

**VILLAGE OF SOUTH MANSFIELD**

**MANSFIELD, LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/8/09

**VILLAGE OF SOUTH MANSFIELD**

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**ACCOUNTANT'S REVIEW REPORT**

February 27, 2009

The Honorable Euricka Mayweather, Mayor  
And Members of the Board of Aldermen  
Village of South Mansfield, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of South Mansfield, Louisiana as of and for the year ended June 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Village of South Mansfield, Louisiana.

A review consists principally of inquires of the Village of South Mansfield, Louisiana's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standard, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am unaware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the *Louisiana Audit Guide* and the provisions of state law, I have issued a report dated February 27, 2009 on the results of our agreed-upon procedures.

The required supplementary information on pages 3 through 5 and page 24 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The other supplementary information section is presented for purpose of additional analysis and is not a required part of the basic financial statements. Similarly, I am unable to express and do not express an opinion on the accompanying supplemental information.

**Richard C  
McCallister**

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**Richard C. McCallister  
Certified Public Accountant**

**REQUIRED SUPPLEMENTAL INFORMATION**

## **VILLAGE OF SOUTH MANSFIELD**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Village of South Mansfield's (hereinafter referred to as the Village) financial performance provides an overview of the Village's financial activities for June 30, 2008. Please read it in conjunction with the Village's financial statements that begin on Page 6.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on Page 6 and 7 provide information about the activities of the Village as a whole. Fund financial statements begin on Page 8. For governmental activities, these statements provide information on how the general activities of the Village are financed in the short term as well as what remains for future spending. Fund financial statements report the Village's operations in more detail than the government-wide statements.

#### **Reporting the Village as a Whole – The Statement of Net Assets and the Statement of Activities**

My analysis of the Village as a whole begins on Page 6 with the Statement of Net Assets and on Page 7 with the Statements of Activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's net assets and changes in them. Net assets – the difference between assets (what the Village owns) and liabilities (what the Village owes) is a way to measure the financial position of the Village. Over time, increases or decreases in the Village's net assets are an indicator of whether the Village's financial position is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, the Village is divided into two kinds of activities:

Governmental activities – all of the Village's governmental services are reported here.

Business-type activities – the Village's water and sewer system is reported here.

See Accountant's Report.

## **Reporting the Village's Funds – Fund Financial Statements**

My analysis of the Village's funds begins on Page 8. The fund financial statements provide more detailed information about the Village's funds. The Village's two kinds of funds – governmental and business-type funds use different accounting methods.

Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Village's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future. The differences between governmental activities reported in the Statement of Net Assets and the Statement of Activities and governmental funds are reported in a reconciliation at the bottom of the fund financial statements.

Business-type activities funds are reported in the same way that the activities are reported in the Statement of Net Assets and the Statement of Activities.

## **COMPARATIVE ANALYSIS OF FINANCIAL DATA**

### **Government-wide Financial Statements**

The Village had \$2,800,936 in total assets at June 30, 2008 with \$2,578,959 invested in capital assets and \$82,277 in other assets. Total liabilities were \$204,728 with \$146,000 in long-term debt and \$58,728 in other liabilities. Total net assets of \$2,522,124 consisted of \$2,578,959 invested in capital assets (net of related debt), \$20,326 deficit in restricted assets, and \$36,519 deficit in unrestricted assets. Total revenue for the year ended June 30, 2008 was \$238,929 compared to \$208,260 for the prior year with the difference primarily as a result of a \$25,000 grant received.

### **Governmental Funds**

The revenue generated from taxes and permits for governmental activities in the amount of \$87,789 was fairly constant with the previous year. General government program expenses of \$106,858 increased approximately \$14,553 from the prior year amounts.

### **Business-Type Activities**

The Village's revenue from its water and sewer activities increased 7% as a result of an additional late/cutoff fee imposed. The expenses of its water and sewer activities increased \$2,940 excluding depreciation. The Village also had to borrow \$74,000 to relocate water lines along US highway 171. An additional \$7,000 in costs will be incurred and borrowed in the next fiscal year.

See Accountant's Report.

## **OVERALL FINANCIAL POSITION**

The Village's net assets decreased \$154,077 as a result of this year's operations but offset by grants received of \$25,000. The majority of this decrease resulted from depreciation expense in Water and Sewer Enterprise Fund. Unrestricted net assets (those assets available to finance the daily operations of the Village) were at a deficit of \$36,519 at year ending June 30, 2008. The amount invested in capital assets was \$2,578,959 at year ending June 30, 2008.

## **VILLAGE'S FUNDS**

At year's end, the Village's General Fund reported an unreserved fund balance of \$1,064. The decrease in unreserved fund balance for June 30, 2008 was \$9,694. The decrease in net assets was a result of expenditures exceeding revenues. The Water and Sewer Enterprise Fund reported net assets of \$2,447,428 at years end. The decrease in net assets was \$143,175 for June 30, 2008. The increase in net assets was a result of depreciation expense in the Water and Sewer Enterprise Fund of \$77,699 and line relocations costs of \$74,084.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village prepares its General Fund budget on the modified accrual basis of accounting. General Fund Revenues were budgeted at \$91,400 while actual revenues were \$87,789. Expenditures were budgeted to be \$88,400 and actual was \$105,621. The variance was primarily the result of an increase in the allocation of personal services and supplies charged to the general fund versus the business type activity.

