

**City of Mansfield
Mansfield, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2024**

City of Mansfield

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the City Council
City of Mansfield
Mansfield, Louisiana

Report on the Audit of the Financial Statements

Opinions

We 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, for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities or the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan, notes to the required supplementary information for pensions, and the budgetary comparison schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mansfield's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2025

City of Mansfield

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REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

Our discussion and analysis of the City of Mansfield, Louisiana's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the City's financial statements.

The Management's Discussion and Analysis (MD&A) is designed to: 1) Assist the reader in focusing on significant financial issues; 2) Identify changes in the City's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated because of this year's operations; 3) Identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and 4) Identify individual fund issues or concerns.

As management of the City, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City as of and for the year ended December 31, 2024. 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.

NEW GASB STANDARDS

In the current fiscal year, the City implemented Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB statement No. 62. This statement provides guidance to enhance accounting changes and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability. See the change in reporting entity in the table below for the effect of the adoption of this standard.

The City also implemented GASB Statement No. 101 – Compensated Absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. See the change in accounting principle in the table below for the effect of the adoption of this standard.

	Reporting Units Affected by Restatement of Beginning Balances			
	Governmental Funds Debt Service Fund	Enterprise Funds Water Fund	Governmental Activities	Business Type Activities
Fund balance as reported at December 31, 2023	\$ 1,879,360	\$ 6,829,957	\$ 1,429,013	\$ 9,706,740
Change in reporting entity - move debt service fund from major governmental fund to enterprise fund	(1,879,360)	1,879,360	1,070,640	(1,070,640)
Change in reporting entity - add debt from debt service fund	-	(2,950,000)	-	-
Change in accounting principle (GASB 101)	-	-	(142,508)	-
Beginning fund balance as restated	<u>\$ -</u>	<u>\$ 5,759,317</u>	<u>\$ 2,357,145</u>	<u>\$ 8,636,100</u>

City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City's governmental activities exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$2.0 million.
- During the year, the expenses of the City's governmental activities exceeded revenues by \$363 thousand. Last year, expenses exceeded revenues by \$895 thousand.
- The City's total revenue was \$986 thousand less than the prior year. A \$1,032 thousand decrease occurred in the governmental activities, offset by a \$46 thousand increase in business-type activities.
- The total cost of all of the City's governmental activities programs was approximately \$5 million.
- During the year, the revenues of the City's business-type activities were less than expenses by \$401 thousand.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements for governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. 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 City's net position and changes in them. You can think of the City's net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the City's financial health, or financial position.

Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, public works, sanitation and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems are reported here.

City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like sales taxes restricted for specific use). The City's two kinds of funds –*governmental* and *proprietary* use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are nonspendable, restricted, committed, assigned or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the City's fund balances by law, creditors, City council, and the City's annually adopted budget. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

THE CITY AS A WHOLE

The City's combined net position decreased by \$764 thousand. In contrast, last year's net position decreased by \$688 thousand. Looking at net position and net expenses of governmental and business-type activities separately, however, provides more detail. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

(Table 1)
Net Position
December 31,

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 1,754,956	\$ 3,991,906	\$ 3,598,168	\$ 691,323	\$ 5,353,124	\$ 4,683,229
Restricted assets	-	-	1,217,997	549,563	1,217,997	549,563
Capital assets	3,873,390	3,616,337	11,869,065	11,779,267	15,742,455	15,395,604
Total assets	5,628,346	7,608,243	16,685,230	13,020,153	22,313,576	20,628,396
Total deferred outflows of resources	675,872	1,187,314	214,946	296,292	890,818	1,483,606
Liabilities						
Current and other liabilities	151,796	516,396	499,555	688,707	651,351	1,205,103
Long-term liabilities	3,840,289	6,773,588	8,127,165	2,904,229	11,967,454	9,677,817
Total liabilities	3,992,085	7,289,984	8,626,720	3,592,936	12,618,805	10,882,920
Total deferred inflows of resources	317,894	76,560	38,053	16,769	355,947	93,329
Net Position						
Net investment in capital assets	3,406,367	536,014	6,882,699	10,244,098	10,289,066	10,780,112
Restricted	-	-	1,677,281	-	1,677,281	-
Unrestricted	(1,412,128)	892,999	(324,577)	(537,358)	(1,736,705)	355,641
Total net position	\$ 1,994,239	\$ 1,429,013	\$ 8,235,403	\$ 9,706,740	\$ 10,229,642	\$ 11,135,753

