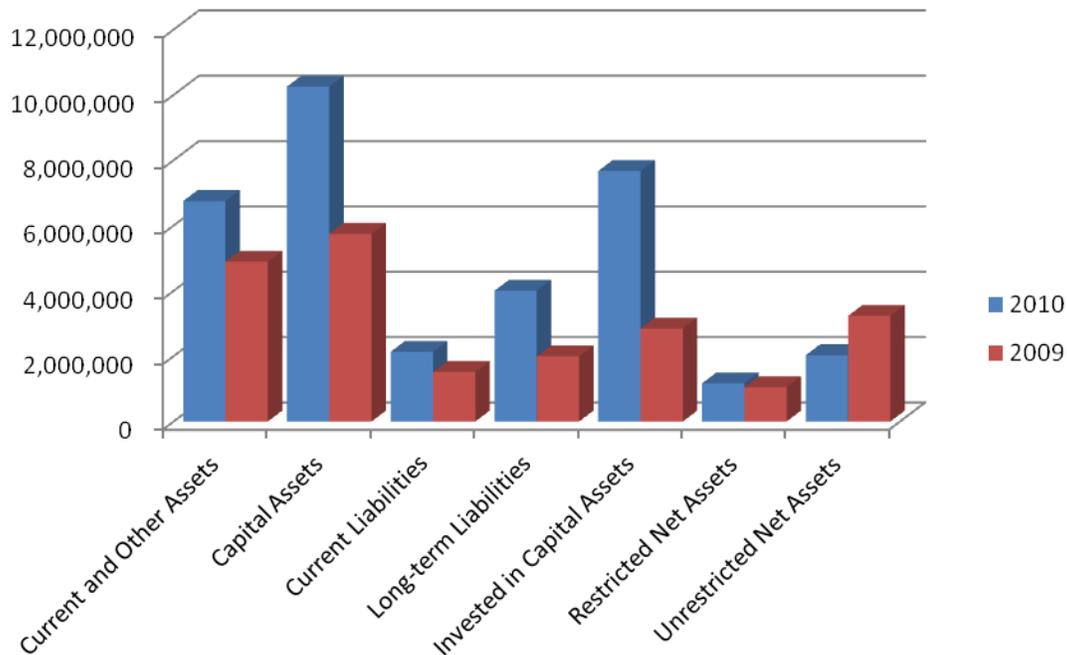
As of December 31, 2010, \$7,669,675 (70.58%) of the City's net assets consists of investment in capital assets such as land, buildings, equipment, and water and sewer plant and improvements less any related debt used to acquire those assets that is still outstanding, compared to \$2,845,858 (39.92%) of the City's net assets 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.

A portion of net assets, \$1,136,561 (10.46%), is restricted by loan covenants for repayment of principal and interest on long-term debt. \$30,000 (28%) is restricted for police witness fees as of December 31, 2010.

The other portion of the City's net assets, \$2,030,302 (18.68%) and \$3,234,344 (45.37%) as of December 31, 2010 and 2009 respectively, is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors at the discretion of the mayor and council of Mansfield. The City continues to maintain a high level of liquidity with \$4,529,533 (223.10%) of the unrestricted net assets of the City consisting of cash, demand deposits, and certificates of deposit at December 31, 2010 compared to \$2,714,675 (83.93%) at December 31, 2009.

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 4,877,305	\$ 2,553,185	\$ 1,872,400	\$ 2,339,625	\$ 6,749,705	\$ 4,892,810
Capital assets	1,796,689	1,817,415	8,456,389	3,928,833	10,253,078	5,746,248
Total assets	6,673,994	4,370,600	10,328,789	6,268,458	17,002,783	10,639,058
Current liabilities	756,973	438,975	1,377,831	1,078,267	2,134,804	1,517,242
Long-term liabilities outstanding	2,901,201	500,000	1,100,240	1,492,874	4,001,441	1,992,874
Total liabilities	3,658,174	938,975	2,478,071	2,571,141	6,136,245	3,510,116
Net assets						
Invested in capital assets- net of related debt	1,296,689	1,247,415	6,372,986	1,598,443	7,669,675	2,845,858
Restricted	659,817	547,763	506,744	500,977	1,166,561	1,048,740
Unrestricted	1,059,314	1,636,447	970,988	1,597,897	2,030,302	3,234,344
Total net assets	\$ 3,015,820	\$ 3,431,625	\$ 7,850,718	\$ 3,697,317	\$ 10,866,538	\$ 7,128,942

Net Assets



Changes in Net Assets

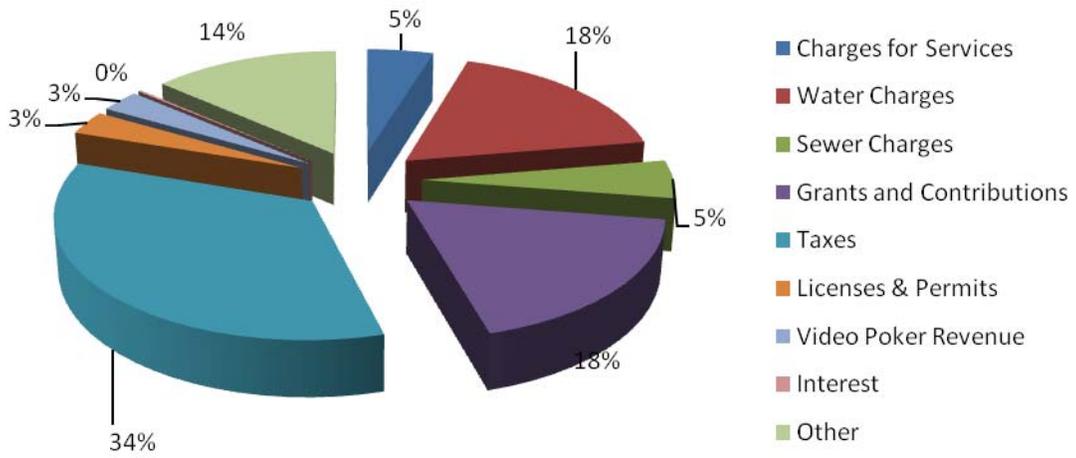
The City's net assets increased by \$3,737,596 (52.43%) during the year ended December 31, 2010 compared to an increase of \$1,745,565 (32.43%) in 2009. This change is due primarily to an increase in charges for services of 339,914, an increase in tax revenues of \$416,268, an increase in capital grants and contributions of \$669,757, and receipt of gas revenues of \$1,059,909 offset by an increase in general government expenses of \$284,864, an increase in public safety expenses of \$209,510, and an increase in public works expenses of \$139,274.

Approximately 27.44% (\$2,443,155) of the City's total revenues was derived through charges for services in 2010 compared to 33.59% (\$2,103,241) in 2009. During the year ended December 31, 2010, approximately 54.34% (\$4,838,054) was derived from general revenues including taxes and interest compared to 50.70% (\$3,174,580) during 2009. The City received \$1,621,730 (18.22%) and \$983,432 (15.71%) of its total revenues through program grants and contributions during 2010 and 2009, respectively.

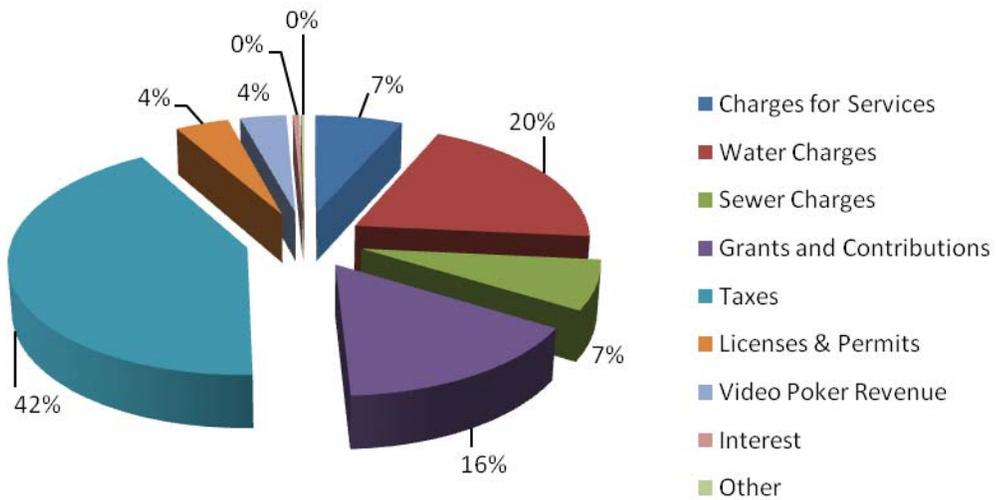
The largest expenses were for public works (including the provision of water and sewer services), public safety, and general government. In fiscal year 2010, governmental activity expenses exceeded program revenues resulting in the use of \$2,161,106 in general revenues, mostly taxes. The business-type activities program revenues exceeded expenses by \$1,060,648.

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 426,855	\$ 419,355	\$ 2,016,300	\$ 1,683,886	\$ 2,443,155	\$ 2,103,241
Operating grants and contributions	164,629	196,088	-	-	164,629	196,088
Capital grants and contributions	431,436	752,485	1,025,665	34,859	1,457,101	787,344
General revenues:						
Taxes	3,064,625	2,021,148	-	627,209	3,064,625	2,648,357
Licenses and permits	283,058	257,520	-	-	283,058	257,520
Video poker revenue	260,507	221,181	-	-	260,507	221,181
Rent and royalties	1,059,909	-	-	-	1,059,909	-
Interest	11,107	13,652	9,698	18,175	20,805	31,827
Other	149,150	15,695	-	-	149,150	15,695
Total revenues	<u>5,851,276</u>	<u>3,897,124</u>	<u>3,051,663</u>	<u>2,364,129</u>	<u>8,902,939</u>	<u>6,261,253</u>
Expenses:						
General government	1,309,523	1,024,659	-	-	1,309,523	1,024,659
Public safety	1,379,112	1,169,602	-	-	1,379,112	1,169,602
Public works	304,360	285,094	1,981,317	1,861,309	2,285,677	2,146,403
Sanitation	108,227	107,842	-	-	108,227	107,842
Parks and recreation	25,291	10,544	-	-	25,291	10,544
Maintenance	57,513	56,638	-	-	57,513	56,638
Total expenses	<u>3,184,026</u>	<u>2,654,379</u>	<u>1,981,317</u>	<u>1,861,309</u>	<u>5,165,343</u>	<u>4,515,688</u>
Excess before transfers	<u>2,667,250</u>	<u>1,242,745</u>	<u>1,070,346</u>	<u>502,820</u>	<u>3,737,596</u>	<u>1,745,565</u>
Transfers in (out)	<u>(3,083,055)</u>	<u>(474,126)</u>	<u>3,083,055</u>	<u>474,126</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(415,805)</u>	<u>768,619</u>	<u>4,153,401</u>	<u>976,946</u>	<u>3,737,596</u>	<u>1,745,565</u>
Net assets - beginning , as restated	<u>3,431,625</u>	<u>2,663,006</u>	<u>3,697,317</u>	<u>2,720,371</u>	<u>7,128,942</u>	<u>5,383,377</u>
Net assets - ending	<u>\$ 3,015,820</u>	<u>\$ 3,431,625</u>	<u>\$ 7,850,718</u>	<u>\$ 3,697,317</u>	<u>\$ 10,866,538</u>	<u>\$ 7,128,942</u>

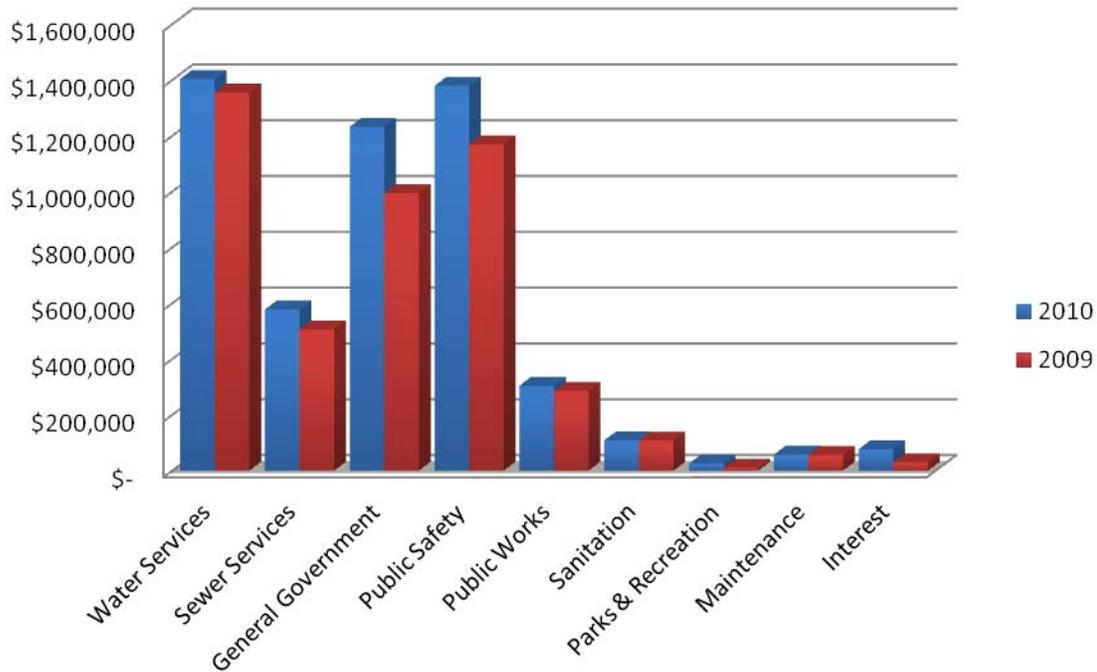
REVENUES 2010



REVENUES 2009



EXPENSES



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 \$4,294,291, an increase of \$2,155,585(100.79%) in comparison with the prior year. Approximately 81.54% (\$3,501,563) 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 assets of \$7,850,718, an increase of \$4,153,401 (112.34%) in comparison with the prior year's ending net assets of \$3,697,317. The Water Fund had an increase in net assets of \$2,945,368 (192.94%), and the Sewer Fund had an increase in net assets of \$1,208,033 (55.65%). \$6,372,986 (81.18%) represents investment in capital assets net of accumulated depreciation and related outstanding debt. A total of \$506,744 (6.45%) is restricted by loan covenants for repayment of principal and interest on long-term debt and \$970,988 (12.37%) 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 - R.S. 39:1301 et seq.).

The City's General Fund budget was amended because general government, public safety, public works, sanitation, and capital outlay expenditures were more than originally budgeted.

The actual revenues were \$2,098,481 above the original budgeted amounts and the actual expenditures were \$39,010 greater than the final budgeted amounts.

CAPITAL ASSET ADMINISTRATION

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2010, totaled \$22,610,631, net of accumulated depreciation of \$12,357,553, leaving a book value of \$10,253,078. This investment in capital assets consists of land, buildings, equipment, and water and sewer plant and improvements. The net increase in the City's investment in capital assets for the current year was \$5,095,201, about 29.09% in terms of historical cost. Depreciation charges for the year totaled \$588,371 for 2010 compared to \$487,180 for the prior year.

During 2010, major capital expenditures included \$1,181,306 for improvements to the sewer system, \$3,665,743 for improvements to the water system, \$102,023 for park and recreation facilities, \$31,168 for street and sidewalk improvements, \$27,478 for police vehicles, and \$20,321 for a pickup truck.

DEBT ADMINISTRATION

At year-end, the City had \$5,225,591 in bonds and notes outstanding, an increase of \$2,325,201 (80.17%) compared to the prior year.

Debt considered a liability of governmental activities increased \$2,529,201 due to the issuance of Series 2010 Sales Tax Bonds in the amount of \$2,599,201 and normal amortization of debt.

Debt considered a liability of the business-type activities decreased by \$197,387 due to normal amortization of previously existing debt (\$204,000), the recognition of a deferred loss on current refunding (\$6,613).