## **CAPITAL ASSETS AND DEBT**

### **Capital Assets**

At the end of June 30, 2008, the Village had capital assets (net of accumulated depreciation) totaling \$2,718,959. Capital assets include the water and sewer systems and improvements, land, buildings, improvements other than buildings, and equipment costing \$500 or more. No additions or removals occurred during the year.

### **Debt**

At the year ending June 30, 2008 the Village had \$146,000 in revenue bonds payable. During the year ended June 30, 2008, \$10,000 of debt was paid.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village expects its 2008-2009 General Fund revenues and expenditures to remain fairly constant next year. \$25,000 in grant money will be used for park improvements. The Village expects the revenues and expenses of the Water and Sewer Enterprise Fund to remain fairly constant for 2008.

**BASIC FINANCIAL STATEMENTS**

**VILLAGE OF SOUTH MANSFIELD**

**STATEMENT OF NET ASSETS**

**June 30, 2008**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	21,457	20,364	41,821
Receivables	13,181	26,975	40,156
Capital assets (net)	48,717	2,670,242	2,718,959
Total Assets	<u>83,355</u>	<u>2,717,581</u>	<u>2,800,936</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	8,659	20,561	29,220
Accrued interest	-	1,678	1,678
Bonds payable-due within one year	-	6,000	6,000
Customer deposits	-	27,830	27,830
Loan payable DOTD	-	74,084	74,084
Bonds payable-due in more than one year	-	140,000	140,000
Total Liabilities	<u>8,659</u>	<u>270,153</u>	<u>278,812</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	48,717	2,530,242	2,578,959
Restricted	24,915	(20,316)	4,599
Unrestricted	1,064	(62,498)	(61,434)
Total Net Assets	<u>74,696</u>	<u>2,447,428</u>	<u>2,522,124</u>

See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**

**STATEMENT OF ACTIVITIES**  
**For the Year ended June 30, 2008**

	<u>Net (Expense) Revenues and Changes</u> <u>in Net Assets</u>		
	<u>Program Revenues</u> <u>&amp; Charges for</u> <u>Services</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
<u>Expenses</u>			<u>Total</u>
<b>GOVERNMENTAL ACTIVITIES:</b>			
General Government	106,858	(106,858)	-
<b>BUSINESS-TYPE ACTIVITIES:</b>			
Water and Sewer service	187,727	-	(61,587)
Total Government	<u>294,585</u>	<u>(106,858)</u>	<u>(168,445)</u>
<b>GENERAL REVENUES:</b>			
Property taxes	2,788	-	2,788
Sales taxes	43,736	-	43,736
Franchise taxes	19,046	-	19,046
License and permit	3,380	-	3,380
P&M beer taxes	18,839	-	18,839
Misc Income	-	-	-
Interest Income	-	663	663
Grants received	25,000	-	25,000
<b>SPECIAL ITEM-line relocation costs</b>	-	(74,084)	(74,084)
<b>TRANSFERS</b>	<u>8,167</u>	<u>(8,167)</u>	<u>-</u>
<b>Total General Revenues and Transfers</b>	<u>120,956</u>	<u>(81,588)</u>	<u>39,368</u>
<b>CHANGE IN NET ASSETS</b>	14,098	(143,175)	(129,077)
<b>NET ASSETS - BEGINNING</b>	<u>60,598</u>	<u>2,590,603</u>	<u>2,651,201</u>
<b>NET ASSETS - ENDING</b>	<u>74,696</u>	<u>2,447,428</u>	<u>2,522,124</u>

See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2008**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash	21,457
Receivables	<u>13,181</u>
Total Assets	<u><u>34,638</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
Liabilities-accounts payable	8,659
Fund balances	
Reserved for capital projects	24,915
Unreserved	<u>1,064</u>
Total Liabilities and Fund Balance	<u><u>34,638</u></u>
 <b>Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Assets</b>	
<b>Fund balance - Governmental Funds</b>	25,979
Amount reported for net assets of governmental activities in the Statement of Net Assets is different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the fund	<u>48,717</u>
<b>Net assets of governmental activities</b>	<u><u>74,696</u></u>

See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**

**For the year ended June 30, 2008**

	General Fund
<b><u>REVENUES</u></b>	
Taxes:	
Property	2,788
Sales	43,736
Franchise	19,046
P&M beer	18,839
License and permits	3,380
Grants received	25,000
Miscellaneous Income	-
Total Revenues	<u>112,789</u>
<b><u>EXPENDITURES</u></b>	
General government:	
Personal services	53,971
Operating services	43,506
Materials and supplies	8,258
Capital outlays	-
Total Expenditures	<u>105,735</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	7,054
<b><u>OTHER FINANCING SOURCE - Transfers</u></b>	<u>8,167</u>
<b><u>NET CHANGE IN FUND BALANCE</u></b>	15,221
<b><u>FUND BALANCE AT BEGINNING OF YEAR</u></b>	<u>10,758</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>25,979</u>
<b>Reconciliation of the Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.</b>	
Net change in fund balance-Governmental Funds	15,221
Capital outlays are reported for governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount that depreciation expense exceeds capital outlays.	1,123
<b>Change in net assets of governmental activities</b>	<u>14,098</u>

See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**

**STATEMENT OF NET ASSETS - BUSINESS-TYPE ACTIVITIES**

**June 30, 2008**

**ASSETS**

**Current Assets**

Cash and cash equivalents	5,172
Accounts receivable - Note 4	<u>26,975</u>
Total current assets	<u>32,147</u>