*Note: \$142,508 adjustment made to prior year to record change in accounting principle (GASB 101)

*Note: A prior period adjustment was made to reclassify the beginning balance of approximately \$1.9 million to the Water Fund along with the beginning debt of \$2.9 million which resulted in a restatement to the water fund of \$(1.0 million).

One portion of the City of Mansfield's net position totaling approximately \$10.3 million reflects its investment in capital assets (e.g. land, buildings, streets, drainage, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City of Mansfield uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Mansfield'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.

Governmental Activities – Net Position

Unrestricted net position of governmental activities decreased \$2,305 thousand.

Business-type Activities – Net Position

Unrestricted net position of business type activities increased \$213 thousand.

City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

Our analysis that follows separately considers the operations of governmental and business-type activities.

Governmental activities

The total revenues for governmental activities decreased by \$1,032 thousand when compared to prior year revenues, with a decrease in sales tax as a result of a change in reporting entity. The debt service fund was reported with governmental funds in the prior year and with the enterprise funds in the current year.

Overall governmental expenses were \$1,202 thousand less than last year's expenses, because the LCDBG capital projects fund transferred equity of \$1,083 thousand to the sewer fund last year.

Business-type activities

In the current year, expenses for business-type activities exceeded revenues by approximately \$401,000. In contrast, the prior year reflected a surplus, with revenues exceeding expenses by about \$207,000. The difference is largely attributable to a one-time equity transfer of \$1.083 million from the LCDBG Capital Projects Fund to the Sewer Fund in 2023, which was reported as revenue in that year. This nonrecurring item significantly impacted the year-over-year comparison.

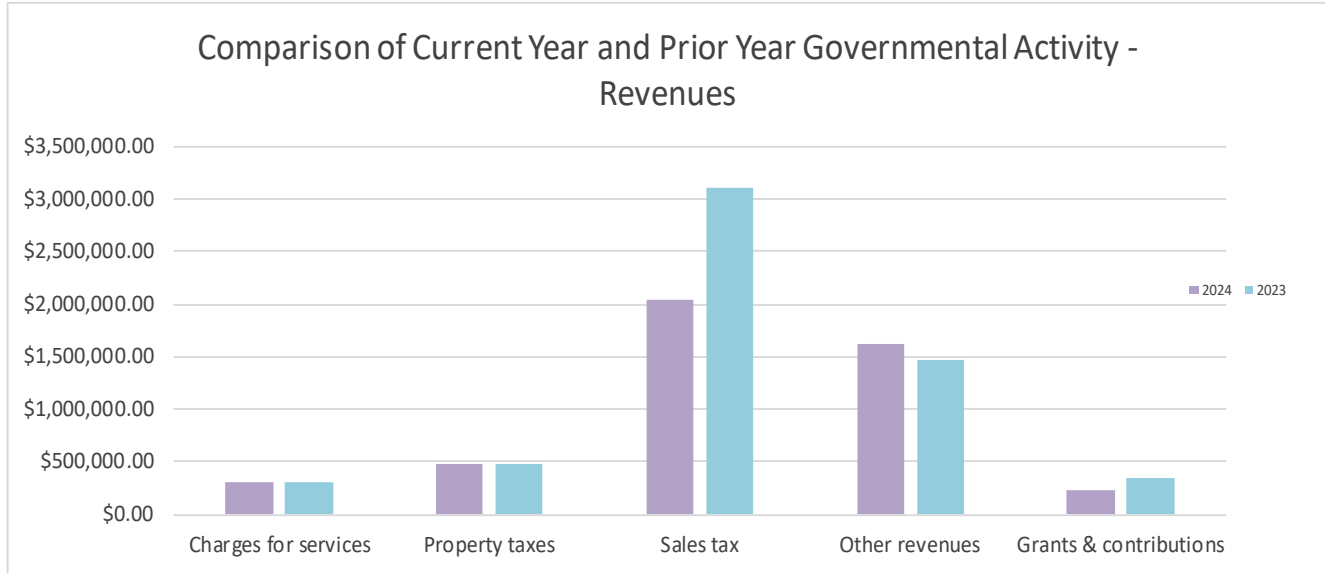
City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