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, 2011 was prepared

- Revenues are expected to be approximately \$5,202,125 during the fiscal year ended 2011
- The budget provides for a merit increase for employees and provides for three new employees
- The City intends to expend \$904,100 for capital outlays during 2011
- 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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MANSFIELD LOUISIANA

Statement of Net Assets
December 31 2010

	Governmental Activities	Business type Activities	Total
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 3,313,781	\$ 348,287	\$ 3,662,068
Certificates of deposit	867,645	-	867,645
Taxes receivable	341,271	-	341,271
Accounts receivable - net	215,835	297,091	512,926
Prepaid expenses	18,740	-	18,740
Internal balances	120,033	(120,033)	-
Total current assets	<u>4,877,305</u>	<u>525,345</u>	<u>5,402,650</u>
Restricted Assets			
Cash and cash equivalents	-	627,771	627,771
Certificates of deposit	-	590,029	590,029
Total restricted assets	<u>-</u>	<u>1,217,800</u>	<u>1,217,800</u>
Non-current assets			
Bond issue costs net	-	9,222	9,222
Capital assets (net of accumulated depreciation)	1,796,689	8,456,389	10,253,078
Total non-current assets	<u>1,796,689</u>	<u>8,465,611</u>	<u>10,262,300</u>
Total Assets	<u>6,673,994</u>	<u>10,208,756</u>	<u>16,882,750</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	469,865	64,144	534,009
Cash bonds payable	27,000	-	27,000
Accrued salaries	29,980	10,356	40,336
Accrued interest payable	32,128	11,443	43,571
Current portion of bonds payable	198,000	983,163	1,181,163
Total current liabilities	<u>756,973</u>	<u>1,069,106</u>	<u>1,826,079</u>
Payable from restricted assets			
Customer deposits	-	188,692	188,692
Non-current liabilities			
Bonds payable	2,901,201	1,143,227	4,044,428
Deferred loss on current refunding	-	(42,987)	(42,987)
Total non-current liabilities	<u>2,901,201</u>	<u>1,100,240</u>	<u>4,001,441</u>
Total liabilities	<u>3,658,174</u>	<u>2,358,038</u>	<u>6,016,212</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,296,689	6,372,986	7,669,675
Restricted for debt service	629,817	506,744	1,136,561
Restricted for police witness fees	30,000	-	30,000
Unrestricted	1,059,314	970,988	2,030,302
Total net assets	<u>\$ 3,015,820</u>	<u>\$ 7,850,718</u>	<u>\$ 10,866,538</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,232,566	\$	\$	\$
Public safety	1,379,112	303,347	146,879	23,070
Public works	304,360	818	17,750	408,366
Sanitation	108,227	122,690	-	-
Parks and recreation	25,291	-	-	-
Maintenance	57,513	-	-	-
Interest and fiscal charges	76,957	-	-	-
Total governmental activities	<u>3,184,026</u>	<u>426,855</u>	<u>164,629</u>	<u>431,436</u>
Business-type activities				
Sewer	577,605	454,919	-	1,025,665
Water	1,403,712	1,561,381	-	-
Total business type activities	<u>1,981,317</u>	<u>2,016,300</u>	<u>-</u>	<u>1,025,665</u>
Total	<u>\$ 5,165,343</u>	<u>\$ 2,443,155</u>	<u>\$ 164,629</u>	<u>\$ 1,457,101</u>

The notes to the financial statements are an integral part of this statement
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CITY OF MANSFIELD, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2010

	<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities			
General government	\$ (1 232,566)	\$	\$ (1 232,566)
Public safety	(905 816)		(905 816)
Public works	122,574	-	122,574
Sanitation	14,463	-	14,463
Parks and recreation	(25 291)	-	(25,291)
Maintenance	(57,513)	-	(57,513)
Interest and fiscal charges	(76,957)	-	(76 957)
Total governmental activities	<u>(2 161 106)</u>	<u>-</u>	<u>(2 161 106)</u>
Business-type activities			
Sewer	-	902,979	902 979
Water	-	157 669	157,669
Total business type activities	<u>-</u>	<u>1 060 648</u>	<u>1 060 648</u>
Total	<u>(2,161,106)</u>	<u>1,060,648</u>	<u>(1 100,458)</u>
General revenues			
Taxes-			
Ad valorem	336,556	-	336 556
Sales and use taxes	2,395,779	-	2 395,779
Franchise taxes	332,290	-	332,290
Licenses and permits	283,058	-	283 058
Video poker revenue	260,507	-	260,507
Interest and investment earnings	11,107	9 698	20 805
Oil and gas royalties	1,059,909	-	1 059,909
Sale of assets	66,500	-	66,500
Miscellaneous	82,650	-	82 650
Transfers	(3 083 055)	3 083,055	
Total general revenues	<u>1 745 301</u>	<u>3,092 753</u>	<u>4 838 054</u>
Change in net assets	(415,805)	4,153,401	3 737,596
Net assets beginning of year	<u>3,431 625</u>	<u>3 697 317</u>	<u>7,128,942</u>
Net assets - end of year	<u><u>\$ 3,015,820</u></u>	<u><u>\$ 7,850 718</u></u>	<u><u>\$ 10 866 538</u></u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CITY OF MANSFIELD, LOUISIANA

Balance Sheet – Governmental Funds
December 31, 2010

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Fund	Total
ASSETS					
Cash and cash equivalents	\$ 2,285,792	\$ 970,035	\$ 200	\$ 57,754	\$ 3,313,781
Certificates of deposit	867,645	-	-	-	867,645
Taxes receivable	263,596	77,675	-	-	341,271
Accounts receivable net	215,835	-	-	-	215,835
Prepaid expenses	18,740	-	-	-	18,740
Due from other funds	122,890	-	-	-	122,890
Total assets	<u>\$ 3,774,498</u>	<u>\$ 1,047,710</u>	<u>\$ 200</u>	<u>\$ 57,754</u>	<u>\$ 4,880,162</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 51,972	\$ 417,893	\$ -	\$ -	\$ 469,865
Cash bonds payable	27,000	-	-	-	27,000
Accrued salaries payable	29,980	-	-	-	29,980
Deferred revenue	56,169	-	-	-	56,169
Due to other funds	2,657	-	200	-	2,857
Total liabilities	<u>167,778</u>	<u>417,893</u>	<u>200</u>	<u>-</u>	<u>585,871</u>
Fund balances					
Nonspendable					
Prepaid expenses	18,740	-	-	-	18,740
Restricted for					
Debt service					
Rural Water Revolving Loan	-	629,817	-	-	629,817
Police witness fees	-	-	-	30,000	30,000
Committed to					
Construction	86,417	-	-	-	86,417
Assigned to					
Police witness fees	-	-	-	27,754	27,754
Unassigned					
	3,501,563	-	-	-	3,501,563
Total fund equity	<u>3,606,720</u>	<u>629,817</u>	<u>-</u>	<u>57,754</u>	<u>4,294,291</u>
Total liabilities and fund balances	<u>\$ 3,774,498</u>	<u>\$ 1,047,710</u>	<u>\$ 200</u>	<u>\$ 57,754</u>	<u>\$ 4,880,162</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD LOUISIANA

Reconciliation of Fund Balances on the Balance Sheet for Governmental
Funds to Net Assets of Governmental Activities on the Statement of Net Assets
December 31, 2010

Fund Balance - total governmental funds		\$ 4,294,291
Amounts reported for governmental activities in the Statement of Net Assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Add capital assets	\$ 3,902,779	
Deduct accumulated depreciation	<u>(2,106,090)</u>	
		1,796,689
Some of the City's revenues will be collected after year end but are not available soon enough to pay the current period's expenditures and therefore are deferred in the funds		
Ad valorem taxes	34,281	
Police revenues	<u>21,888</u>	
		56,169
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Those liabilities consist of		
LCDA Revenue Bonds	(500,000)	
Series 2010B Sales Tax Bonds	<u>(2,599,201)</u>	
		(3,099,201)
Interest on long term debt is accrued in the Statement of Net Assets but not in the governmental funds		
		<u>(32,128)</u>
Net assets of governmental activities		<u><u>\$ 3,015,820</u></u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

CITY OF MANSFIELD, LOUISIANA

Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Debt Service Fund	Capital Projects Funds	Other Governmental Fund	Total
REVENUES					
Taxes					
Ad valorem	\$ 350,146	\$ -	\$ -	\$ -	\$ 350,146
Sales and use	1,601,256	794,523	-	-	2,395,779
Franchise	332,290	-	-	-	332,290
Licenses and permits	283,058	-	-	-	283,058
Fees, charges and commissions	204,415	-	-	27,350	231,765
Video poker revenue	260,507	-	-	-	260,507
Fines and forfeitures	173,202	-	-	-	173,202
Intergovernmental					
Federal grants	11,070	91,988	316,378	-	419,436
State funds	164,629	-	-	-	164,629
Interest	7,787	3,215	-	105	11,107
Contributions	12,000	-	-	-	12,000
Sale of property	66,500	-	-	-	66,500
Oil and gas royalties	1,059,909	-	-	-	1,059,909
Miscellaneous	82,650	-	-	-	82,650
Total revenues	<u>4,609,419</u>	<u>889,726</u>	<u>316,378</u>	<u>27,455</u>	<u>5,842,978</u>
EXPENDITURES					
Current					
General government	1,145,673	57,148	14,822	-	1,217,643
Public safety	1,234,445	-	-	6,405	1,240,850
Public works	268,254	-	-	-	268,254
Sanitation	97,977	-	-	-	97,977
Parks and recreation	17,155	-	-	-	17,155
Maintenance	57,513	-	-	-	57,513
Capital outlay	186,951	-	-	-	186,951
Debt service					
Principal retirement	70,000	91,988	-	-	161,988
Interest	26,733	20,463	-	-	47,196
Total expenditures	<u>3,104,701</u>	<u>169,599</u>	<u>14,822</u>	<u>6,405</u>	<u>3,295,527</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>1,504,718</u>	<u>720,127</u>	<u>301,556</u>	<u>21,050</u>	<u>2,547,451</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of debt	-	2,691,189	-	-	2,691,189
Transfers in	24,655	628,408	-	-	653,063
Transfers out	-	(3,409,907)	(301,556)	(24,655)	(3,736,118)
Total Other Financing Sources (Uses)	<u>24,655</u>	<u>(90,310)</u>	<u>(301,556)</u>	<u>(24,655)</u>	<u>(391,866)</u>
NET CHANGE IN FUND BALANCE	<u>1,529,373</u>	<u>629,817</u>	<u>-</u>	<u>(3,605)</u>	<u>2,155,585</u>
FUND BALANCE - beginning of year	2,077,347	-	-	61,359	2,138,706
FUND BALANCE - end of year	<u>\$ 3,606,720</u>	<u>\$ 629,817</u>	<u>\$ -</u>	<u>\$ 57,754</u>	<u>\$ 4,294,291</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD 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 December 31, 2010

Net Change in Fund Balance - total governmental funds	\$ 2,155,585
Amounts reported for governmental activities in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$207,677) exceeds capital outlays (\$186,951) in the current period.	(20,726)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Net change in deferred revenues	8,297
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets.	
Proceeds from bond issuance	(2,691,189)
Principal payment on long term liabilities	161,988
Some expenditures reported in the governmental funds were previously reported as an expense in the statement of activities.	
Net change in accrued interest not reflected in governmental funds	<u>(29,760)</u>
Change in Net Assets - statement of activities	<u>\$ (415,805)</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

PROPRIETARY FUNDS

CITY OF MANSFIELD LOUISIANA

Statement of Net Assets
December 31 2010

	Business type Activities		Enterprise Funds
	Sewer Fund	Water Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 53,768	\$ 294,519	\$ 348,287
Receivables (net of allowance for uncollectible)	96,473	200,618	297,091
Due from other funds		2,657	2,657
Total current assets	150,241	497,794	648,035
Restricted Assets			
Cash and cash equivalents	230,848	396,923	627,771
Certificates of deposit	224,083	365,946	590,029
Total restricted assets	454,931	762,869	1,217,800
Non-current Assets			
Bond issue costs - net of accumulated amortization	9,222		9,222
Capital assets (net of accumulated depreciation)	3,171,884	5,284,505	8,456,389
Total non-current assets	3,181,106	5,284,505	8,465,611
Total Assets	\$ 3,786,278	\$ 6,545,168	\$ 10,331,446

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD, LOUISIANA

Statement of Net Assets
December 31, 2010

	Business type Activities		Enterprise Funds
	Sewer Fund	Water Fund	Total
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 26,323	\$ 37,821	\$ 64,144
Accrued salaries	1,428	8,928	10,356
Accrued interest payable	3,780	7,663	11,443
Due to other funds	-	122,690	122,690
Current portion of bonds payable	158,000	825,163	983,163
Total current liabilities	<u>189,531</u>	<u>1,002,265</u>	<u>1,191,796</u>
Payable from Restricted Assets			
Customer deposits		<u>188,692</u>	<u>188,692</u>
Non-current Liabilities			
Notes and bonds payable	218,000	925,227	1,143,227
Deferred loss on current refunding		<u>(42,987)</u>	<u>(42,987)</u>
Total non-current liabilities	<u>218,000</u>	<u>882,240</u>	<u>1,100,240</u>
Total Liabilities	<u>407,531</u>	<u>2,073,197</u>	<u>2,480,728</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	2,795,884	3,577,102	6,372,986
Restricted for debt service	350,543	156,201	506,744
Unrestricted	<u>232,320</u>	<u>738,668</u>	<u>970,988</u>
Total net assets	<u>\$ 3,378,747</u>	<u>\$ 4,471,971</u>	<u>\$ 7,850,718</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD LOUISIANA

Statement of Revenues Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2010

	Business type Activities		Enterprise Funds
	Sewer Fund	Water Fund	Total
OPERATING REVENUES			
Charges for services			
Water sales	\$	\$ 1,530,428	\$ 1 530 428
Sewer service	442,760	-	442,760
Other operating revenues	12 159	30 953	43,112
Total operating revenues	<u>454,919</u>	<u>1 561 381</u>	<u>2,016 300</u>
OPERATING EXPENSES			
Salaries and related expenses	119,118	655,929	775,047
Billing office	6,213	9,737	15,950
Water distribution system	-	150,131	150,131
Sewer collection system	38,258		38,258
Treating facilities	85 213	373,337	458 550
General and administrative	20 700	86,437	107,137
Depreciation	293,086	87 608	380,694
Total operating expenses	<u>562,588</u>	<u>1 363 179</u>	<u>1,925 767</u>
OPERATING INCOME (LOSS)	<u>(107,669)</u>	<u>198 202</u>	<u>90 533</u>
NON-OPERATING REVENUES-			
Federal grants	1 025,665	-	1,025,665
Interest earnings	3 498	6,200	9,698
Interest expense	(11 943)	(40 533)	(52,476)
Amortization of bond costs	(3 074)	-	(3 074)
Total non operating revenues (expenses)	<u>1,014 146</u>	<u>(34 333)</u>	<u>979 813</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	906 477	163,869	1,070 346
Transfers in	301,556	3,409,907	3 711 463
Transfers out	-	(628 408)	(628 408)
CHANGE IN NET ASSETS	<u>1 208 033</u>	<u>2 945 368</u>	<u>4,153,401</u>
TOTAL NET ASSETS - beginning	<u>2 170 714</u>	<u>1,526,603</u>	<u>3 697 317</u>
TOTAL NET ASSETS - ending	<u>\$ 3 378 747</u>	<u>\$ 4 471 971</u>	<u>\$ 7 850 718</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor s report

CITY OF MANSFIELD LOUISIANA

Statement of Cash Flows
For the Year Ended December 31, 2010

	Business type Activities- Enterprise Funds		
	Sewer Fund	Water Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 444,525	\$ 1,596,796	\$ 2,041,321
Payments to suppliers	(202,006)	(896,630)	(1,098,636)
Payments to employees	(81,045)	(454,597)	(535,642)
Net cash provided by operating activities	<u>161,474</u>	<u>245,569</u>	<u>407,043</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from other funds	302,584	3,409,907	3,712,491
Cash paid to other funds	-	(695,560)	(695,560)
Net cash provided by noncapital related financing activities	<u>302,584</u>	<u>2,714,347</u>	<u>3,016,931</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,514,516)	(3,414,083)	(4,928,599)
Proceeds from federal grant	1,025,665		1,025,665
Principal paid on long term debt	(153,000)	(51,000)	(204,000)
Interest paid on long-term debt	13,445	34,532	47,977
Net cash used by capital and related financing activities	<u>(628,406)</u>	<u>(3,430,551)</u>	<u>(4,058,957)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments matured	221,663	363,761	585,424
Investments purchased	(224,083)	(365,946)	(590,029)
Interest received	3,498	6,200	9,698
Net cash provided by investing activities	<u>1,078</u>	<u>4,015</u>	<u>5,093</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(163,270)</u>	<u>(466,620)</u>	<u>(629,890)</u>
Cash and Cash Equivalents, Beginning of Year	447,886	1,158,062	1,605,948
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 284,616</u>	<u>\$ 691,442</u>	<u>\$ 976,058</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	\$ 53,768	\$ 294,519	\$ 348,287
Restricted cash and cash equivalents	230,848	396,923	627,771
Total	<u>\$ 284,616</u>	<u>\$ 691,442</u>	<u>\$ 976,058</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD, LOUISIANA

Statement of Cash Flows
For the Year Ended December 31 2010

	Business type Activities- Enterprise Funds		
	Sewer Fund	Water Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (107,669)	\$ 198,202	\$ 90,533
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation expense	293,086	87,608	380,694
Bond issuance cost amortization	3,074	-	3,074
Deferred bond refunding costs		6,613	6,613
Change in uncollectible accounts		17,470	17,470
Decrease (increase) in accounts receivable	(10,394)	17,945	7,551
Increase in customer deposits	-	6,445	6,445
Increase (decrease) in accounts payable	(2,530)	12,323	9,793
Increase (decrease) in accrued expenses	(4,478)	(25,363)	(29,841)
Other	(9,615)	(75,674)	(85,289)
Total adjustments	269,143	47,367	316,510
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 161,474	\$ 245,569	\$ 407,043
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	None	None	None

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

FIDUCIARY FUND

CITY OF MANSFIELD, LOUISIANA

Statement of Net Assets
December 31 2010

	<u>AGENCY FUND</u>
	<u>International Paper</u>
ASSETS	
Cash and cash equivalents	\$ -
Accounts receivable	
Total assets	<u><u>\$</u></u>
LIABILITIES	
Accounts payable	\$ -
Unsettled deposit	-
Total liabilities	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD, LOUISIANA

Schedule of Changes in Unsettled Deposits
For the Year Ended December 31 2010

	<u>AGENCY FUND</u>
	<u>International Paper</u>
ADDITIONS	
International Paper Company deposits	<u>\$ 176 591</u>
DEDUCTIONS	
Electricity	169 008
Salaries and related	2 231
Telephone	127
Other miscellaneous	5,225
Deposit refund to International Paper Company	<u>25,000</u>
Total deductions	<u>201,591</u>
CHANGE IN UNSETTLED DEPOSITS	(25,000)
UNSETTLED DEPOSITS January 1	<u>25 000</u>
UNSETTLED DEPOSITS - December 31	<u><u>\$</u></u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

Introduction

The City of Mansfield, Louisiana (City) was incorporated in 1847 under the provisions of Act 128 of the General Assembly of the State of Louisiana. The City is located in the Parish of DeSoto.