**Noncurrent Assets**

Restricted cash and cash equivalents	
Revenue sinking funds	2,325
Reserve sinking funds	1,211
Reserve for replacement funds	1,411
Customer deposits	641
Certificate of deposit - customer deposits	9,604
Capital assets - Note 5	<u>2,670,242</u>
Total other noncurrent assets	<u>2,685,434</u>

Total assets	<u>2,717,581</u>
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See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**  
**STATEMENT OF NET ASSETS - BUSINESS-TYPE ACTIVITIES**  
**JUNE 30, 2008**

**LIABILITIES**

**Current Liabilities (Payable from current assets)**

Accounts payable	20,561
Total	<u>20,561</u>

**Current Liabilities (Payable from restricted assets)**

Accrued interest - revenue bonds	1,678
Revenue bonds payable	6,000
Customer deposits held	<u>27,830</u>
Total	<u>35,508</u>
Total current liabilities	<u>56,069</u>

**Noncurrent Liabilities**

Loan payable DOTD - Note 9	74,084
Revenue bonds payable - Note 6	<u>140,000</u>
Total non-current liabilities	<u>214,084</u>

Total liabilities	<u>270,153</u>
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**NET ASSETS**

Invested in capital assets, net of related debt	2,530,242
Restricted	(20,316)
Unrestricted	<u>(62,498)</u>
Total net assets	<u>2,447,428</u>

See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**

**STATEMENT OF REVENUES, EXPENSES,  
CHANGES IN NET ASSETS - BUSINESS-  
TYPE ACTIVITIES**

**For the year ended June 30, 2008**

<u>Operating Revenues</u>	
Water and sewer fees	<u>126,140</u>
<u>Operating Expenses</u>	
Advertising	283
Billing and collection	4,069
Depreciation	77,699
Fees and dues	2,819
Insurance	7,633
Maintenance and repairs	22,364
Miscellaneous	25
Office expense	2,683
Personal services	35,394
Professional fees	2,109
Telephone	2,670
Travel	-
Utilities	16,526
Water lease and purchase	<u>5,761</u>
Total operating expenses	<u>180,035</u>
<u>Operating Income (Loss)</u>	<u>(53,895)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Interest earned on deposits	663
Interest expense	<u>(7,692)</u>
Total non-operating revenues (expenses)	<u>(7,029)</u>
Change in net assets before extraordinary item	(60,924)
Line relocation costs - Note 9	<u>(74,084)</u>
Change in net assets	(135,008)
Transfers to (from) general fund	(8,167)
Net assets-beginning of year	<u>2,590,603</u>
Net assets-end of year	<u><u>2,447,428</u></u>

See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**

**STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES**

**For the year ended June 30, 2008**

**Cash Flows From Operating Activities**

Receipts from customers	126,894
Payments to suppliers	(60,905)
Payments to employees	(35,394)
Net cash provided by operating activities	<u>30,595</u>

**Cash Flows From Non-Capital Financing**

Transfer to General Fund	(8,167)
Bank overdraft	(1,289)
Deposits received (refunded) customers	(20)
Net cash provided by non-capital financing activities	<u>(9,476)</u>

**Cash Flows From Capital and Related Financing Activities**

Principal paid on capital debt	(10,000)
Proceeds from DOTD loans	74,084
Line relocations costs	(74,084)
Interest paid on capital debt	(7,760)
Net cash used by capital and related financing activities	<u>(17,760)</u>

**Cash Flows From Investing Activities**

Investment of Certificate of Deposit	(482)
Interest income	663
Net cash provided by Investing Activities	<u>181</u>

Net Increase in Cash	3,540
Cash at Beginning of Year	<u>7,220</u>
Cash at End of Year	<u><u>10,760</u></u>

**Reconciliation of Operating Income to Net Cash**

**Provided by Operating Activities**

Operating Income (Loss)	(53,895)
Adjustments	
Depreciation	77,699
Decrease in accounts receivable	754
Increase in accounts payable	6,037
Net cash provided by operating activities	<u><u>30,595</u></u>

See accompanying notes and accountant's review report.

**VILLAGE OF SOUTH MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS AS OF AND  
FOR THE YEAR ENDED JUNE 30, 2008**

**INTRODUCTION**

The Village of South Mansfield is governed by the mayor-board of aldermen form of government. The Village provides streets, planning, water/sewer and general government services to its residents. The Village has three full time employees.

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 provisions of this Statement, the Village 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 and local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality 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, and issue bonded debt. The Village has no component units.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Village of South Mansfield. Governmental activities, which normally are supported by property, sales and franchise taxes and other general revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and business-type activities funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements if applicable.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise and sales taxes, occupational licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village of South Mansfield reports the following governmental fund:

**General Fund**

The General fund is the general operating fund of the Village and accounts for all financial resources of the general government.

The Village of South Mansfield reports the following business-type activity fund:

**Water and Sewer Enterprise Fund**

The Water and Sewer Enterprise fund accounts for the operations of the Village's water and sewer systems.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and business-type activities fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Village has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided. General revenues include all taxes, occupational licenses, and miscellaneous revenues.

Business-type activities funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's ongoing operations. The Water and Sewer Enterprise Fund's operating revenues consist of water and sewer fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

#### **C. Deposits and Investments**

Cash include amounts in non-interest bearing demand deposits. State law allows the Village to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2008, the Village's investments consist of a non-negotiable certificate of deposits with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost.

#### **D. Receivables**

All receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The Village is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village and billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The taxes are normally collected in December, January and February of the current year.