The City operates under the Mayor Board of Aldermen form of government. Elected officials of the City consist of the mayor and five (5) aldermen who are elected to four year terms. The affairs of the City are conducted and managed by the mayor and the board of aldermen. The City provides the following services as authorized by its charter: police and fire protection, water and sewerage, sanitation, streets, and general administrative services.

The accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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 City's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:517 and the guides set forth in the *Louisiana Municipal Audit and Accounting Guide* and to the industry guide, *Audits of State and Local Government Units* published by the American Institute of Certified Public Accountants.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the City is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the City may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, or issue bonded debt.

1 Summary of Significant Accounting Policies

The accounting and reporting framework and the more significant accounting policies of the City are described as follows:

- A. Reporting Entity – In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose a financial burden on the City. Additionally, the primary government is required to consider other organizations 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. There were no entities that were determined to be component units of the City of Mansfield, Louisiana.
- B. Basis of Presentation – The accompanying basic financial statements of the City have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The City's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Both the government-wide and the fund financial statements categorize activities as either governmental activities or business type activities.

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

1 Summary of Significant Accounting Policies (Continued)

- C Fund Accounting – The City uses funds to maintain its financial records during the year. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The funds of the City are classified into three categories: governmental, proprietary, and fiduciary. The City uses governmental funds to account for all or most of the City's general activities and the accumulation of resources and payments made for principal and interest on long-term general obligation debt. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations.

The following are the City's governmental funds:

General Fund – The General Fund is the primary operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Debt Service Fund – The Debt Service Fund is used to account for the financial resources accumulated and payments made for principal and interest on the Sales Tax Bond, Series 2010B.

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

Capital Projects Fund – The Capital Projects Fund is used 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.

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 determination of net income, financial position, and cash flows. The following is the City's proprietary fund type:

Enterprise Funds – 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 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 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.

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

1 Summary of Significant Accounting Policies (Continued)

C Fund Accounting – (Continued)

- *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.

Fiduciary Funds – Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as a trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs. Fiduciary funds focus on net assets and changes in net assets. The only fund accounted for in this category by the City is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, consequently, agency funds have no measurement focus, but use the accrual basis of accounting.

- *International Paper Fund* - Accounts for assets held by the City as an agent for the International Paper Corporation.

D Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe 'which transactions are recorded within the various financial statements. Basis of accounting refers to "when transactions are recorded regardless of the measurement focus applied."

Government-wide Financial Statements (GWFS)

The statement of net assets and the statement of activities report information on all the financial activities of the City. Individual funds are not displayed, but the statements distinguish governmental activities, which are normally supported by taxes and intergovernmental revenues, from business type activities, which rely to a significant extent on fees and charges for support. The effect of most interfund activity is eliminated from these financial statements.

Information contained in these statements reflects the "economic resources" measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Property taxes are recognized as revenues in the year 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment of the City's activities is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues reduce the cost of the function to be financed from the City's general revenues. Program revenues included in the statement of activities are (1) derived directly from charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, (2) operating grants and contributions and (3) capital grants and contributions. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31 2010

I Summary of Significant Accounting Policies (Continued)

D Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, sales taxes, franchise taxes, rent and royalties, interest, and other items not properly included in program revenues.

Fund Financial Statements (FFS)

The fund financial statements report financial information by major and nonmajor funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. 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 ten percent (10%) of the corresponding total for all funds of that category or type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent (5%) of the corresponding total for all government and enterprise funds combined.
- c. The City's management believes that the fund is particularly important to the financial statement users.

The City considers the General Fund, the Debt Service Fund, the Capital Projects Fund, the Sewer Fund, and the Water Fund to be major funds.

Governmental Fund Financial Statements- The amounts reflected in the governmental fund financial statements are accounted for using the "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. When the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Furthermore, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the City's operations.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, however, principle and interest on general obligation long-term debt is recognized when due.

The governmental funds use the following practices in recording revenues and expenditures:

Sales tax revenues are recorded in the period in which the underlying exchange has occurred.

CITY OF MANSFIELD LOUISIANA

Notes to the Financial Statements
December 31, 2010

1 Summary of Significant Accounting Policies (Continued)

D Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Gaming tax revenues are recorded in the period during which the exchange transactions on which the tax is imposed occur

Fines, forfeitures, and fees are recognized in the period they are collected by the City

Interest earnings on deposits are recorded when credited by the financial institution

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are generally collected in December of the year assessed and January and February of the ensuing year.

Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements in which resources are provided to the City on a reimbursement basis.

Those revenues susceptible to accrual are sales taxes, property taxes, franchise taxes, grants, and charges for services. Substantially all other revenues, including fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis when a liability is incurred.

Salaries and related benefits are recorded when employee services are provided to the City.

Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Purchases of capital assets in the governmental funds are recorded as expenditures when purchased. Governmental fund capital assets are reported at cost net of accumulated depreciation, only in the government-wide financial statements.

General obligation bond principal payments are recorded as expenditure when paid. The amount of general obligation bonds outstanding at December 31, 2010 has been reported only in the government-wide financial statements.

Proprietary Fund Financial Statements – The financial statements of the proprietary funds are reported using the “economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows.

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31 2010

I Summary of Significant Accounting Policies (Continued)

D Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The amounts reflected in the proprietary fund financial statements use the accrual basis of accounting. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Proprietary fund equity is classified as net assets.

E Budgets and Budgetary Accounting

Annual appropriated operating budgets of proposed expenditures (expenses) and the means of financing them are adopted annually. Budgets are prepared in conformity with GAAP using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds. Budget comparison statements included in the accompanying financial statements include the original adopted budget and final amounts, if amended, and actual results (on a budgetary basis).

Budgets are adopted on a line item basis. Administrative adjustments can be made on a departmental basis between line item accounts only. Interdepartmental amendments, interfund amendments, and additional appropriations from one fund to another are subject to board approval. The overall level of control is on an interdepartmental basis.

Unexpended appropriations lapse at year-end and must be re-appropriated in the next year's budget to be expended. The City does not utilize encumbrance accounting in its budget practices.

F Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest bearing demand deposits, and time deposits (certificates of deposit), and short term, highly liquid investments with original maturities of six months or less when purchased. Investments are interest bearing time deposits with original maturities dated in excess of six months when purchased. Investments are stated at cost, which approximates market value.

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 having principal offices in Louisiana. In addition, local Louisiana governments are authorized to invest in the Louisiana Asset Management Pool (LAMP) a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana which operates a local government investment pool.

G Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivables for the governmental activities include ad valorem taxes, franchise taxes, sales and use taxes, grants, and video poker revenues. Business-type activities report customer's water and sewer service charges as its major receivables. The City uses the allowance method to account for bad debts for ad valorem taxes and water and sewer service charges. Uncollectible amounts due are recognized.

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

1 Summary of Significant Accounting Policies (Continued)

G Receivables – (Continued)

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. The provision for bad debts is recorded as a current expenditure with a corresponding increase to the allowance for doubtful accounts. Accounts receivable are reported in the financial statements net of the allowance account.

H Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2010 are recorded as prepaid expenses.

I Capital Assets

Capital assets which include property, plant, equipment, works of art and historical treasures, and infrastructure assets (consisting of roads, bridges, curbs and gutters, streets and sidewalks, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the in the fund financial statements for the proprietary funds. Capital assets are capitalized at historical cost. Donated assets are recorded at their estimated fair 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.

In accordance with GASB Statement 34, because of the costs involved in retroactively capitalizing infrastructure, the City has elected an exception for local governments with annual revenues of less than \$10 million and is prospectively capitalizing infrastructure from the date of implementation of GASB Statement 34 forward and will not retroactively capitalize infrastructure.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives depending upon the expected durability of the particular asset:

<u>Description</u>	<u>Estimated Lives</u>
Computer and peripheral equipment	4-5 years
Equipment	3-10 years
Portable building	10 years
Water meters	10 years
Water pumping station	20 years
Water distribution system	40 years
Sewerage treatment plant	20 years
Sewerage collection system	20 years

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

1 Summary of Significant Accounting Policies (Continued)

J Compensated Absences

City employees earn from ten (10) to twenty (20) days of vacation leave and from twelve (12) to thirty (30) 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, 2010.

K Interfund Transactions

Quasi external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

L Interfund Balances (Due from/to Other Funds)

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and due from other funds." These receivables and payables are classified as internal balances on the statement of net assets and as due from/to other funds in the fund financial statements.

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 assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

L Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M Deferred Revenues

Deferred revenues arise when potential revenues do not meet both the measurable and 'available' criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria have been met or the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31 2010

1 Summary of Significant Accounting Policies (Continued)

N Long term Debt

The accounting treatment of long-term debt depends upon 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 financial statements Bonds payable are reported net of applicable bond premium or discount Bond issuance costs are reported as deferred charges and are amortized over the term of the related debt

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period The face amount of the debt issued is reported as other financing sources Premiums received on debt issuances are reported as other financing resources while discounts on debt issuances are reported as other financing uses Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures,

The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements

The City s long term debt consists of general obligation bonds, sales tax bonds, revenue bonds, and notes to the Louisiana Department of Transportation and Development for Utility Relocation Assistance Funding

O Fund Equity

In the government-wide financial statements, fund equity (the difference between assets and liabilities) is classified as net assets and reported in three components

- a Invested in capital assets, net of related debt – 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
- b Restricted net assets – Consists of net assets with constraints placed on the use by (1) external groups, such as creditors, grantors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- b Unrestricted net assets – Consists of all other assets that do not meet the definition of ‘restricted or ‘ invested in capital assets, net of related debt’

Beginning with the fiscal year ended December 31, 2010, the City of Mansfield, Louisiana, implemented GASB Statement No 54, *Fund Balance Reporting and Governmental Fund Type Definitions* This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent

CITY OF MANSFIELD LOUISIANA

Notes to the Financial Statements
December 31, 2010

1 Summary of Significant Accounting Policies (Continued)

O Fund Equity – (Continued)

In the fund financial statements, governmental fund balance is presented in five possible categories

- *Nonspendable* – resources which cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) legally or contractually required to be maintained intact
- *Restricted* – resources with constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation
- *Committed* – resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the City Council) These amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint
- *Assigned* – resources neither restricted nor committed for which the City has a stated intended use as established by the City Council or a body or official (Mayor) to which the City Council has delegated the authority to assign amounts for specific purposes
- *Unassigned* – resources which cannot be properly classified in one of the other four categories The General Fund is the only fund that reports a positive unassigned fund balance amount

The City establishes (and modifies and rescinds) fund balance commitments and assignments by passage of an ordinance or resolution

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

P Encumbrances – The City does not utilize encumbrance accounting. Management does not believe that the use of encumbrance accounting would provide any significant benefit for budgetary purposes.

Q 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 City in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1, of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City bills and collects its own property taxes, using the assessed values determined by the tax assessor of DeSoto Parish.

R Risk Management

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 the risk of loss including automobile liability, general liability, property damage, workers compensation, errors and omissions, and surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF MANSFIELD LOUISIANA

Notes to the Financial Statements
December 31, 2010

2 Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

At December 31, 2010 the City had cash and cash equivalents (book balances) totaling \$4,289,839 as follows

Cash on hand	\$	600
Demand deposits		3,225,583
LAMP deposits		1,063,656
		<u>\$ 4,289,839</u>

Investments

At December 31, 2010, the City had investments (book balances) totaling \$1,457,674 as follows

Time deposits	<u>\$ 1,457,674</u>
---------------	---------------------

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 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. 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.

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

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.

At year end, the City had collected bank balances of \$7,015,072 which were partially protected by \$2,097,006 of federal depository insurance, \$181,028 of national credit union share insurance, and pledged securities with a fair market value of \$3,891,020 held by the custodial banks in the name of the City. At December 31, 2010, \$474,492 of the City's bank deposits were exposed to custodial credit risk because it was uninsured and uncollateralized.

Interest Rate Risk The City's certificates of deposit have maturities of two years or less which limits exposure to fair value losses arising from rising interest rates.

Credit Risk 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 having principal offices in Louisiana.

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31 2010

2 Cash and Cash Equivalents and Investments – (Continued)

Cash and cash equivalents held at December 31, 2010 include \$1,063,656 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.

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 AAAM by Standard & Poors.

3 Property Taxes

For the year ended December 31, 2010, taxes of 16.61 mills were levied on properties with assessed valuations totaling \$20,682,219 and were dedicated as follows:

General alimony	8.15 mills
Operating	8.46 mills

Total ad valorem taxes levied were \$343,533. Taxes receivable at December 31, 2010, were \$106,751.