Sales taxes are recognized as revenue when collected by the Desoto Parish Sales and Use Tax Commission.

#### **E. Capital Assets**

Capital assets, which include the water and sewer system and improvements, land, buildings, improvements other than buildings and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. All of the Village's capital assets have been capitalized at cost. The Village maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets are depreciated using the straight-line method over the following useful lives.

	Estimated <u>Lives</u>
Infrastructure	
Buildings	30
Water/Sewer Plant	55
Other equipment	5

#### **F. Long-Term Obligations**

In the government-wide financial statements and the business-type activities fund financial statements, long-term debt and other long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets.

## **G. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. At June 30, 2008, the Village's governmental fund balances contained funds restricted for park improvements and an unrestricted deficit.

## **H. Restricted Assets**

Certain proceeds of Water/Sewer revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The Village uses restricted resources to fund appropriations before using unrestricted resources.

## **I. Compensated Absences**

The Village has no provision for accumulation and vesting of leave due to its small amount.

## **J. 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 certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budget Information**

The Village of South Mansfield uses the following budget practices:

General Fund budget is prepared on the modified accrual basis of accounting. The budget is legally adopted by the board of aldermen. Currently the budgets are being amended during the year. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

### 3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2008, the Village has cash and investments (book balances) as follows:

Checking accounts	\$32,217
Investments – certificates of deposit	<u>9,424</u>
Total	<u>\$35,641</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. At June 30, 2008, the Village's deposits are secured from risk by federal deposit insurance.

### 4. RECEIVABLES

The following is a summary of receivables at June 30, 2008:

	General Fund	Water Sewer Fund
Ad valorem taxes	525	-
P&M beer taxes	5,087	-
Franchise taxes	3,648	-
Sales taxes	3,921	-
Accounts receivable – customers	-	26,975
Allowance for bad debts	-	-
Total accounts receivable	<u>13,181</u>	<u>26,975</u>

## 5. CAPITAL ASSETS

Capital assets and depreciation activity for the year ended June 30, 2008 is as follows:

	<u>Beginning of period</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>End of period</u>
Government activities:				
Capital assets, non-depreciable:				
Land	19,356	-	-	19,356
Total	<u>19,356</u>	<u>-</u>	<u>-</u>	<u>19,356</u>
Capital assets, depreciable:				
Buildings	33,695	-	-	33,695
Accumulated depreciation	<u>3,211</u>	<u>1,123</u>	<u>-</u>	<u>4,334</u>
Total capital assets being depreciated, net	<u>30,484</u>	<u>(1,123)</u>	<u>-</u>	<u>29,361</u>
Government activities, capital assets, net	<u>49,840</u>	<u>(1,123)</u>	<u>-</u>	<u>48,717</u>
Business type activities:				
Capital assets, non-depreciable:				
Land	44,350	-	-	44,350
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>44,350</u>	<u>-</u>	<u>-</u>	<u>44,350</u>
Capital assets, depreciable:				
Water/Sewer plant	3,783,668	-	-	3,783,668
Maintenance equipment	<u>49,176</u>	<u>-</u>	<u>-</u>	<u>49,176</u>
Total	<u>3,832,844</u>	<u>-</u>	<u>-</u>	<u>3,832,844</u>
Accumulated depreciation	<u>1,129,253</u>	<u>77,699</u>	<u>-</u>	<u>1,206,952</u>
Total capital assets being depreciated, net	<u>2,703,591</u>	<u>(77,699)</u>	<u>-</u>	<u>2,625,892</u>
Business type activities, capital assets, net	<u>2,747,941</u>	<u>(77,699)</u>	<u>-</u>	<u>2,670,242</u>

**6. LONG-TERM OBLIGATIONS**

The following is a summary of revenue bond transactions included in the business-type activities for the year ended June 30, 2008:

	<u>Revenue Bonds</u>
Bonds payable - beginning of year	156,000
Less bonds retired	<u>10,000</u>
Bonds payable - end of year	146,000
Less portion classified as current	<u>6,000</u>
Long-term portion	<u><u>140,000</u></u>

Bonds payable at June 30, 2006 are comprised of the following individual issues:

Revenue bonds:	
\$237,400 1984 sewer revenue bonds due in annual installments of principle and interest of approximately \$14,000 through 2024; interest at 5%	<u><u>146,000</u></u>

Included in the expenses of its water and sewer business type activity for the year end June 30, 2008 is \$7,692 of interest expense.

The annual requirements to amortize all long-term debt outstanding at June 30, 2008, are as follows:

Year ending June 30	Water/Sewer Bonds		Total
	Principal	Interest	
2009	6,000	7,300	13,300
2010	6,000	7,000	13,000
2011	7,000	6,700	13,700
2012	7,000	6,350	13,350
2013	7,000	6,000	13,000
2014-2018	44,000	24,100	68,100
2019-2023	56,000	11,900	67,900
2024	13,000	650	13,650
Total	<u>146,000</u>	<u>70,000</u>	<u>216,000</u>

### **Flow of Funds; Restrictions on Use**

#### **Sewer Utility**

Under the terms of the bond indenture on Sewer bonds dated April 1984, funds will be set aside into the following:

Each month, there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" 1/12 of the maturing bond and interest amounts. These monies may only be used to pay current maturities.

Commencing the first month in which the system becomes revenue producing, an amount equal to 5% of current maturities will be set aside into a "Revenue Bond Reserve Fund" until the account contains \$15,270. These monies may be used to pay current maturities when the sinking fund has insufficient funding.

The Village shall also set aside a "Replacement and Extension Fund" of \$60 per month to cover the unusual costs. Current maturities may be paid from this fund when other bond funds have insufficient balances.

#### **7. INTERFUND TRANSFERS**

The Village will transfer funds occasionally from its general fund and its business-type activity. The purpose of these transfers is to cover cash flow shortages.

**8. RISK MANAGEMENT**

The Village is insured for losses resulting from property damage or liability claims with a general aggregate limit of \$600,000 and a \$300,000 limit for each occurrence. The Village maintains fidelity insurance on its office employees for up to \$15,000 each. Historically claims have been limited and no known claims existed at June 30, 2008.

**9. LOAN PAYABLE DOTD**

The Village borrowed funds from the Louisiana Department of Transportation to relocate water lines located in the US highway 171 right of way. The amount borrowed through June 30, 2008 as 74,084 with approximately an additional \$7,000 next fiscal year. The loans have no interest and are due on demand from DOTD. DOTD could demand the loans if the Village request a right of way on any state highway.

**10. DEFICIT IN RESTRICTED AND UNRESTRICTED NET ASSETS OF BUSINESS TYPE ACTIVITIES.**

The Mayor and Alderman are researching into the need for rate hikes in its water and sewer revenue to offset this progressively growing deficit and resulting cash flow shortages.

**REQUIRED SUPPLEMENTAL INFORMATION**

**VILLAGE OF SOUTH MANSFIELD**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**For the year ended June 30, 2008**

	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	Variance With Budget Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Taxes:			
Property	1,300	2,788	1,488
Sales	44,000	43,736	(264)
Franchise	23,000	19,046	(3,954)
P&M beer	19,500	18,839	(661)
License and permits	2,800	3,380	580
Grant income	-	25,000	25,000
Miscellaneous Income	800	-	(800)
Total Revenues	<u>91,400</u>	<u>112,789</u>	<u>21,389</u>
<b><u>EXPENDITURES</u></b>			
General government:			
Personal services	38,000	53,971	(15,971)
Operating services	41,000	43,506	(2,506)
Materials and supplies	9,400	8,258	1,142
Capital outlays	-	-	-
Total Expenditures	<u>88,400</u>	<u>105,735</u>	<u>(17,335)</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	3,000	7,054	4,054
<b><u>OTHER FINANCING SOURCE - Transfers</u></b>	-	8,167	8,167
<b><u>NET CHANGE IN FUND BALANCE</u></b>	3,000	15,221	12,221
<b><u>FUND BALANCE AT BEGINNING OF YEAR</u></b>	<u>26,988</u>	<u>10,758</u>	<u>(16,230)</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>29,988</u>	<u>25,979</u>	<u>(4,009)</u>

See Accountant's Report.

**OTHER SUPPLEMENTAL INFORMATION**

**VILLAGE OF SOUTH MANSFIELD**  
**Mansfield, Louisiana**

**SCHEDULE OF COMPENSATION PAID ALDERMEN**  
**June 30, 2008**

Dessie Patterson	3,000
Euricka Mayweather	2,775
Ola Mae Evans	2,175
Jimmy Smith	2,175
Dianne Hudson	150
	<u>10,275</u>

See Accountant's Report.

**Richard C. McCallister**  
Certified Public Accountant

3536 Youree Drive  
P.O. Box 44046  
Shreveport, LA 71134-4046  
(318) 865-9208  
FAX (318) 865-0751

Member  
American Institute of  
Certified Public Accountants

Member  
Society of Louisiana  
Certified Public Accountants

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**Village of South Mansfield**

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

To the Board of Village of South Mansfield

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Village of South Mansfield and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of South Mansfield's compliance with certain laws and regulations during the year ended June 30, 2008 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

*Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

We reviewed the detail general ledger from the period July 1, 2007 through June 30, 2008 and it appeared there were no individual expenditures for materials and supplies exceeding \$20,000; also reviewed the documents for the line relocation and determined it to be in compliance.

*Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

**Obtained list and based on our review of the general ledger detail, there appeared to be no instances of payments to immediate family members of the Mayor or immediate family members of the council. Based on our review of the general ledger all disbursements to council members appear to be normal salary payments to alderman, the mayor and regular employees.**

3. Obtain from management a listing of all employees paid during the period under examination.

**The Village has three employees. Per review of general ledger detail, it appears that all disbursements made to employees for the year were made to appropriate personnel.**

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

**Based on our review of the general ledger, it appears there were no payments made to employees who were on the list of immediate family members of each board member.**

#### *Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

**Management provided us with a copy of the original budget. There were no amendments to the budget during the year. Also see finding 2008-2 in the accompanying schedule of Financial Statement Findings.**

6. Trace the budget adoption and amendments to the minute book.

**Budget was adopted June 14, 2007 per the minute book. No amendments were made.**

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

**General fund expenditures exceeded budget by more than 5%. Such a variance is a violation of state law and the budget should be amended if necessary.**

#### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:
  - (a) trace payments to supporting documentation as to proper amount and payee;

**Based on our review of 6 disbursements in the general fund and 6 disbursements in the water and sewer fund payments were made to vendors based on the entity's ability to pay in many instances ( rather than the full invoice amount ) In all instances payments were made to the correct payee with support.**

- (b) determine if payments were properly coded to the correct fund and general ledger account;  
and

**Amounts appeared to be coded to the proper general ledger accounts.**

- (c) determine whether payments received approval from proper authorities.