The following are the principal taxpayers and the related ad valorem tax assessment:

Taxpayer	Assessed Valuation	Tax Amount	Percent of Total Assessed Valuation
CLECO	949,210	15,766	4.59%
Community Bank of Louisiana	906,261	15,053	4.38%
Capital One	778,365	12,929	3.76%
Wal-Mart Louisiana LLC	732,500	12,167	3.54%
Wal Mart Real Estate	717,195	11,913	3.47%
Hendrix Manufacturing	596,672	9,911	2.88%
Peoples State Bank	399,997	6,644	1.93%
Brookshire Grocery Company	397,607	6,604	1.92%
Mansfield Auto World	368,451	6,120	1.78%
BellSouth Telecommunications	363,730	6,042	1.76%
	<u>\$ 6,209,988</u>	<u>\$ 103,149</u>	<u>30.02%</u>

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

4 Receivables

As of December 31, 2010, receivables consist of the following

	Governmental Activities		Business-Type Activities		Total
	General Fund	Debt Service Fund	Sewer Fund	Water Fund	
Taxes					
Sales	\$ 155,373	\$ 77,675	\$ -	\$ -	\$ 233,048
Ad valorem	108,223	-	-	-	108,223
Franchise	84,360	-	-	-	84,360
Video poker	44,055	-	-	-	44,055
Water utility	-	-	-	315,361	315,361
Sewer utility	-	-	96,473	-	96,473
Gas royalties	9,025	-	-	-	9,025
Sale of assets	66,500	-	-	-	66,500
Insurance refund	11,795	-	-	-	11,795
Other	100	-	-	-	100
Allowance	-	-	-	(114,743)	(114,743)
	<u>\$ 479,431</u>	<u>\$ 77,675</u>	<u>\$ 96,473</u>	<u>\$ 200,618</u>	<u>\$ 854,197</u>

5 Due From/To Other Funds and Operating Transfers

Amounts due from and to other funds as reported in the fund financial statements at December 31, 2010, are as follows

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 122,690
General Fund	Capital Projects Fund	200
Water Fund	General Fund	2,657
		<u>\$ 125,547</u>

In the ordinary course of business, the City often transfers resources between its funds. Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. The interfund transfers during the year ended December 31, 2010 are as follows

Transfer In	Transfer Out	Amount
Water Fund	Debt Service fund	\$ 3,409,907
Debt Service Fund	Water Fund	628,408
Sewer Fund	Capital Projects Fund	301,556
General Fund	Police Witness Fees Fund	24,655
		<u>\$ 4,364,526</u>

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31 2010

6 Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31 2010 for the City is as follows

	Balance January 1 2010	Additions	Retirements and Transfers	Balance December 31 2010
Governmental activities				
Capital assets not being depreciated				
Construction in progress	\$ 52 630	\$ -	\$ -	\$ 52 630
Land	189 115	-	-	189,115
	<u>241 745</u>	<u>-</u>	<u>-</u>	<u>241,745</u>
Capital assets being depreciated				
Buildings	607,812	-	-	607,812
Improvements other than buildings	1,252,429	120,883	-	1 373 312
Equipment	359 620	23 804	-	383,424
Office furniture	1 055	-	-	1 055
Vehicles	1,253,167	42 264	-	1 295 431
Total capital assets being depreciated	<u>3 474 083</u>	<u>186 951</u>	<u>-</u>	<u>3 661 034</u>
Less accumulated depreciation for				
Buildings	(361 982)	(14,130)	-	(376,112)
Improvements other than buildings	(882,306)	(15,748)	-	(898,054)
Equipment	(208,319)	(30,178)	-	(238 497)
Office furniture	(580)	(70)	-	(650)
Vehicles	(445 226)	(147,551)	-	(592 777)
Total accumulated depreciation	<u>(1 898,413)</u>	<u>(207 677)</u>	<u>-</u>	<u>(2,106 090)</u>
Total capital assets - net	<u>\$ 1 817 415</u>	<u>\$ (20 726)</u>	<u>\$ -</u>	<u>\$ 1 796 689</u>

Depreciation expense of \$207,677 for the year ended December 31 2010, was charged to the following governmental functions

General government	\$ 14 923
Public safety	138 262
Public works	36 106
Sanitation	10 250
Parks and recreation	8 136
Total	<u>\$ 207 677</u>

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

6 Capital Assets (Continued)

	Balance January 1, 2010	Additions	Retirements and Transfers	Balance December 31, 2010
Business-type activities				
Capital assets not being depreciated				
Construction in progress	\$ 620,068	\$ 4,420,338	\$ (620,068)	\$ 4,420,338
Land	70,361		-	70,361
	<u>690,429</u>	<u>4,420,338</u>	<u>(620,068)</u>	<u>4,490,699</u>
Capital assets being depreciated				
Buildings	3,095			3,095
Water treatment plant	2,276,621	1,022		2,277,643
Machinery and equipment	328,616	2,000		330,616
Pumping station	974,197	-		974,197
Transmission line	3,625,950	-	-	3,625,950
Water system	683,144	-	-	683,144
Sewer system	3,106,102	230,076	-	3,336,178
Sewer treatment plant	2,111,448	874,882	-	2,986,330
Total capital assets being depreciated	<u>13,109,173</u>	<u>1,107,980</u>	<u>-</u>	<u>14,217,153</u>
Less accumulated depreciation for				
Buildings	(3,095)	-		(3,095)
Water treatment plant	(2,203,062)	(6,848)		(2,209,910)
Machinery and equipment	(313,839)	(5,551)		(319,390)
Pumping station	(906,840)	(13,825)	-	(920,665)
Transmission line	(2,041,625)	(43,158)	-	(2,084,783)
Water system	(585,557)	(21,777)	-	(607,334)
Sewer system	(2,020,601)	(151,105)		(2,171,706)
Sewer treatment plant	(1,796,150)	(138,430)	-	(1,934,580)
Total accumulated depreciation	<u>(9,870,769)</u>	<u>(380,694)</u>	<u>-</u>	<u>(10,251,463)</u>
Total capital assets - net	<u>\$ 3,928,833</u>	<u>\$ 5,147,624</u>	<u>\$ (620,068)</u>	<u>\$ 8,456,389</u>

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

7 Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended December 31, 2010

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Funds				
Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds	\$ 570,000	\$ -	\$ (70 000)	\$ 500 000
Series 2010A Sales Tax Bonds		91,988	(91 988)	\$ -
Series 2010B Sales Tax Bonds		2 599 201	-	\$ 2 599,201
	<u>570,000</u>	<u>2,691,189</u>	<u>(161 988)</u>	<u>\$ 3 099 201</u>
Proprietary Funds				
Series 1996 Sewer Revenue Bonds	124,000		(24,000)	100 000
Series 2003 Sewer Revenue Bonds	405 000		(129,000)	276,000
Series 2005 Water Revenue Refunding Bonds	649,000		(51 000)	598,000
Less Deferred loss on current refunding	(49,600)		6,613	(42 987)
Series 2009 Sewer Revenue Bond	-	1 025,665	(1,025,665)	
URAF Agreements 8085 8751, 8996	389,227			389 227
URAF Agreement 06465	133,858	-	-	133 858
URAF Agreement LTM 116-02	49 573	-		49 573
URAF Agreement LTM-399	579 732	-		579 732
	<u>2 280 790</u>	<u>1 025 665</u>	<u>(1 223 052)</u>	<u>2 083,403</u>
Total	<u>\$ 2 850 790</u>	<u>\$ 3 716 854</u>	<u>\$ (1 385 040)</u>	<u>\$ 5,182,604</u>

Bonds and notes payable at December 31, 2010, are comprised of the following individual issues

Revenue Bonds

Louisiana Local Government Environmental Facilities and Community Development Authority 5 41% Bonds dated December 2001 in the original amount of \$1 000 000 Scheduled principal and interest payments due annually through 2016	\$ 500 000
Sales Tax Bonds, Series 2010, interest at 2.95% dated February 11, 2010, in the original amount of \$4 120 000 Scheduled principal and interest payments due annually through November 1, 2030	2,599,201
Sewer Revenue Bonds, Series 1996 interest at 2.45%, dated March 1 1997 in the original amount of \$345,383 Scheduled principal and interest payments due annually through March 1, 2014	100,000
Sewer Revenue Bonds Series 2003 (Refunding 1992 Bonds) at variable interest rates, in the original amount of \$1 056 000 Scheduled principal and interest payments due annually through March, 2012	276,000

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

7 Long-Term Obligations (Continued)

Water Refunding Bonds, Series 2005 (Refunding 1997 Bonds) at variable interest rates dated October 5 2005 in the original amount of \$809 000 Scheduled principal and interest payments due annually through April 1 2018	\$ 598 000
Utility Relocation Assistance Funding Agreement non interest bearing, dated March 14, 1991 (\$238,029), July 24, 1996 (\$106 665), and July 9, 1998 (\$50,533) Principal payments of \$3,000 due annually through 2139	389,227
Utility Relocation Assistance Funding Agreement - 06465, non interest bearing, dated July 12, 1982, due upon demand	133,858
Utility Relocation Assistance Funding Agreement LTM 116-02, non interest bearing, dated May 16, 2006, due upon demand	49,573
Utility Relocation Assistance Funding Agreement - LTM 399 02 non interest bearing, dated December 16 2008, due upon demand	579 732
	<u>5 225 591</u>
Less	
Current portion of long term debt	(1,181,163)
Deferred loss on current refunding	<u>(42,987)</u>
Total long term debt	<u>\$ 4 001 441</u>

The total annual requirements to amortize all debt outstanding as of December 31, 2010, including interest payments of \$ 1,235,648 are as follows

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental funds			
General Fund			
LCDA Revenue Bond			
2011	\$ 75,000	\$ 23,234	\$ 98,234
2012	75 000	19,578	94,578
2013	80,000	15,760	95,760
2014	85,000	11,655	96 655
2015	90 000	7,235	97 235
2016	95 000	2 470	97,470
Total General Fund	<u>500 000</u>	<u>79,932</u>	<u>579 932</u>
Debt Service Fund			
Sales Tax Bonds, Series 2010B			
2011	123 000	90 226	213,226
2012	126,000	86 553	212 553
2013	129 000	82,792	211,792
2014	132 000	78,942	210,942
2015	136,000	74,989	210,989
2016 2030	1 953 201	579,793	2,532,994
Total Debt Service Fund	<u>2,599 201</u>	<u>993 295</u>	<u>3 592,496</u>
Total governmental funds	<u>3 099,201</u>	<u>1,073 227</u>	<u>4 172 428</u>

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

7 Long-Term Obligations (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Proprietary funds			
Sewer Fund			
Series 1996 Revenue Bond			
2011	22,000	2,180	24,180
2012	25,000	1,605	26,605
2013	26,000	980	26,980
2014	27,000	331	27,331
	<u>100,000</u>	<u>5,096</u>	<u>105,096</u>
Series 2003 Refunding Revenue Bond			
2011	136,000	6,658	142,658
2012	140,000	2,275	142,275
	<u>276,000</u>	<u>8,933</u>	<u>284,933</u>
Total Sewer Fund	<u>376,000</u>	<u>14,029</u>	<u>390,029</u>
Water Fund			
Series 2005 Refunding Revenue Bond			
2011	56,000	31,722	87,722
2012	60,000	28,633	88,633
2013	64,000	25,300	89,300
2014	73,000	21,564	94,564
2015	76,000	17,448	93,448
2016-2018	269,000	23,725	292,725
	<u>598,000</u>	<u>148,392</u>	<u>746,392</u>
URAF Agreement 8085,8751,8996			
2011	6,000	-	6,000
2012	3,000	-	3,000
2013	3,000	-	3,000
2014	3,000	-	3,000
2015	3,000	-	3,000
2016-2019	371,227	-	371,227
	<u>389,227</u>	<u>-</u>	<u>389,227</u>
URAF Agreement 06465			
2011	133,858	-	133,858
URAF Agreement LTM-116-02			
2011	49,573	-	49,573
URAF Agreement LTM-399			
2011	579,732	-	579,732
Total Water Fund	<u>1,750,390</u>	<u>148,392</u>	<u>1,898,782</u>
Total proprietary funds	<u>2,126,390</u>	<u>162,421</u>	<u>2,288,811</u>
Total	<u>\$ 5,225,591</u>	<u>\$ 1,235,648</u>	<u>\$ 6,461,239</u>

CITY OF MANSFIELD LOUISIANA

Notes to the Financial Statements
December 31, 2010

7 Long-Term Obligations (Continued)

On October 5, 2005, the City completed a current refunding of outstanding Water Revenue Bonds, Series 1997 GASB Statement No 23, requires that the difference between the book value of the refunded debt and the amount required to retire the debt be accounted for as a deferral and capitalized as a contra liability account (offset against bonds payable) and amortized in a systematic manner over the lesser of the original remaining life of the old bonds or the life of the new bonds

The City issued \$4,120,000 of taxable Sales Tax Bonds Series 2010 The bond issue consisted of \$1,000,000 of Sales Tax Revenue Bonds, Series 2010A (ARRA) and \$3,120,000 of Sales Tax Bonds, Series 2010B On February 11, 2010 the City entered a loan and pledge agreement with the Louisiana Department of Health and Hospitals whereby the Department agreed to purchase the Sales Tax Bonds, Series 2010 through the State Drinking Water Revolving Loan Fund for the purpose of constructing and acquiring improvements, extensions and replacements to its water system The loan is secured and payable from a pledge and dedication of sales and use tax revenues and the net revenues of the water system The City borrowed \$2,691,189 through the Drinking Water Revolving Loan Fund during 2010 \$91,988 was forgiven by the Louisiana Department of Health and Hospitals through a 100% principal forgiveness program under the American Recovery and Reinvestment Act of 2009 (ARRA)

The City issued \$1,214,800 of taxable Sewer Revenue Bonds, Series 2009 The Louisiana Department of Environmental Quality agreed to purchase the Sewer Revenue Bonds through the State Clean Water Revolving Loan Fund During 2010, the City received \$1,025,665 for wastewater collection system improvements The loan is non-interest bearing and provides for 100% principal forgiveness under the American Recovery and Reinvestment Act of 2009 (ARRA)

8 Restricted Assets

Certain resources set aside for repayment of bonded indebtedness and 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 or deposit agreements

Water and sewer revenue bonds are obligations of the City solely secured by a pledge of the net revenues of the water and sewer system The revenue of the water and sewer system and the various special depository accounts established by the bond ordinances collateralize the bonds The ordinances provide that the revenue of the systems is to be used first to pay operating and maintenance of the systems and then to meet the funding covenants of the obligations Any remaining revenues may then be used for any lawful purpose

The ordinances authorizing the water and sewer revenue bonds require the City to establish certain depository accounts for each issue The City is required to make monthly deposits to these accounts to satisfy the requirements of the related bond covenants to assure payment of principal and interest when due

The bond covenants of the water and sewer revenue bonds require the City to establish the following accounts

Waterworks Revenue Bond and Interest Sinking Fund – The City must transfer into this fund, each month, one twelfth of the principal and one-sixth of the interest due on the next principal and interest payment dates Such transfers will be fully sufficient to promptly and fully pay principal and interest installments as they become due and may be used only for such payments

CITY OF MANSFIELD, LOUISIANA

Notes to the Financial Statements
December 31, 2010

8 Restricted Assets (Continued)

Waterworks Revenue Bond Reserve Fund – The City must transfer into this fund, each month, an amount equal to five percent of the amount paid into the Sinking Fund until there will have accumulated in the Reserve Fund an amount equal to the Reserve Fund Requirement of \$80,900. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default.

Waterworks Depreciation and Contingencies Fund – The City must transfer into this fund, each month, an amount equal to five percent of the amount paid into the Sinking Fund until there will have accumulated in the Depreciation and Contingencies Fund an amount equal to \$25,000. The money in the Depreciation and Contingencies Fund shall be used to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system. In addition, the money in this fund may be used to pay the principal and interest on bonds payable for which there is not sufficient money in the Sinking Fund or the Reserve Fund.

Sewer Revenue Bond Sinking Fund – The City must transfer into this fund, each month, an amount equal to the principal and interest accruing on the outstanding principal amount of the bonds for such calendar month. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

Sewer Revenue Bond Debt Service Reserve Fund – The City must transfer into this fund on or before the 20th of each month an amount equal to twenty-five percent of the amount required to be paid into the Sinking Fund until there will have accumulated in the Debt Service Reserve Fund an amount equal to the Reserve Fund Requirement of \$140,138. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default.

Sewer System Renewal and Replacement Fund – The City must transfer into this fund on or before the 20th of each month an amount equal to five percent of the net revenues of the sewer system collected in the prior month until there will have accumulated in the Renewal and Replacement Fund an amount equal to \$75,000. The money in the Renewal and Replacement Fund shall be used for extensions, additions, improvements, renewals, and replacements necessary to properly operate the sewer system. In addition, the money in this fund may be used to pay the principal and interest on bonds payable for which there is not sufficient money in the Sinking Fund or the Debt Service Reserve Fund.

At December 31, 2010, the City is in compliance with each of the funding requirements described above.

9 Debt Service Fund

Under the terms of the loan and pledge agreement for the Drinking Water Revolving Loan Fund utilized by the Louisiana Department of Health and Hospitals to purchase the City's Sales Tax Bonds, Series 2010, the City is required to establish a Debt Service Fund to account for transactions related to this bond issue.

The loan and pledge agreement requires four separate bank deposit accounts be established and maintained within the Debt Service Fund.

- *Sales Tax Account* – the proceeds of the ½% sales tax dedicated to fund the Sales Tax Bond, Series 2010 shall be deposited daily into this account.

CITY OF MANSFIELD LOUISIANA

Notes to the Financial Statements
December 31, 2010

9 Debt Service Fund (Continued)

- *Construction Account* – each installment of the purchase price of the Bonds is to be deposited into this account and the costs of the project will be disbursed from 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
- *Reserve Fund Account* – maintained solely for the purpose of paying the principal of and interest on Series 2010 Bonds The Reserve Fund is required to be funded in an amount equal to one half of the highest principal and interest requirements for any succeeding Bond Year on the Bonds by transferring such amounts as will result in the sum on deposit to be equal to the reserve account requirement For the year ended December 31, 2011, this reserve account requirement was \$107,206

10 Retirement Systems

Substantially all employees of the City of Mansfield, Louisiana are members of the following statewide retirement systems Municipal Employees Retirement System of Louisiana or the Municipal Police Employees Retirement System of Louisiana These systems are cost sharing, multiple employer defined benefit pension plans administered by a separate board of trustees Pertinent information relative to each plan follows

Municipal Employees Retirement System of Louisiana (System)

A Plan Description

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions All employees of the City are members of Plan A

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from City funds and all elected City officials are eligible to participate in the System Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final- average salary for each year of creditable service Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination The System also provides death and disability benefits Benefits are established or amended by state statute

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810

CITY OF MANSFIELD LOUISIANA

Notes to the Financial Statements
December 31 2010

10 Retirement Systems – (Continued)

B Funding Policy

Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 14.25% of annual covered payroll. Contributions to the System also include one fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Mansfield, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Mansfield, Louisiana's contributions to the System under Plan A for the years ending December 31, 2010, 2009 and 2008 were \$168,999, \$147,358 and \$138,778, respectively, equal to the required contributions for each year.

Municipal Police Employees Retirement System of Louisiana (System)

- A Plan Description** – All full time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

- B Funding Policy** – Plan members are required by state statute to contribute 7.50% of their annual covered salary and the City of Mansfield, Louisiana, is required to contribute at an actuarially determined rate. The current rate is 25.00% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Mansfield, Louisiana's contributions to the System for the year ending December 31, 2010, 2009 and 2008 were \$84,289, \$46,518, and \$46,607, respectively, equal to the required contributions for each year.

11 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.

CITY OF MANSFIELD LOUISIANA

Notes to the Financial Statements
December 31 2010

Lawsuits

At December 31, 2010, the City of Mansfield was named as defendant in one lawsuit. The City intends to present an aggressive defense and counsel has indicated that the City's exposure is not expected to be significant.

Grant Audit

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

Commitments

As of December 31, 2010, the City had entered into a construction contract for improvements to the wastewater collection system with a final cost of \$1,004,208. At year end, \$851,241 had been expended under this contract. The improvements to the wastewater treatment plant were completed June 30, 2011.

As of December 31, 2010, the City had entered into a construction contract for improvements to the water distribution system in the amount of \$2,388,842. At year end, \$1,776,000 had been expended under this contract.

12 Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended December 31, 2010.

13 On-Behalf Payments

City employees received a total of \$116,268 in supplemental pay from the State of Louisiana, \$56,350 for firemen and \$59,918 for police officers. The City is responsible for withholding taxes from the employees and paying the City's matching portion of social security taxes for the amount of supplemental pay received. These payments are recognized as revenue and as public safety expenditures in the general fund.

14 Subsequent Events

Subsequent events have been evaluated through October 14, 2011, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULE

CITY OF MANSFIELD, LOUISIANA

Budgetary Comparison Schedule- General Fund
For the Year Ended December 31 2010

	General Fund			
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes				
Ad valorem	\$ 301 000	\$ 352,643	\$ 350 146	\$ (2 497)
Sales and Use	1 050 000	1,430,000	1 601 256	171 256
Franchise	329,600	329 100	332 290	3 190
Licenses and permits	240 300	274 600	283 058	8 458
Fees charges and commissions	199 550	227,350	204 415	(22 935)
Video poker revenue	180 000	200 000	260,507	60,507
Fines and forfeitures	157 500	171,500	173,202	1 702
Intergovernmental				
Federal grants	-	23 570	11 070	(12,500)
State funds	36,043	10 585	164,629	154,044
Interest	12 600	7 300	7 787	487
Contributions			12 000	12,000
Sale of property		-	66 500	66,500
Oil and gas royalties		970 000	1 059 909	89,909
Miscellaneous	29 000	140 000	82 650	(57 350)
Total revenues	<u>2 535 593</u>	<u>4 136 648</u>	<u>4 609 419</u>	<u>472 771</u>
EXPENDITURES				
Current				
General government	1 241,343	1 401,183	1 145,673	255,510
Public safety	970,350	1 031,275	1,234 445	(203,170)
Public works	177,600	188 600	268,254	(79,654)
Sanitation	92 300	106 300	97 977	8 323
Parks and recreation	-	-	17 155	(17 155)
Maintenance	54 000	54,000	57 513	(3,513)
Capital outlay	154,600	187 600	186 951	649
Debt service				
Principal retirement	70,000	70 000	70,000	-
Interest	26 733	26 733	26 733	-
Total expenditures	<u>2,786 926</u>	<u>3 065,691</u>	<u>3 104 701</u>	<u>(39 010)</u>
Excess of Revenues Over Expenditures	(251 333)	1 070 957	1 504 718	433,761
OTHER FINANCING SOURCES				
Transfers in		-	24 655	24 655
NET CHANGE IN FUND BALANCE	(251 333)	1 070,957	1 529 373	458 416
FUND BALANCE - beginning of year	<u>2 077 347</u>	<u>2 077 347</u>	<u>2 077 347</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 1,826 014</u>	<u>\$ 3 148 304</u>	<u>\$ 3 606 720</u>	<u>\$ 458 416</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD, LOUISIANA

Budgetary Comparison Schedule- Debt Service Fund
For the Year Ended December 31, 2010

	Debt Service Fund		
	Budgeted		Variance
	Amounts		Favorable
	Original	Actual	(Unfavorable)
REVENUES			
Taxes			
Sales and use	\$ 715 000	\$ 794,523	\$ 79 523
Intergovernmental			
Federal grants	-	91 988	91,988
Interest	3,000	3 215	215
Total revenues	<u>718 000</u>	<u>889 726</u>	<u>171 726</u>
EXPENDITURES			
Current			
General government	57 750	57,148	602
Debt service			
Principal retirement	100 000	91,988	8 012
Interest	21 000	20 463	537
Total expenditures	<u>178 750</u>	<u>169 599</u>	<u>9,151</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>539 250</u>	<u>720 127</u>	<u>180 877</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of debt	2 176 098	2,691,189	515 091
Transfers in	-	628,408	628,408
Transfers out	<u>(2 671 098)</u>	<u>(3 409 907)</u>	<u>(738 809)</u>
Total Other Financing Sources (Uses)	<u>(495 000)</u>	<u>(90 310)</u>	<u>404 690</u>
NET CHANGE IN FUND BALANCE	<u>44,250</u>	<u>629,817</u>	<u>585,567</u>
FUND BALANCE - beginning of year		-	-
FUND BALANCE - end of year	<u>\$ 44 250</u>	<u>\$ 629,817</u>	<u>\$ 585,567</u>

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report

CITY OF MANSFIELD LOUISIANA

Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2010

The proposed budget for the December 31, 2010, fiscal year was made available for public inspection at the office of the mayor in the City Hall of Mansfield, Louisiana on November 17, 2009. A public hearing was held and the budget was formally adopted on December 14, 2009. The proposed budget is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Budgets for governmental funds are adopted annually on the modified accrual basis of accounting.

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 and submit it to the Board of Aldermen 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 holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an enabling ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. The budget is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. The budgetary information presented in these financial statements is as so amended. Management may amend the budget only below the department level.
6. The City utilizes formal budgetary integration as a management control device for all funds.

The Louisiana Local Government Budget Act provides that 'the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year'. The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Through the budget, the City allocates its resources and establishes its priorities. The annual budget assures the efficient and effective uses of the City's economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year end.

The budget for the year ended December 31, 2010 was last amended on December 28, 2010.

The budgetary comparison schedules present comparisons of the original and final legally adopted budgets for the General Fund and the Debt Service Fund with the actual data.

OTHER SUPPLEMENTAL INFORMATION

OTHER GOVERNMENTAL FUND

CITY OF MANSFIELD LOUISIANA

Balance Sheet --
Other Governmental Fund
December 31, 2010

	<u>GOVERNMENTAL FUND</u>
	Police Witness Fees
	<u>57,754</u>
 <u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 57,754</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Fund Balances	
Assigned to	
Police witness fees	57,754
Total liabilities and fund balances	<u>\$ 57,754</u>

Supplementary information
Presented for purposes of additional analytical analysis only
See the accompanying independent auditor's report

CITY OF MANSFIELD, LOUISIANA

Statement of Revenues Expenditures, and Changes in Fund Balance –
Other Governmental Fund
For the Year Ended December 31 2010

	GOVERNMENTAL FUND
	<u>Police Witness Fees</u>
REVENUES	
Fees for services	\$ 27,350
Interest	<u>105</u>
Total revenues	<u>27,455</u>
EXPENDITURES	
Current	
Public safety	<u>6,405</u>
Excess of Revenues Over Expenditures	21 050
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(24 655)</u>
NET CHANGE IN FUND BALANCE	(3 605)
FUND BALANCE- beginning of year	<u>61,359</u>
FUND BALANCE- end of year	<u>\$ 57,754</u>

Supplementary information
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CITY OF MANSFIELD, LOUISIANA

Schedule of Mayor and Aldermen's Compensation
For the Year Ended December 31, 2010

The schedule of compensation paid to the mayor and the aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the mayor and aldermen is included in the general government expenditures of the General Fund. During 2010, the following amounts were paid to the Mayor and Aldermen:

	<u>Per Diem</u>	<u>Expense Re imbursements</u>	<u>Total</u>
Honorable Curtis W. McCoy - Mayor	\$ 18,000	\$ 7,417	\$ 25,417
Aldermen			
Honorable G. B. Hall, III - District A	7,200	391	7,591
Honorable J. Dudley Kemper - District B	3,600	-	3,600
Honorable Troy Terrell - District B	3,600	391	3,991
Honorable Mitchell L. Lewis - District C	7,200		7,200
Honorable Joseph Hall, Jr. - District D	7,200	391	7,591
Honorable Alvin Ray Woodley - District E	7,200		7,200
Totals	<u>\$ 54,000</u>	<u>\$ 8,590</u>	<u>\$ 62,590</u>

Supplementary information
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CITY OF MANSFIELD LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31 2010

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Pass Through Grantor s Number	Award Amount	Federal Revenues	Federal Expenditures
UNITED STATES DEPARTMENT OF JUSTICE					
Office of Justice Programs Bureau of Justice Assistance					
Edward Byrne Memorial Justice Assistance Grant Program (ARRA)	16 738	2010 DJ BX 1419	\$ 11,070	\$ 11,070	\$ 11,070
ENVIRONMENTAL PROTECTION AGENCY					
Passed through the Louisiana Division of Administration					
Capitalization Grants for Clean Water State Revolving Funds (ARRA)	66 458	CS 221238 01	1 214 800	1 025 665	1 025 665
Passed Through the Louisiana Department of Health and Hospitals					
Capitalization Grants for Drinking Water State Revolving Funds (ARRA)	66 468	1031009 1A	1 000 000	91 988	91 988
Capitalization Grants for Drinking Water State Revolving Funds	66 468	1031009 1B	3,120,000	2,599,201	2 599,201
Total Environmental Protection Agency			<u>5,334,800</u>	<u>3,716,854</u>	<u>3,716,854</u>
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through the Louisiana Division of Administration					
Community Development Block Grant States Program	14 228	672583	812,900	316 378	316,378
Total Federal Financial Assistance			<u>\$ 6 158 770</u>	<u>\$ 4 044 302</u>	<u>\$ 4 044 302</u>

The schedule of expenditures of federal awards includes the federal grant activity of the City of Mansfield, Louisiana and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A 133 *Audits of States, Local Governments, and Non Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in or used in the preparation of the primary government financial statements.

Supplementary information
 Presented for purposes of additional analytical analysis only
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CITY OF MANSFIELD LOUISIANA

Schedule of Insurance in Force

December 31 2010

Insurer	Risks Covered	Policy Amount	Expiration Date		
Travelers Insurance Companies	Commercial General Liability		May 1 2011		
	Public entity general liability	\$500 000 general aggregate limit			
	Personal and advertising injury	\$500 000 any one person			
	Products and completed operations	\$500 000			
	Damage to premises rented to you	\$100 000			
	Sewerage backup	\$250 000			
	Failure to supply	\$250 000			
	Employee benefit plans administration liability	\$500 000 each employee \$1 500 000 aggregate limit			
	Law enforcement liability	\$500 000 each wrongful act \$500 000 aggregate limit			
	Public entity management liability	\$500 000 each wrongful act \$500 000 aggregate limit			
	Employment practices liability	\$500 000 each wrongful act \$500 000 aggregate limit			
	Automobile liability	\$500 000			
	Travelers Insurance Companies	Premises and Heavy Equipment			September 28 2011
		Building and business personal property		\$10 649 400	
Business income from dependent property		\$250 000			
Claim date expense		\$25 000			
Newly acquired locations		\$500 000			
Ordinance or law increase period of restoration		\$250 000			
Utility services direct damage		\$50 000 any one occurrence			
Electronic data processing equipment		\$50 000			
Electronic data processing data and media		\$50 000			
Separately stored duplicate data processing and media		\$50 000			
Radio and TV broadcasting equipment		\$10 300			
Supplementary information					
Presented for purposes of additional analytical analysis only					
See the accompanying independent auditor's report					

CITY OF MANSFIELD LOUISIANA

Schedule of Insurance in Force

December 31 2010

Insurer	Risks Covered	Policy Amount	Expiration Date
QBE Specialty Insurance Company	Automobile Physical Damage Scheduled vehicles	Actual cash value \$500 \$1000 deductible	July 10 2011
Louisiana Municipal Risk Management Agency	Workers compensation Employers liability Bodily injury by accident Bodily injury by disease	Statutory \$100 000 each accident \$100 000 each employee \$500 000 policy limit	January 1 2011

Supplementary information
 Presented for purposes of additional analytical analysis only
 See the accompanying independent auditor's report

CITY OF MANSFIELD, LOUISIANA

Schedule of System Fees and Users

December 31, 2010

WATER FEES

Inside city limits \$14 00 minimum for usage to 2 000 gallons of water
 \$4 50 per each additional 1 000 gallons of water above 2000 gallons

Outside city limits \$16 00 minimum for usage to 2,000 gallons of water
 \$5 25 per each additional 1 000 gallons of water above 2000 gallons

SEWER FEES

Inside city limits \$9 95 minimum for usage to 1,000 gallons of water
 \$ 89 per each additional 1,000 gallons of water above 1000 gallons

Outside city limits \$12 95 minimum for usage to 1 000 gallons of water
 \$1 00 per each additional 1,000 gallons of water above 1000 gallons

SYSTEM USERS

As of December 31 2010, the system had 2 791 active customers

SYSTEM BILLINGS

During the year ended December 31, 2010, the system billed \$1,490,204 for water service and \$436,030 for sewer service. The system had an average customer base of 2,791 with an average monthly billing of \$57 51 per customer

CITY OF MANSFIELD, LOUISIANA

Schedule of Funds
Sales Tax Bonds Series 2010

For the Year Ended December 31, 2010

	<u>Construction Account</u>	<u>Sinking Fund</u>	<u>Reserve Fund</u>
Balance beginning of year	\$ -	\$ -	\$ -
Deposits			
January			-
February	-	-	
March	-		-
April	1 116,139	26 801	56,912
May	62 986	8,934	18 971
June	57,488	8,934	18 971
July	70 541	8 934	18 971
August	69 926	8 934	18 971
September	66,252	8,934	18 971
October	68 922	8,934	18 970
November	81,257	-	
December	57,326	88,127	-
Interest earned	3,873	168	352
Disbursements			
January	-	-	
February	-		
March	-		-
April	(444 897)	(1 625)	-
May	(27 905)	-	
June	-	(86)	(86)
July	(55,809)	-	-
August	-	-	-
September	(55,809)	-	-
October	(27,905)	(22 306)	
November	-	-	
December	(388 952)	-	-
Balance-end of year	<u>\$ 653,433</u>	<u>\$ 144,683</u>	<u>\$ 171 003</u>

Supplementary information
Presented for purposes of additional analytical analysis only
See the accompanying independent auditor's report