**All payments indicated proper approval.**

#### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

**Based on our discussion with office personnel, the agenda for the current month's meeting is posted on the front door of the Village of South Mansfield's office at least 24 hours before the regular meeting in order to public notify citizens of community. In addition, the next regular meeting is advertised in the local paper along with the minutes of the previous meeting.**

#### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

**Based on our review of the general ledger detail, I noted that loans from DOTD for water line relocations costs were posted as grant income. The Village reclassified these as loans. There was one deposit from a grant. No other deposits appeared to be the result of new debt proceeds.**

#### *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

**Based on our review of the general ledger detail and the minutes for the year ended 6/30/08, there did not appear to be any instances of payments made to employees which would constitute any advances, bonuses, or gifts.**

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. However, some additional matters were noted that we included in the accompanying schedule of Financial Statement Findings.

This report is intended solely for the use of management of the Village of South Mansfield and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

**Richard C  
McCallister**

Digitally signed by Richard C  
McCallister  
DN: cn=Richard C McCallister,  
o=Richard C McCallister, CPA, ou,  
email=rcmcpa@bellsouth.net,  
c=US  
Date: 2009.03.11 18:06:32 -05'00'

Richard C. McCallister  
February 27, 2009

**VILLAGE OF SOUTH MANSFIELD**  
**Mansfield, Louisiana**

**FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS**

**2008-01      Noncompliance with debt agreements**

**The Village failed to comply with its bond debt covenants of its water and sewer bonds.**

The bond covenants require various sinking funds be funded to assure payment of revenue bonds. These accounts have not been funded at the proper levels and have no activity in them.

The Village should notify FmHA of its agreement violations and obtain guidance to resolve this matter.

**2008-02      Budgetary Procedures**

**The Village should prepare the annual budget in accordance with State law and amend it as necessary during the year.**

The current written budget includes amounts for general fund revenues and expenses.

Louisiana Local Government Budget Law Title 39:1301-1315 has certain requirements that should be included in the budget adoption process which would include a budget message which would describe any significant changes in the budget from prior year and any significant matters included in the current year budget. The Villages 2008/2009 budget contains such a message, however 2007-2008 did not. The expenditures in the general fund exceeded budgeted amounts by 19% which is a violation of state law if those amounts exceed 5%. The Village should review state law budgetary requirements and implement those procedures. The Village's accounting process needs to be completed more timely so that current information is available for budget comparison. In addition, the 2008-2009 budget was adopted September 11, 2008.

**2008-03      Annual filing requirements**

**Financials are due to the State of Louisiana within six months of year end and these are being filed late.**

The year end statements are being filed late. The Village should have their records and books available to your certified public accountant as soon as practical after year end.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

**2008-04      Segregation of duties**

**Due to limited a limited number of office personnel, internal controls relating to segregation of duties is unavailable.**

The Village has only two office employees which preclude segregation of most duties. Segregation of duties is an integral part of any internal control system. While this is currently a situation that may not be cured with any cost effective change, I consider it my professional responsibility to report it to you.

Office employees should review each other's work as much as practical. In addition, the mayor and aldermen should closely monitor the financial records of the Village.

**VILLAGE OF SOUTH MANSFIELD**  
**Mansfield, Louisiana**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS**

**2007-01      Noncompliance with debt agreements**

**The Village failed to comply with its bond debt covenants of its water and sewer bonds.**

The bond covenants require various sinking funds be funded to assure payment of revenue bonds. These accounts have not been funded at the proper levels and have little activity in them.

The Village should notify FmHA of its agreement violations and obtain guidance to resolve these matters.

**Current Status** –The Village began funding these but not at sufficient levels.

**2007-02      Improving Budgetary Procedures**

**The Village's should prepare the annual budget in accordance with state law and amend it as necessary during the year.**

The budget only includes amounts for general fund revenue and expenses.

Louisiana Local Government Budget Law Title 39:1301-1315 has certain requirements that should be included in the budget adoption process which would include a budget message which would describe any significant changes in the budget from prior year and any significant matters included in the current budget. The budget document must also include a beginning and ending fund balance estimate. The Village should review state law budgetary requirements and implement these procedures. The Village's accounting process needs to be further developed so that current information is available for budget comparison.

**Current Status** – The budget for 2007-2008 included estimates of beginning and ending fund balances but does not include any budget message. The 2008-2009 budget has been further improved by including a budget message. The accounting process is still not developed to provide accurate and timely information to use the budget to monitor revenues and expenditures.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

### **2007-03 Segregation of duties**

**Due to limited a limited number of office personnel, internal controls relating to segregation of duties is unavailable.**

The Village has only two office employees which preclude segregation of most duties. Segregation of duties is an integral part of any internal control system. While this is currently a situation that may not be cured with any cost effective change, I consider it my professional responsibility to report it to you.

Office employees should review each other's work as much as practical. In addition, the mayor and aldermen should closely monitor the financial records of the Village.

**Current Status** – Lack of proper segregation of duties still exists for the current year 2007-2008.

**The Village of South Mansfield  
P O Box 995-120 Britney Drive  
Mansfield, LA 71052  
318-872-3960 or Fax 318-872-9198**

February 30, 2009

Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana

Farmers Home Administration  
Coushatta, Louisiana

*The Village of South Mansfield respectfully submits the following corrective action plan for the year ended June 30, 2008.*

Name and address of accounting firm:  
Richard C. McCallister, CPA  
P O Box 44046  
Shreveport, LA 71134

*The findings from June 30, 2008 included in the schedule of Financial Statement Findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.*

**2008-01 Noncompliance with debt agreements**

The Village is unable to fully fund all sinking fund accounts. As resources become available every effort will be made to do so.