City of Mansfield

Book Asset Detail

FYE 12/31/2010

Asset	d	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group BUILDINGS												
1		Portable Building	1/09/95	3,095.00	0.00	0.00	3,095.00	0.00	3,095.00	0.00	S/L	10.0
		BUILDINGS		3,095.00	0.00c	0.00	3,095.00	0.00	3,095.00	0.00		
Group CONSTRUCTION IN PROGRESS												
47		Sewer Collection System Improvem	12/31/10	1,010,431.31	0.00c	0.00	0.00	0.00	0.00	1,010,431.31	Memo	0.0
		CONSTRUCTION IN PROGRESS		1,010,431.31	0.00c	0.00	0.00	0.00	0.00	1,010,431.31		
Group EQUIPMENT												
3		Kenwood Radio	1/09/87	677.00	0.00	0.00	677.00	0.00	677.00	0.00	S/L	3.0
5		Lime Testing Equipment	4/09/92	1,260.00	0.00	0.00	1,260.00	0.00	1,260.00	0.00	S/L	3.0
6		Delta Processing Equipment	8/09/92	928.00	0.00	0.00	928.00	0.00	928.00	0.00	S/L	3.0
7		Dewatering Pump	3/09/93	461.00	0.00	0.00	461.00	0.00	461.00	0.00	S/L	3.0
8		1988 Ford F 150	1/09/88	11,137.00	0.00	0.00	11,137.00	0.00	11,137.00	0.00	S/L	3.0
9		Mobile Radio	1/19/93	603.00	0.00	0.00	603.00	0.00	603.00	0.00	S/L	3.0
10		John Deere Tractor Mower	5/09/94	9,540.00	0.00	0.00	9,540.00	0.00	9,540.00	0.00	S/L	3.0
11		Utility Cart	1/09/95	343.00	0.00	0.00	343.00	0.00	343.00	0.00	S/L	3.0
13		Mobile Radio	1/09/96	687.00	0.00	0.00	687.00	0.00	687.00	0.00	S/L	3.0
14		Air Compressor	1/09/96	362.00	0.00	0.00	362.00	0.00	362.00	0.00	S/L	3.0
15		4 Box Blade	1/09/96	416.00	0.00	0.00	416.00	0.00	416.00	0.00	S/L	3.0
16		Air Conditioner	1/09/98	551.00	0.00	0.00	551.00	0.00	551.00	0.00	S/L	3.0
17		Communications Tower	1/09/00	762.00	0.00	0.00	762.00	0.00	762.00	0.00	S/L	3.0
18		Honda Pump	1/09/00	1,125.00	0.00	0.00	1,125.00	0.00	1,125.00	0.00	S/L	3.0
19		Honda Generator	1/09/00	1,535.00	0.00	0.00	1,535.00	0.00	1,535.00	0.00	S/L	3.0
20		Cut Off Saw	1/09/01	900.00	0.00	0.00	900.00	0.00	900.00	0.00	S/L	3.0
21		2001 Dodge Ram	1/09/01	18,562.00	0.00	0.00	18,562.00	0.00	18,562.00	0.00	S/L	3.0
41		2007 Dodge PU 93817	3/31/07	17,755.00	0.00	0.00	9,765.80	3,551.20	13,317.00	4,439.00	S/L	5.0
		EQUIPMENT		67,605.00	0.00c	0.00	59,614.80	3,551.20	63,166.00	4,439.00		
Group IMPROVEMENTS												
44		High School & DeSoto Plaza Impro	11/15/09	83,428.50	0.00	0.00	695.24	4,171.43	4,866.67	78,561.83	S/L	20.0
		IMPROVEMENTS		83,428.50	0.00c	0.00	695.24	4,171.43	4,866.67	78,561.83		
Group SEWER SYSTEM												
2		Regma Street Sewer Location	3/15/05	21,919.50	0.00	0.00	5,297.23	1,095.98	6,393.21	15,526.29	S/L	20.0
22		Smoke Blower	1/09/86	579.00	0.00	0.00	579.00	0.00	579.00	0.00	S/L	10.0
23		Sewer Collection System	12/09/92	701,168.00	0.00	0.00	631,047.40	35,058.40	666,105.80	35,062.20	S/L	20.0
24		Highway 509 Realignment	1/09/91	110,000.00	0.00	0.00	93,500.00	5,500.00	99,000.00	11,000.00	S/L	20.0
25		Sewer Improvements	1/09/96	677,180.00	0.00	0.00	474,026.00	33,859.00	507,885.00	169,295.00	S/L	20.0
26		Sewer Improvements	1/09/96	223,337.00	0.00	0.00	156,337.10	11,166.85	167,503.95	55,833.05	S/L	20.0
27		Sewer Improvements	1/09/97	122,046.00	0.00	0.00	79,327.80	6,102.30	85,430.10	36,615.90	S/L	20.0
28		State Sewer Improvement	1/09/98	50,000.00	0.00	0.00	30,268.00	2,500.00	32,768.00	17,232.00	S/L	20.0
29		Collection System Improvement	1/09/98	25,254.00	0.00	0.00	15,152.40	1,262.70	16,415.10	8,838.90	S/L	20.0

Supplemental information Presented for purposes of additional analytical analysis only

See the accompanying independent auditor's report

City of Mansfield

Book Asset Detail

FYE 12/31/2010

Asset Group	Asset id	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Set Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group SEWER SYSTEM (continued)												
30		High Pressure Sewer Machine	1/06/99	27 444 00	0 00	0 00	15 094 20	1 372 20	16 466 40	10 977 60	S/L	20 0
31		Collection System Improvements	1/09/01	17 861 00	0 00	0 00	8 037 45	893 05	8 930 50	8 930 50	S/L	20 0
32		Collection System Improvements	1/09/02	2 167 00	0 00	0 00	866 80	108 35	975 15	1 191 85	S/L	20 0
33		Collection System Improvements	1/09/03	667 337 00	0 00	0 00	233 567 95	33 366 85	266 934 80	400 402 20	S/L	20 0
34		Collection System Improvements	1/09/03	4 461 00	0 00	0 00	1 561 35	223 05	1 784 40	2 676 60	S/L	20 0
35		Improve DPSB	1/29/91	278 801 00	0 00	0 00	264 127 30	13 940 05	278 067 35	733 65	S/L	20 0
38		Collection System Improvement	5/30/05	5 804 19	0 00	0 00	1,330 13	290 21	1 620 34	4 183 85	S/L	20 0
39		Meadow Park Improvements	7/31/06	34 660 00	0 00	0 00	5 921 08	1 733 00	7 654 08	27 005 92	S/L	20 0
40		Francine & Ginger Improvements	1/30/06	4,250 00	0 00	0 00	637 50	212 50	850 00	3 400 00	S/L	20 0
42		Hwy 171 Sewer Relocation	9/15/08	48 403 04	0 00	0 00	3 226 87	2 420 15	5 647 02	42 756 02	S/L	20 0
46		Wastewater Collection Improvemen	12/31/10	170 874 92	0 00c	0 00	0 00	0 00	0 00	170 874 92	S/L	20 0
SEWER SYSTEM				3 193 546 65	0 00c	0 00	2 019 905 56	151 104 64	2 171 010 20	1 022 536 45		
Group TREATMENT PLANT												
36		Metal Canopy	1/29/93	9 518 00	0 00	0 00	9 518 00	0 00	9 518 00	0 00	S/L	3 0
37		Treatment Plant	10/09/93	2 101 926 00	0 00	0 00	1 786 633 80	105 096 30	1 891 730 10	210 195 90	S/L	20 0
45		2008 LCDBG Wastewater Treatmer	4/30/10	874 882 00	0 00c	0 00	0 00	29 162 73	29 162 73	845 719 27	S/L	20 0
TREATMENT PLANT				2 986 326 00	0 00c	0 00	1 796 151 80	134 259 03	1 930 410 83	1 055 915 17		
Grand Total				7 344 432 46	0 00c	0 00	3 879,462 40	293,086 30	4 172 548 70	3 171 883 76		

Supplemental information Presented for purposes of additional analytical analysis only

See the accompanying independent auditor's report

City of Mansfield

Book Asset Detail

FYE 12/31/2010

Asset Id	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group CONSTRUCTION IN PROGRESS											
188	CIP Water System Improvement	12/31/10	3 409 906 98	0 00c	0 00	0 00	0 00	0 00	3 409 906 98	Memo	0 0
	CONSTRUCTION IN PROGRESS		3 409 906 98	0 00c	0 00	0 00	0 00	0 00	3 409 906 98		
Group EQUIPMENT											
1	Case Loader Back	8/01/82	23 355 00	0 00	0 00	23 355 00	0 00	23 355 00	0 00	S/L	7 0
2	1986 Ford Ranger	8/01/86	8 307 00	0 00	0 00	8 307 00	0 00	8 307 00	0 00	S/L	3 0
3	1986 Ford Ranger	8/01/86	8 304 00	0 00	0 00	8 304 00	0 00	8 304 00	0 00	S/L	3 0
4	Snapper Weedeater	4/01/89	395 00	0 00	0 00	395 00	0 00	395 00	0 00	S/L	3 0
5	GE 40 Watt Radio Antenna	11/01/89	639 00	0 00	0 00	639 00	0 00	639 00	0 00	S/L	3 0
6	GE 40 Watt Radio Antenna	11/01/89	639 00	0 00	0 00	639 00	0 00	639 00	0 00	S/L	3 0
7	Davis Trencher	1/01/76	2 485 00	0 00	0 00	2 485 00	0 00	2 485 00	0 00	S/L	3 0
8	Motorola Radio	1/01/78	1 114 00	0 00	0 00	1 114 00	0 00	1 114 00	0 00	S/L	3 0
9	Motorola Radio	1/01/78	1 166 00	0 00	0 00	1 166 00	0 00	1 166 00	0 00	S/L	3 0
10	1980 Mobile Home	1/01/80	11 329 00	0 00	0 00	11 329 00	0 00	11 329 00	0 00	S/L	7 0
12	Furnish & Install Utihies	6/01/88	3 177 00	0 00	0 00	3 177 00	0 00	3 177 00	0 00	S/L	3 0
13	Line Locator	10/01/89	2 352 00	0 00	0 00	2 352 00	0 00	2 352 00	0 00	S/L	3 0
14	Panasonic Answering Machine	4/01/89	127 00	0 00	0 00	127 00	0 00	127 00	0 00	S/L	3 0
15	Kenwood Mobile Radio	2/01/89	1 273 00	0 00	0 00	1 273 00	0 00	1 273 00	0 00	S/L	3 0
16	Tamper Multiquip	1/01/90	1 710 00	0 00	0 00	1 710 00	0 00	1 710 00	0 00	S/L	3 0
17	Hyd Hammer Power Pak	1/01/90	5 859 00	0 00	0 00	5 859 00	0 00	5 859 00	0 00	S/L	3 0
18	Lawn Mower	7/01/90	627 00	0 00	0 00	627 00	0 00	627 00	0 00	S/L	3 0
19	Weedeater	7/01/90	416 00	0 00	0 00	416 00	0 00	416 00	0 00	S/L	3 0
20	Air Conditioner	7/01/91	864 00	0 00	0 00	864 00	0 00	864 00	0 00	S/L	3 0
21	Tank Wrap Adapter to Truck	2/01/92	485 00	0 00	0 00	485 00	0 00	485 00	0 00	S/L	5 0
22	Norwell Equipment Trailer	3/01/92	1 073 00	0 00	0 00	1 073 00	0 00	1 073 00	0 00	S/L	5 0
23	1992 F 150 Truck	5/01/92	14 374 00	0 00	0 00	14 374 00	0 00	14 374 00	0 00	S/L	3 0
24	Ditch Witch Saw	5/01/92	1 983 00	0 00	0 00	1 983 00	0 00	1 983 00	0 00	S/L	3 0
25	Truck Bed Lmer	6/01/92	954 00	0 00	0 00	954 00	0 00	954 00	0 00	S/L	3 0
27	PH Meter	1/01/93	485 00	0 00	0 00	485 00	0 00	485 00	0 00	S/L	3 0
28	Poulan Cham Saw	1/01/93	280 00	0 00	0 00	280 00	0 00	280 00	0 00	S/L	3 0
29	Police Band Radio	1/01/93	759 00	0 00	0 00	759 00	0 00	759 00	0 00	S/L	3 0
30	Radius M120	1/09/95	415 00	0 00	0 00	415 00	0 00	415 00	0 00	S/L	3 0
31	Max Trac Mobile Radio	1/09/95	569 00	0 00	0 00	569 00	0 00	569 00	0 00	S/L	10 0
32	Valve Box Locator	1/01/95	588 00	0 00	0 00	588 00	0 00	588 00	0 00	S/L	10 0
33	Snapper Riding Mower	1/09/95	4 000 00	0 00	0 00	4 000 00	0 00	4 000 00	0 00	S/L	3 0
34	ST 63 Toolbox	1/09/95	289 00	0 00	0 00	289 00	0 00	289 00	0 00	S/L	3 0
35	Ford Duraliner	1/09/95	199 00	0 00	0 00	199 00	0 00	199 00	0 00	S/L	3 0
36	Utility Trailer	1/09/95	675 00	0 00	0 00	675 00	0 00	675 00	0 00	S/L	3 0
37	3 Air Mask Pack	1/09/96	4 425 00	0 00	0 00	4 425 00	0 00	4 425 00	0 00	S/L	3 0
38	1997 Ford truck	1/09/97	15 697 00	0 00	0 00	15 697 00	0 00	15 697 00	0 00	S/L	3 0
39	Power Washer	2/22/97	1 243 00	0 00	0 00	1 243 00	0 00	1 243 00	0 00	S/L	3 0
40	Husqvarna Saw	5/01/97	861 00	0 00	0 00	861 00	0 00	861 00	0 00	S/L	3 0
41	PH Meter	1/09/97	530 00	0 00	0 00	530 00	0 00	530 00	0 00	S/L	3 0
42	Drilling Machine	1/09/97	2 122 00	0 00	0 00	2 122 00	0 00	2 122 00	0 00	S/L	3 0
43	8 Drawer Tool Chest	1/09/97	140 00	0 00	0 00	140 00	0 00	140 00	0 00	S/L	3 0
44	5 Drawer Tool Chest	1/09/97	160 00	0 00	0 00	160 00	0 00	160 00	0 00	S/L	3 0
45	Cordless Drill	1/09/97	130 00	0 00	0 00	130 00	0 00	130 00	0 00	S/L	3 0

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Group EQUIPMENT (continued)											
46	Socket Wrench	1/09/97	200 00	0 00	0 00	200 00	0 00	200 00	0 00	S/L	3 0
47	Socket Wrench Large	1/09/97	200 00	0 00	0 00	200 00	0 00	200 00	0 00	S/L	3 0
48	Tap and Die Set	1/09/97	100 00	0 00	0 00	100 00	0 00	100 00	0 00	S/L	3 0
49	PH Meter with Electrode	1/09/98	520 00	0 00	0 00	520 00	0 00	520 00	0 00	S/L	3 0
50	Chain Saw	1/09/98	120 00	0 00	0 00	120 00	0 00	120 00	0 00	S/L	3 0
51	Mobile Radio	1/09/99	506 00	0 00	0 00	506 00	0 00	506 00	0 00	S/L	10 0
52	Propane Tank	1/09/99	882 00	0 00	0 00	882 00	0 00	882 00	0 00	S/L	3 0
53	Base Radio	1/09/99	750 00	0 00	0 00	750 00	0 00	750 00	0 00	S/L	3 0
54	Digital Benchtop PH Meter	1/09/99	544 00	0 00	0 00	544 00	0 00	544 00	0 00	S/L	3 0
55	Frederich Air Conditioner	1/09/99	865 00	0 00	0 00	865 00	0 00	865 00	0 00	S/L	3 0
56	Mobile Radio 10	1/09/99	506 00	0 00	0 00	506 00	0 00	506 00	0 00	S/L	10 0
57	Dodge TP 3	1/09/99	15 152 00	0 00	0 00	15 152 00	0 00	15 152 00	0 00	S/L	3 0
58	Mobile Radio 30	1/09/99	474 00	0 00	0 00	474 00	0 00	474 00	0 00	S/L	10 0
59	Frederich Quietmaster	1/09/00	865 00	0 00	0 00	865 00	0 00	865 00	0 00	S/L	3 0
60	Reh Propane Heater	1/09/00	280 00	0 00	0 00	280 00	0 00	280 00	0 00	S/L	3 0
61	Reh Propane Heater	1/09/00	550 00	0 00	0 00	550 00	0 00	550 00	0 00	S/L	3 0
62	Trailmaster Trailer	1/09/00	1 295 00	0 00	0 00	1 295 00	0 00	1 295 00	0 00	S/L	3 0
63	Kubota Mower	1/09/00	9 763 00	0 00	0 00	9 763 00	0 00	9 763 00	0 00	S/L	3 0
64	Kubota Tractor Bumper	1/09/00	274 00	0 00	0 00	274 00	0 00	274 00	0 00	S/L	3 0
65	2001 Dodge Ram	1/09/01	14 562 00	0 00	0 00	14 562 00	0 00	14 562 00	0 00	S/L	3 0
66	PH Meter	1/09/01	804 00	0 00	0 00	804 00	0 00	804 00	0 00	S/L	3 0
67	Reciprocating Saw	1/09/00	131 00	0 00	0 00	131 00	0 00	131 00	0 00	S/L	3 0
68	2001 Dodge Ram	1/09/01	19 000 00	0 00	0 00	19 000 00	0 00	19 000 00	0 00	S/L	3 0
69	2003 Ford F 150	1/09/03	14 960 00	0 00	0 00	14 960 00	0 00	14 960 00	0 00	S/L	3 0
70	John Deere Mower	1/09/03	3 321 00	0 00	0 00	3 321 00	0 00	3 321 00	0 00	S/L	3 0
71	PH Meter	1/09/03	420 00	0 00	0 00	420 00	0 00	420 00	0 00	S/L	3 0
72	Chlorine Analyzer	12/10/04	3 997 50	0 00	0 00	3 997 50	0 00	3 997 50	0 00	S/L	3 0
73	Turbidimeter	2/27/04	1 746 00	0 00	0 00	1 746 00	0 00	1 746 00	0 00	S/L	3 0
74	Ammonia Equipment TP	4/26/04	8 235 00	0 00	0 00	8 235 00	0 00	8 235 00	0 00	S/L	3 0
164	2005 Ford F 150 Pickup	4/20/05	14 423 00	0 00	0 00	13 461 47	961 53	14 423 00	0 00	S/L	5 0
EQUIPMENT			242 019 50	0 00c	0 00	241 057 97	961 53	242 019 50	0 00		
Group LAND											
75	Unknown Land	1/01/81	45 361 00	0 00	0 00	0 00	0 00	0 00	45 361 00	Land	0 0
76	Nabors Property	1/01/81	25 000 00	0 00	0 00	0 00	0 00	0 00	25 000 00	Land	0 0
LAND			70 361 00	0 00c	0 00	0 00	0 00	0 00	70 361 00		
Group OFFICE EQUIPMENT											
77	Refrigerator	6/09/81	450 00	0 00	0 00	450 00	0 00	450 00	0 00	S/L	8 0
78	Air Conditioner	8/09/84	389 00	0 00	0 00	389 00	0 00	389 00	0 00	S/L	10 0
79	Air Conditioner	7/09/86	199 00	0 00	0 00	199 00	0 00	199 00	0 00	S/L	10 0
80	Amana Refrigerator	8/09/89	535 00	0 00	0 00	535 00	0 00	535 00	0 00	S/L	10 0
81	Refrigerator	12/08/89	472 00	0 00	0 00	472 00	0 00	472 00	0 00	S/L	10 0
82	Executive Desk	1/09/91	367 00	0 00	0 00	367 00	0 00	367 00	0 00	S/L	10 0
83	Two Side Chairs	1/09/91	300 00	0 00	0 00	300 00	0 00	300 00	0 00	S/L	10 0
84	Executive Chair	1/09/91	408 00	0 00	0 00	408 00	0 00	408 00	0 00	S/L	10 0