**2008-02 Budgetary procedures**

We will review state law budgetary requirements and adopt these procedures with our 2008-2009 budget year. We will get interim budgetary financial information and amend the budget as necessary.

**2008-03 Late annual filing**

We will get the books and records to our CPA as soon as possible after our year-end.

**2008-04 Segregation of duties**

We understand the limitations of our internal control and will closely monitor our financial records.

Sincerely,

Euricka  
Mayweather

Digitally signed by Euricka  
Mayweather  
DN: cn=Euricka Mayweather,  
o=Village of South Mansfield, ou,  
email=rcmc.p@villageofsouth.net, c=US  
Date: 2009.02.11 18:11:59 -05'00'

Euricka Mayweather  
Mayor

**LOUISIANA COMPLIANCE QUESTIONNAIRE**  
**(For Audit Engagements of Government Entities)**  
**June 31, 2008**

**Richard C. McCallister, CPA**  
**P.O. Box 44046**  
**Shreveport, LA 71134-4046**

In connection with your audit of our financial statements as of **July 1, 2007 - June 30, 2008** for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our system of internal control as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of **December 31, 2007**.

**PART I. AGENCY PROFILE**

1. Name and address of the organization.

**Village of South Mansfield**  
**120 Britney Dr., P.O. Box 995**  
**Mansfield, LA 71052**

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information. **375**

3. List names, addresses, and telephone numbers of entity officials. [Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

**Euricka Mayweather, Mayor - 675 Railroad Ave. - Mansfield, LA 71052 - 318-872-1610**  
**Ola Mae Evans, Alderwoman - 874 Railroad Ave. - Mansfield, LA 71052 - 318-872-0852**  
**Jimmy Smith, Alderman - 540 Railroad Ave. - Mansfield, LA 71052 - 318-871-1861**  
**Dianne Hudson, Alderman - 131 Hudson St. - Mansfield, LA 71052 - 318-872-5846**  
**Richard Johnson, Attorney - 307 Gibbs St. - Mansfield, LA 71052 - 318-872-4624**  
**Richard C. McCallister, CPA - P.O. Box 44046 - S'port, LA 71134 - 318-865-9206**

4. Period of time covered by this questionnaire: **July 1, 2007 - June 30, 2008**

5. The entity has been organized under the following provisions of the Louisiana Revised Statute (s) (LSA-RS) and, if applicable, local resolutions/ordinances. **Incorporated in 1912**

6. Briefly describe the public services provided: We provide water and sewer utilities to the citizens of the Village of South Mansfield.

7. Expiration date of current elected/appointed officials' terms. January 1, 2008

### LEGAL COMPLIANCE

#### **PART II. PUBLIC BID LAW**

8. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.
- A) All public works purchases exceeding \$100,000 have been publicly bid.
- B) All material and supply purchases exceeding \$20,000 have been publicly bid.
- Yes [ X ] No [ ]

#### **PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.
- Yes [ X ] No [ ]
10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
- Yes [ X ] No [ ]

#### **PART IV. LAWS AFFECTING BUDGETING**

11. We have complied with the budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-15) or the budget requirements of LSA-RS 39:33.

##### A. Local Budget Act

1. We have adopted a budget for the General Fund and all special revenue funds (LSA-RS 39:1305).
2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the General Fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (LSA-RS 39:1305).
3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (LSA-RS 39:1306).
4. To the extent that proposed expenditures were greater than \$500,000, we have made the

budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (LSA-RS 39:1307).

5. The proposed budget was made available for public inspection at the location required by LSA-RS 39:1308.

6. All action necessary to adopt and finalize the budget was completed prior to the date required by state law. The adopted budget contained the same information as that required for the proposed budget [LSA-RS 39:1306.

7. After adoption, a certified copy of the budget has been retained by the chief executive officer or equivalent officer (LSA-RS 39:1309).

8. To the extent that proposed expenditures were greater than \$500,000, the chief executive officer or equivalent notified in writing the governing authority during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (LSA-RS 39:1311). (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$250,000 or less, and exempts special revenue funds whose expenditures drive revenue recognition-primarily federal funds-from the requirement to amend revenues.

9. The governing authority has amended its budget when notified, as provided by LSA-RS 39:1311.

Yes [ X ] No [ ]

#### B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of LSA-RS 39:33.

Yes [ X ] No [ ]

#### C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R. S. 39:1331-1342.

Yes [ X ] No [ ]

### **PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS**

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with LSA-RS 24:514, 24:515, and/or 33:463.

Yes [ X ] No [ ]

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ]

14. We have filed our annual financial statements in accordance with LSA-RS 24:514, and 33:463 where applicable.

Yes [ X ] No [ ]

15. We have had our financial statements audited in a timely manner in accordance with LSA-RS 24:513.

Yes [ X ] No [ ]

**PART VI. ASSET MANAGEMENT LAWS**

16. We have maintained records of our fixed assets and movable property records, as required by LSA-RS 24:515 and/or 39:321-332, as applicable.

Yes [ X ] No [ ]

**PART VII. FISCAL AGENCY AND CASH MANAGEMENT LAWS**

17. We have complied with the fiscal agency and cash management requirements of LSA-RS 39:1211-45 and 49:301-327, as applicable.