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Group OFFICE EQUIPMENT (continued)											
85	Wood Book Case	1/09/91	106 00	0 00	0 00	106 00	0 00	106 00	0 00	S/L	10 0
86	Steel Work Surface	1/09/91	634 00	0 00	0 00	634 00	0 00	634 00	0 00	S/L	8 0
87	Room Divider Panels	3/09/91	4 691 00	0 00	0 00	4 691 00	0 00	4 691 00	0 00	S/L	8 0
88	Billing Office Chair	3/09/92	304 00	0 00	0 00	304 00	0 00	304 00	0 00	S/L	8 0
89	HP Vectra Computer	10/15/94	5 795 00	0 00	0 00	5 795 00	0 00	5 795 00	0 00	S/L	8 0
90	Monitor	10/15/94	1 995 00	0 00	0 00	1 995 00	0 00	1 995 00	0 00	S/L	8 0
91	UPS	10/15/94	525 00	0 00	0 00	525 00	0 00	525 00	0 00	S/L	8 0
92	Panasonic Printer	10/15/94	429 00	0 00	0 00	429 00	0 00	429 00	0 00	S/L	8 0
93	Frederich Air Conditioner	1/09/95	390 00	0 00	0 00	390 00	0 00	390 00	0 00	S/L	10 0
94	Air Conditioner	1/09/95	306 00	0 00	0 00	306 00	0 00	306 00	0 00	S/L	10 0
95	3 Black Storage Cabinets	1/09/95	780 00	0 00	0 00	780 00	0 00	780 00	0 00	S/L	10 0
96	Book Case	1/09/95	121 00	0 00	0 00	121 00	0 00	121 00	0 00	S/L	10 0
97	3 Black Storage Cabinets	1/09/95	960 00	0 00	0 00	960 00	0 00	960 00	0 00	S/L	10 0
98	Frederich Air Conditioner	1/09/95	864 00	0 00	0 00	864 00	0 00	864 00	0 00	S/L	10 0
99	Victor Calculator	2/14/97	74 00	0 00	0 00	74 00	0 00	74 00	0 00	S/L	3 0
100	Fred Air Condmoner	7/24/97	865 00	0 00	0 00	865 00	0 00	865 00	0 00	S/L	10 0
101	Storage Cabinet	1/09/97	219 00	0 00	0 00	219 00	0 00	219 00	0 00	S/L	3 0
102	Storage Cabinet	1/09/97	110 00	0 00	0 00	110 00	0 00	110 00	0 00	S/L	3 0
103	ADDS Chart	1/09/97	234 00	0 00	0 00	234 00	0 00	234 00	0 00	S/L	3 0
104	2 Victor Calculators	1/09/98	118 00	0 00	0 00	118 00	0 00	118 00	0 00	S/L	3 0
105	Table Printer Stand	1/09/98	63 00	0 00	0 00	63 00	0 00	63 00	0 00	S/L	3 0
106	Speaker Telephone	1/09/98	76 00	0 00	0 00	76 00	0 00	76 00	0 00	S/L	3 0
107	Computer Desk	1/01/98	108 00	0 00	0 00	108 00	0 00	108 00	0 00	S/L	3 0
108	Air Conditioner	1/09/98	865 00	0 00	0 00	865 00	0 00	865 00	0 00	S/L	3 0
109	Air Conditioner	1/09/98	865 00	0 00	0 00	865 00	0 00	865 00	0 00	S/L	3 0
110	File Cabinet	1/09/99	139 00	0 00	0 00	139 00	0 00	139 00	0 00	S/L	3 0
111	Answering Machine	1/09/99	30 00	0 00	0 00	30 00	0 00	30 00	0 00	S/L	3 0
112	2 Map Stands	1/09/99	614 00	0 00	0 00	614 00	0 00	614 00	0 00	S/L	3 0
113	Desk Phone	1/09/99	43 00	0 00	0 00	43 00	0 00	43 00	0 00	S/L	3 0
114	Tilting Chair	1/09/00	170 00	0 00	0 00	170 00	0 00	170 00	0 00	S/L	3 0
115	2 Guest Chair Sled Base	1/09/00	188 00	0 00	0 00	188 00	0 00	188 00	0 00	S/L	3 0
116	TV VCR	1/09/00	260 00	0 00	0 00	260 00	0 00	260 00	0 00	S/L	3 0
117	HON Desk	1/09/02	380 00	0 00	0 00	380 00	0 00	380 00	0 00	S/L	3 0
118	HON File Cabinet	1/09/02	649 00	0 00	0 00	649 00	0 00	649 00	0 00	S/L	3 0
176	5 Ton Heat Pump	8/30/07	7 598 00	0 00	0 00	1 772 87	759 80	2 532 67	5 065 33	S/L	10 0
189	Jayhawk Software	8/15/10	2 000 00	0 00c	0 00	0 00	277 78	277 78	1 722 22	S/L	3 0
OFFICE EQUIPMENT			36 688 00	0 00c	0 00	28 862 87	1 037 58	29 900 45	6 787 55		
Group PUMPING STATIONS											
119	Pumping Stations	1/09/81	710 069 00	0 00	0 00	710 069 00	0 00	710 069 00	0 00	S/L	20 0
120	Upgrade Required by DEQ	1/09/92	81 833 00	0 00	0 00	73 649 70	4 091 65	77 741 35	4 091 65	S/L	20 0
121	Upgrade Required by DEQ	1/09/93	107 103 00	0 00	0 00	91 037 55	5 355 15	96 392 70	10 710 30	S/L	20 0
122	Trash Pump	1/09/97	1 159 00	0 00	0 00	753 35	57 95	811 30	347 70	S/L	20 0
123	1 Water Pump	1/09/97	252 00	0 00	0 00	166 60	12 60	179 20	72 80	S/L	20 0
124	Booster Station Improvement	1/09/00	29 541 00	0 00	0 00	13 293 30	1 477 05	14 770 35	14 770 65	S/L	20 0
125	TP Filter Upgrade	1/09/02	18 360 00	0 00	0 00	7 544 00	943 00	8 487 00	10 373 00	S/L	20 0
126	Vertical Turbine Inake Pump	1/09/03	13 015 00	0 00	0 00	4 555 25	650 75	5 206 00	7 809 00	S/L	20 0

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Group PUMPING STATIONS (continued)											
165	30 HP Motor & Pump	5/15/05	12,364.76	0.00	0.00	5,770.24	1,236.48	7,006.72	5,358.04	S/L	10.0
	PUMPING STATIONS		974,196.76	0.00c	0.00	906,838.99	13,824.63	920,663.62	53,533.14		
Group TRANSMISSION LINE											
127	Transmission Line	1/09/81	1,958,822.00	0.00	0.00	1,958,822.00	0.00	1,958,822.00	0.00	S/L	20.0
169	Hwy 171 Water Relocation	11/15/06	213,798.99	0.00	0.00	16,925.74	5,344.97	22,270.71	191,528.28	S/L	40.0
170	Fannan Street Extension	7/31/06	58,909.60	0.00	0.00	5,031.86	1,472.74	6,504.60	52,405.00	S/L	40.0
175	Retainage Hwy 171	1/02/06	1,506.34	0.00	0.00	150.64	37.66	188.30	1,318.04	S/L	40.0
177	Hwy 171 Relocation	9/15/08	845,035.56	0.00	0.00	28,167.85	21,125.89	49,293.74	795,741.82	S/L	40.0
178	Water Tank Renovation	4/30/07	226,000.00	0.00	0.00	15,066.67	5,650.00	20,716.67	205,283.33	S/L	40.0
179	Transmission Line Improvements	8/15/07	285,202.90	0.00	0.00	17,231.00	7,130.07	24,361.07	260,841.83	S/L	40.0
180	Monroe Street Improvements	2/15/08	2,759.80	0.00	0.00	132.25	69.00	201.25	2,558.55	S/L	40.0
181	Henderson Street Improvements	12/30/08	59,201.30	0.00	0.00	0.00	1,480.03	1,480.03	57,721.27	S/L	40.0
184	Line Relocation Division Street	10/30/09	12,432.25	0.00	0.00	51.80	310.81	362.61	12,069.64	S/L	40.0
185	Hwy 171 Line Relocation	12/15/09	21,479.65	0.00	0.00	44.75	536.99	581.74	20,897.91	S/L	40.0
	TRANSMISSION LINE		3,685,148.39	0.00c	0.00	2,041,624.56	43,158.16	2,084,782.72	1,600,365.67		
Group TREATMENT PLANT											
182	Intake Water Pump	11/30/08	11,512.00	0.00	0.00	1,247.13	1,151.20	2,398.33	9,113.67	S/L	10.0
183	Filter Underdrain	2/12/08	13,810.98	0.00	0.00	1,323.55	690.55	2,014.10	11,796.88	S/L	20.0
	TREATMENT PLANT		25,322.98	0.00c	0.00	2,570.68	1,841.75	4,412.43	20,910.55		
Group WATER AND SEWER SYSTEMS											
128	Water Meters	1/09/81	6,760.00	0.00	0.00	6,760.00	0.00	6,760.00	0.00	S/L	10.0
129	Submersible Pumper	3/09/84	2,125.00	0.00	0.00	2,125.00	0.00	2,125.00	0.00	S/L	15.0
130	Water Meter Boxes	1/09/85	7,205.00	0.00	0.00	7,205.00	0.00	7,205.00	0.00	S/L	20.0
131	Water Meter Boxes	1/09/86	13,596.00	0.00	0.00	13,596.00	0.00	13,596.00	0.00	S/L	20.0
132	Water Meter Boxes	1/09/87	18,717.00	0.00	0.00	18,717.00	0.00	18,717.00	0.00	S/L	20.0
133	Unknown Water Wells	1/09/81	54,449.00	0.00	0.00	54,449.00	0.00	54,449.00	0.00	S/L	20.0
134	Cast Iron Pipe	1/09/81	20,661.00	0.00	0.00	20,661.00	0.00	20,661.00	0.00	S/L	20.0
135	Valves	1/09/78	15,262.00	0.00	0.00	15,262.00	0.00	15,262.00	0.00	S/L	20.0
136	Portable Building	8/09/81	2,495.00	0.00	0.00	2,495.00	0.00	2,495.00	0.00	S/L	10.0
137	Water and Sewer Improvements	6/09/90	6,253.00	0.00	0.00	6,253.00	0.00	6,253.00	0.00	S/L	10.0
138	1982 Water & Sewer Improvements	1/09/82	26,025.00	0.00	0.00	26,025.00	0.00	26,025.00	0.00	S/L	20.0
139	1983 Improvements	1/09/83	57,175.00	0.00	0.00	57,175.00	0.00	57,175.00	0.00	S/L	200.0
140	1984 Improvements	1/09/84	11,471.00	0.00	0.00	11,471.00	0.00	11,471.00	0.00	S/L	20.0
141	1984 Water Meter Boxes	1/09/84	1,632.00	0.00	0.00	1,632.00	0.00	1,632.00	0.00	S/L	20.0
142	Pumps and Meters	9/09/87	1,626.00	0.00	0.00	1,626.00	0.00	1,626.00	0.00	S/L	10.0
143	Water Pump	1/29/88	572.00	0.00	0.00	572.00	0.00	572.00	0.00	S/L	10.0
144	Water Meters	12/09/88	24,664.00	0.00	0.00	24,664.00	0.00	24,664.00	0.00	S/L	10.0
145	Water Pump	12/09/88	2,891.00	0.00	0.00	2,891.00	0.00	2,891.00	0.00	S/L	10.0
146	Water Pump	12/09/88	4,781.00	0.00	0.00	4,781.00	0.00	4,781.00	0.00	S/L	10.0
147	Water System Improvements	12/09/91	69,699.00	0.00	0.00	66,050.12	3,484.95	69,535.07	163.93	S/L	20.0
148	Line Extension	8/09/92	8,395.00	0.00	0.00	7,557.50	419.75	7,977.25	417.75	S/L	20.0