Yes [ X ] No [ ]

**PART VIII. DEBT RESTRICTION LAWS**

18. It is true we have not incurred any long-term indebtedness without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [ X ] No [ ]

19. We have complied with the debt limitation requirements of state law (LSA-RS 39:562).

Yes [ X ] No [ ]

20. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (LSA-RS 39:1351).

Yes [ X ] No [ ]

**PART IX. REVENUE AND EXPENDITURE RESTRICTION LAWS**

21. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes [ X ] No [ ]

22. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [ X ] No [ ]

23. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes [ X ] No [ ]

**PART X. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS**

Police Juries

24. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, LSA-RS 48:755(A).
- B. Development of a capital improvement program on a selective basis, LSA-RS 48:755.
- C. Centralized purchasing of equipment and supplies, LSA-RS 48:755.
- D. Centralized accounting, LSA-RS 48:755.
- E. A construction program based on engineering plans and inspections, LSA-RS 48:755.
- F. Selective maintenance program, LSA-RS 48:755.
- G. Annual certification of compliance to the legislative auditor, LSA-RS 48:758.

Yes [ ] No [ ]

**School Boards**

25. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, LSA-RS 17:51-401.

Yes [ ] No [ ]

26. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.

Yes [ ] No [ ]

27. We have, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules and recognize that your agreed upon procedures will be applied to such schedules and performance measurement data:

Parish school boards are required to report as part of their annual financial statements measures of performance. These performance indicators are found in the supplemental schedules:

- Schedule 1, General Fund Instructional and Support Expenditures and Certain Local Revenues Sources
- Schedule 2, Education Levels of Public School Staff
- Schedule 3, Number and Type of Public Schools
- Schedule 4, Experience of Public Teachers and Full-time Classroom Teachers
- Schedule 5, Public School Staff Data
- Schedule 6, Class Size Characteristics
- Schedule 7, Louisiana Educational Assessment Program
- Schedule 8, The Graduate Exit Exam
- Schedule 9, The IOWA Tests

Yes [ ] No [ ]

**Tax Collectors**

28. We have complied with the general statutory requirements of LSA-RS 47, Chapter 4.

Yes [ X ] No [ ]

**Sheriffs**

29. We have complied with the state supplemental pay regulations of LSA-RS 33:2218.8.

Yes [ ] No [ ]

30. We have complied with LSA-RS 33:1432 relating to the feeding and keeping of prisoners.

Yes [ ] No [ ]

**District Attorneys**

31. We have complied with the regulations of the Louisiana Department of Social Services that relate to the Title IV-D Program.

Yes [ ] No [ ]

**Assessors**

32. We have complied with the regulatory requirements found in Title 47 of the Louisiana Revised Statutes.

Yes [ X ] No [ ]

33. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.

Yes [ X ] No [ ]

**Clerks of Court**

34. We have complied with LSA-RS 13:751-960.

Yes [ ] No [ ]

**Libraries**

35. We have complied with the regulations of the Louisiana State Library.

Yes [ ] No [ ]

**Municipalities**

36. Minutes are taken at all meetings of the governing authority. LSA-RS 42:7.1 (Act 665 of 1976).

Yes [ X ] No [ ]

37. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal. LSA-RS 43:143-144 and A.G. 86-528.

Yes [ X ] No [ ]

38. All official action taken by the municipality is conducted at public meetings. LSA-RS 42:4.1-13.

Yes [ X ] No [ ]

**Airports**

39. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by LSA-RS 2:802.

Yes [ ] No [ ]

40. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (LSA-RS 2:810).

Yes [ ] No [ ]

41. All project funds have been expended on the project and for no other purpose (LSA-RS 2:810).

Yes [ ] No [ ]

42. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 2:811).

Yes [ ] No [ ]

**Ports**

43. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by LSA-RS 34:3432.

Yes [ ] No [ ]

44. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (LSA-RS 34:3460).

Yes [ ] No [ ]

45. All project funds have been expended on the project and for no other purpose (LSA-RS 34:3460).

Yes [ ] No [ ]

46. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (LSA-RS 34:3460).

Yes [ ] No [ ]

47. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 34:3461).

Yes [ ] No [ ]

**Sewerage Districts**

48. We have complied with the statutory requirements of LSA-RS 33:3881-4160.

Yes [ X ] No [ ]

**Waterworks Districts**

49. We have complied with the statutory requirements of LSA-RS 33:3811-3837.

Yes [ X ] No [ ]

**Utility Districts**

50. We have complied with the statutory requirements of LSA-RS 33:4161-4548.

Yes [ X ] No [ ]

**Drainage and Irrigation Districts**

51. We have complied with the statutory requirements of LSA-RS 38:1601-1707 (Drainage Districts); LSA-RS 38:1751-1921 (Gravity Drainage Districts); LSA-RS 38:1991-2048 (Levee and Drainage Districts); or LSA-RS 38:2101-2123 (Irrigation Districts), as appropriate.

Yes [ X ] No [ ]

**Fire Protection Districts**

52. We have complied with the statutory requirements of LSA-RS 40:1491-1509.

Yes [ ] No [ ]

**Other Special Districts**

53. We have complied with those specific statutory requirements of state law applicable to our district.

Yes [ ] No [ ]

The previous responses have been made to the best of our belief and knowledge.

Erica Mayweather Mayor 9-15-08 Date

Glenn Th Clerk 9-15-08 Date