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Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group WATER AND SEWER SYSTEMS (continued)											
149	Gibbs Street Water Main	1/09/93	89 265 00	0 00	0 00	75 875 25	4 463 25	80 338 50	8 926 50	S/L	20 0
150	Hwy 509 Realignment	1/09/93	164 989 00	0 00	0 00	140,240 65	8 249 45	148 490 10	16 498 90	S/L	20 0
151	Water Distribution Improvement	6/08/04	33 160 00	0 00	0 00	9 257 17	1 658 00	10 915 17	22 244 83	S/L	20 0
163	Water System Improvement	9/15/05	16 807 06	0 00	0 00	1 820 78	420 18	2 240 96	14 566 10	S/L	40 0
171	Line Locator	4/15/06	3 485 00	0 00	0 00	2 613 75	697 00	3 310 75	174 25	S/L	5 0
172	Centrifugal Trash Pump	5/30/06	1 132 75	0 00	0 00	811 80	226 55	1 038 35	94 40	S/L	5 0
173	2100NTurbidimeter	2/15/06	1 750 00	0 00	0 00	1,370 83	350 00	1 720 83	29 17	S/L	5 0
174	C 12 Emergency Repair Kit	3/30/06	1 975 11	0 00	0 00	1 481 33	395 02	1 876 35	98 76	S/L	5 0
186	Pump & Motor Well #1	11/29/09	14 126 00	0 00	0 00	117 72	1 412 60	1 530 32	12 595 68	S/L	10 0
WATER AND SEWER SYSTEMS			683 143 92	0 00c	0 00	585 556 90	21 776 75	607 333 65	75 810 27		
Group WATER TREATMENT PLANT											
152	FMHA Plant	1/01/81	2 121 775 00	0 00	0 00	2 121 775 00	0 00	2 121 775 00	0 00	S/L	2 0
153	1985 Additions	1/01/85	9 596 00	0 00	0 00	9 596 00	0 00	9 596 00	0 00	S/L	15 0
154	1986 Additions	1/01/86	2 171 00	0 00	0 00	2 171 00	0 00	2 171 00	0 00	S/L	20 0
155	1987 Additions	1/01/87	473 00	0 00	0 00	473 00	0 00	473 00	0 00	S/L	15 0
156	1988 Additions	1/01/88	16 767 00	0 00	0 00	16 767 00	0 00	16 767 00	0 00	S/L	20 0
157	1989 Air Compressor	1/01/89	3 236 00	0 00	0 00	3 236 00	0 00	3 236 00	0 00	S/L	20 0
158	1992 Additions	1/01/92	957 00	0 00	0 00	861 30	47 85	909 15	47 85	S/L	20 0
159	1998 Turbidimeter	1/01/98	10 455 00	0 00	0 00	6 273 00	522 75	6 795 75	3 659 25	S/L	20 0
160	2000 Additions	1/01/00	24 703 00	0 00	0 00	12 351 50	1 235 15	13 586 65	11 116 35	S/L	20 0
161	2002 Additions	1/01/02	17 047 00	0 00	0 00	6 818 80	852 35	7 671 15	9 375 85	S/L	20 0
162	2003 Transfer from Equipment	1/01/03	11 200 00	0 00	0 00	11 200 00	0 00	11 200 00	0 00	S/L	3 0
166	Fre Flow IV Underdrain	5/15/05	24 706 68	0 00	0 00	5 764 88	1 235 33	7 000 21	17 706 47	S/L	20 0
167	CL 17 Chlorine Analyzer	12/29/06	4 237 50	0 00	0 00	2 542 50	847 50	3 390 00	847 50	S/L	5 0
168	Filter No 4 Improvements	9/15/06	3 975 00	0 00	0 00	662 50	198 75	861 25	3 113 75	S/L	20 0
187	Digital Meter & Probe	9/15/10	1 022 00	0 00c	0 00	0 00	68 13	68 13	953 87	S/L	5 0
WATER TREATMENT PLANT			2 252 321 18	0 00c	0 00	2 200 492 48	5 007 81	2 205 500 29	46 820 89		
Grand Total			11 379 108 71	0 00c	0 00	6 007 004 45	87 608 21	6 094 612 66	5 284 496 05		

Supplemental information Presented for purposes of additional analytical analysis only

See the accompanying independent auditor's report

**OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS,
THE LOUISIANA GOVERNMENTAL AUDIT GUIDE,
AND OMB CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following 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* is presented in compliance with requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor

WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

**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 Curtis W McCoy, Mayor
and the members of the Board of Aldermen
City of Mansfield, Louisiana

I have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield Louisiana as of and for the year ended December 31, 2010, which collectively comprise the City of Mansfield, Louisiana s basic financial statements and have issued my report thereon dated October 14, 2011 I conducted my 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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City of Mansfield, Louisiana s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mansfield, Louisiana s internal control over financial reporting Accordingly, I do not express an opinion on the effectiveness of the City of Mansfield, Louisiana s internal control over financial reporting

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses

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 I consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness – Item 10-7

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mansfield, Louisiana s financial statements are free of material misstatement I 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 statement amounts However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of schedule of findings and questioned costs as Items 10-1, 10-2, 10-3, 10-4, 10 5 and 10-6

POST OFFICE BOX 5948
PHONE 318-861-8612

SHREVEPORT LA 71135
FAX 318-861-8682

The City of Mansfield Louisiana s response to the findings identified in my audit is included in the accompanying "Management s Corrective Action Plan" I did not audit the City of Mansfield, Louisiana s response, and accordingly, I express no opinion on it

This report is intended solely for the information and use of the City of Mansfield, Louisiana, the Louisiana Legislative Auditor, federal awarding agencies, pass-through entities, and management and is not intended to be and should not be used by anyone other than these specified parties However, under Louisiana Revised Statute 21:513, this report is a public document and its distribution is not limited

William E Weatherford, CPA, LLC

William E Weatherford, CPA LLC
Certified Public Accountant
Shreveport, Louisiana
October 14, 2011

WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Curtis W McCoy Mayor
and the members of the Board of Aldermen
City of Mansfield, Louisiana

Compliance

I have audited the City of Mansfield, Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the City of Mansfield, Louisiana's major federal programs for the year ended December 31, 2010. The City of Mansfield, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Mansfield, Louisiana's management. My responsibility is to express an opinion on the City of Mansfield, Louisiana's compliance based on my audit.

I conducted my 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 OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Mansfield, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the City of Mansfield, Louisiana's compliance with those requirements.

As described in Item FA-01 in the accompanying schedule of findings and questioned costs, the City of Mansfield, Louisiana, did not comply with requirements regarding funding of debt service that are applicable to its Capitalization Grants for Drinking Water state Revolving Funds. Compliance with such requirements is necessary, in my opinion, for the City of Mansfield, Louisiana to comply with the requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, City of Mansfield, Louisiana, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the City of Mansfield, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the City of Mansfield, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City of Mansfield, Louisiana's internal control over compliance.

POST OFFICE BOX 5946
PHONE 318-861-8612

SHREVEPORT LA 71135
FAX 318-861-8682

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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

The City of Mansfield, Louisiana's responses to the findings identified in my audit are described in the accompanying Management's Corrective Action Plan. I did not audit the City of Mansfield, Louisiana's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of the City of Mansfield, Louisiana, the Louisiana Legislative Auditor, management, the City Council, others within the entity, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 21:513, this is a public record and its distribution is not limited.

William E Weatherford, CPA, LLC

William E Weatherford, CPA, LLC
Certified Public Accountant
Shreveport, Louisiana
October 14, 2011

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

CITY OF MANSFIELD LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

A Summary of Auditor's Results

Financial Statements

- 1 The auditor's report expresses an unqualified opinion on the financial statements of the City of Mansfield, Louisiana
- 2 The 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* reports one deficiency which is considered to be a material weakness related to internal control over financial reporting
- 3 The 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* reports six instances of noncompliance material to the financial statements
- 4 Management's Summary Schedule of Prior Audit Findings is included in the financial statements
- 5 No Memorandum of Other Comments and Recommendations was issued
- 6 Management's Corrective Action Plan is included in the financial statements

Federal Awards

- 7 The Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 expressed a qualified opinion
- 8 The Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 reports no significant deficiencies related to internal control over major programs
- 9 The Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 reports one audit finding required to be reported in accordance with Circular A 133, Section 510(a)
- 10 Identification of major programs
 - CFDA # 14 228 – Community Development Block Grant- States Program
 - CFDA # 66 458 - Capitalization Grants for Clean Water State Revolving Funds (ARRA)
 - CFDA # 66 468 – Capitalization Grants for Drinking Water State Revolving Funds (ARRA)
- 11 The threshold for distinguishing between type A and type B programs was \$300,000
- 12 The City of Mansfield, Louisiana does not qualify as a low-risk auditee

CITY OF MANSFIELD, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31 2010

**B Findings Relating to the Financial Statements Which are Required to be Reported Under
Government Auditing Standards**

FINDINGS RELATED TO COMPLIANCE

Item 10-1

Criteria or specific requirement

Louisiana Revised Statute (LSA-R S) 24 513(A) (5) (a) requires audits shall be completed within six months of the close of the entity's fiscal year

Condition

The City's annual financial audit was not completed and filed with the Louisiana Legislative Auditor on or before June 30, 2011

Questioned costs

None

Context

The City's annual financial audit was issued after the mandatory due date of June 30, 2011

Effect

The City is not in compliance with Louisiana Revised Statute (LSA-R S) 24 513(A) (5) (a)

Cause

The financial records were available for audit in a timely manner However the auditor was seriously ill for several weeks which caused the financial audit to be completed and filed after the mandatory due date of June 30, 2011

Recommendation

None

Item 10-2

Criteria or specific requirement

Louisiana Revised Statute 14 67 defines theft as the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking by means of fraudulent conduct, practices, or representations with the intent to deprive the other permanently of whatever may be the subject of the misappropriation

Condition

During 2010, the City discovered a misappropriation of public funds

CITY OF MANSFIELD, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Questioned costs

Undetermined

Context

City funds have been misappropriated from the utility and general fund revenues

Effect

City revenues were diverted to the personal use of an individual. The City has employed a forensic auditor to review its financial records to determine the amount of the misappropriation. The City intends to vigorously prosecute this matter.

Cause

The internal control policies of the City were not properly followed by employees.

Recommendation

The City should consider employment of a full time internal auditor to ensure that established policies and segregations of duties are fully implemented and followed.

Item 10-3

Criteria or specific requirement

The Louisiana Revised Statute 39:1310 requires the operating budgets of the general and special revenue funds to be amended whenever the governing authority receives notification that

- 1 Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more
- 2 Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more
- 3 Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures

Condition

The actual expenditures and other uses for the Debt Service Fund (a special revenue fund financed by a ½% sales tax dedication) exceeded the budgeted expenditures and other uses by \$729,658 (25.6%)

Questioned costs

None

CITY OF MANSFIELD, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31 2010

Context

The City did not amend the operating budget for the Debt Service Fund when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more

Effect

The City is not in compliance with Louisiana Revised Statute 39 1310

Cause

Adjustments made during the audit caused actual expenditures and other uses to exceed total budgeted expenditures and other uses by five percent or more

Recommendation

The City should amend the budgets of the Debt Service Fund whenever Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund are exceeding the total budgeted expenditures and other uses by five percent or more

Item 10-4

Criteria or specific requirement

Louisiana Revised Statute 36 1225 requires deposits with financial institutions (or the resulting bank balances) to 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 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

Condition

The deposits with a financial institution were not fully collateralized as required by Louisiana Revised Statute 36 1225 as of December 31, 2010

Questioned costs

None

Context

The City has deposits with nine financial institutions. Deposits with one bank were not properly collateralized

Effect

\$474,492 of the City's funds was at risk of loss, on December 31, 2010, in the event that the depository institution was unable to or otherwise failed to pay the funds upon demand

CITY OF MANSFIELD, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31 2010

Cause

City employees failed to follow established internal control policies requiring monthly comparisons of amounts on deposit to the total of federal depository insurance coverage and the market value of pledged securities

Recommendation

The City should take measures to ensure that the policy of comparing amounts on deposit with individual financial institutions to the total of federal depository insurance coverage and the market value of pledged securities guaranteeing the deposit are strictly followed

Item 10-5

Criteria or specific requirement

On June 18 2008, the city entered an agreement with the Louisiana Department of Transportation and Development to repay certain Utility Relocation Assistance Funding Loans with annual payments of \$3,000 due annually on or before January 15th of each year

Condition

The City did not pay the scheduled payment to the Louisiana Department of Transportation and Development for fiscal year 2010

Questioned costs

\$3,000

Context

The City did not pay the principal due for the Utility Relocation Assistance Funding Loans as scheduled, however, the City paid the delinquent payment and the next scheduled payment during 2011

Effect

The City is not in compliance with the terms of its debt agreement with the Louisiana Department of Transportation and Development for the Utility Relocation Assistance Funding Loans

Cause

The City had adequate funds to make the payment in a timely manner, but the payment was inadvertently overlooked by clerical staff

Recommendation

The City should take make all debt service payments as scheduled

CITY OF MANSFIELD LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Item 10-6

Criteria or specific requirement

Louisiana Revised Statute 38 2212 1A (1)(a) requires all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds to be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised

Condition

The City purchased aluminum sulfate costing more than \$30,000 without obtaining public bids for the supplies

Questioned costs

\$97,873

Context

The City did not advertise for the purchase of aluminum sulfate, which had an expected annual cost of more than \$30,000, and let by contract to the lowest responsible bidder

Effect

The City is not in compliance with the provisions of Louisiana Revised Statute 38 2212 1A (1)(a)

Cause

City staff did not understand the provisions of the bid law

Recommendation

The City should instruct its employees pertaining to the Louisiana Bid Law and make every effort to ensure compliance with its provisions

FINDINGS RELATED TO INTERNAL CONTROL

Item 10-7

Criteria or specific requirement

Effective internal control requires, whenever possible, that detailed records of revenues received be compared and reconciled to a related general ledger control account

Condition

The City did not maintain a detailed listing of occupational license fees received during 2010

Questioned costs

\$3,676

CITY OF MANSFIELD, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31 2010

Context

The City did not maintain a list of occupational license fees received during 2010 and did not compare the revenues per the detailed listing to the general ledger control account

Effect

A detailed listing of occupational license fees received by the City during 2010 does not balance to the occupational license fees recorded in the general ledger of the City

Cause

City staff did not follow established internal control policies and procedures

Recommendation

The City should consider employment of a full time internal auditor to ensure that established policies and procedures are fully implemented and followed

C Findings and Questioned Costs for Major Federal Award Programs Audit

Item FA 10-1

Criteria or specific requirement

The loan and pledge agreement for the Drinking Water Revolving Loan Fund requires the City to establish and maintain a *Sinking Fund Account* by depositing each month, on or before the 20th day of each month, an amount equal to the principal and interest accruing on the Sales Tax Bonds Series 2010 for each month, together with such additional proportionate sum as may be required to pay said principal, interest and administrative fee as they become due

Condition

During 2010, the City did not make deposits into the *Sinking Fund Account* on or before the 20th day of each month

Questioned costs

None

Context

A City has deposited adequate funds into the *Sinking Fund Account* to meet its obligation to pay maturing principal, interest and administrative fees, however, the deposits were not timely made in accordance with the loan agreement

Effect

The City is not in compliance with the funding requirements of the loan agreement

Cause

Unknown

CITY OF MANSFIELD LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Recommendation

The City should deposit, each month, on or before the 20th day of each month, an amount equal to the principal and interest accruing on the Sales Tax Bonds Series 2010 for each month, together with such additional proportionate sum as may be required to pay said principal, interest and administrative fee as they become due

CITY OF MANSFIELD LOUISIANA

Management's Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2010

FINDINGS RELATED TO COMPLIANCE

Item 09-1

Condition

The City's annual financial audit was not completed and filed with the Louisiana Legislative Auditor on or before June 30, 2010

Status

Not resolved See Finding 10-1

Item 09-2

Condition

The City of Mansfield, Louisiana, did not prepare an annual budget for the Police Witness Fees Fund or the Capital Projects Fund for the year ended December 31, 2009

Status

Resolved, no similar finding during the current year

FINDINGS RELATED TO INTERNAL CONTROL

None



The City of Mansfield

INCORPORATED 1847

P O BOX 773

705 POLK STREET

Mansfield Louisiana 71052

PHONE (318) 872-0406

FAX (318) 872-0402

TDD (318) 872-0406

MANAGEMENTS CORRECTIVE ACTION PLAN

The City of Mansfield, Louisiana, submits the following corrective action plan for the items included in the Schedule of Findings and Questioned Costs. The responses are numbered consistently with the numbers assigned in the schedule.

FINDINGS RELATED TO COMPLIANCE

CURTIS W MCCOY
MAYOR

Item 10-1 – Timely filing of annual audit report.

The 2011 annual audited financial statements will be filed on or before June 30, 2012.

MARVIN R JACKSON
CITY CLERK

Item 10-2 – Theft

The City will to consider the employment of a full-time internal auditor and will vigorously prosecute any misappropriation of public funds.

RICHARD Z. JOHNSON, JR
CITY ATTORNEY

Item 10-3 – Budget Amendments

G B HALL III
ALDERMAN DISTRICT A

The City will to prepare amended budgets for the general fund and any special revenue fund whenever actual expenditures and other uses exceed budgeted expenditures and other uses by five percent or more.

TROY N TERRELL
ALDERMAN DISTRICT B

Item 10-4 – Deposit Collateralization

MITCHELL L. LEWIS
ALDERMAN DISTRICT C

The City will to compare the total of federal depository insurance and the market value of pledged securities to the collected bank balances on a monthly basis. The City will immediately request additional pledged securities when needed.

JOSEPH HALL, JR
ALDERMAN DISTRICT D

Item 10-5 – Debt Service Payments

ALVIN RAY WOODLEY
ALDERMAN DISTRICT E

The City will pay the required principal payments to the Louisiana Department of Transportation and Development on or before January 15th of each year.

Item 10-6 – Bid Law

The City will review the requirements of the Louisiana Bid Law with effected department supervisors. Public advertisements for bids will be used to procure all supplies that are expected to exceed an annual cost of \$30,000.

Item 10-7 – Detailed Record of Occupational Licenses

City clerical employees will be instructed to maintain detailed records of occupational license revenues received and will reconcile the total revenue per the detailed records to the general ledger control account on a monthly basis

Item FA 10-1 – Sinking Fund Requirements

The City will deposit the required funds into the sinking fund account for the Sales Tax Bonds Series 2010 on or before the 20th day of each month