(Table 2)
Changes in Net Position
For the Years Ended December 31,

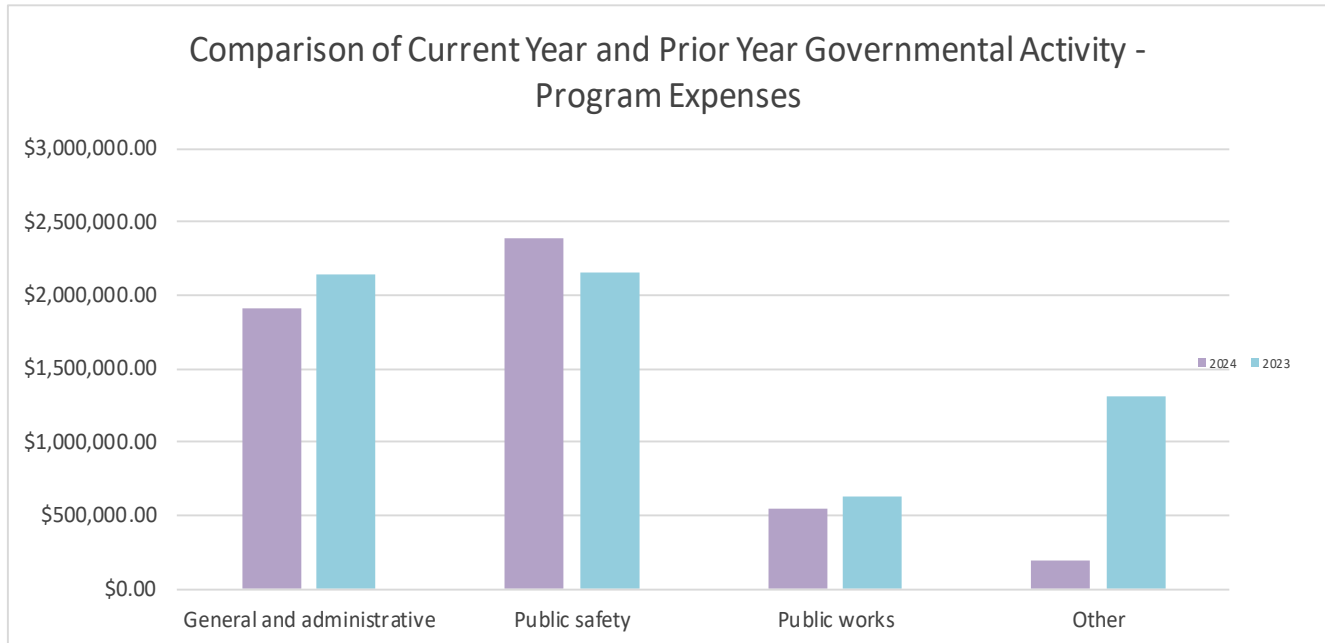
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues						
Charges for services	\$ 299,797	\$ 301,649	\$ 1,876,443	\$ 2,013,486	\$ 2,176,240	\$ 2,315,135
Operating grants and contributions	230,585	196,384	-	-	230,585	196,384
Capital grants and contributions	-	142,554	395,542	1,233,000	395,542	1,375,554
General revenues						
Ad valorem taxes	472,373	473,038	-	-	472,373	473,038
Sales tax	2,040,023	3,097,092	985,871	-	3,025,894	3,097,092
Francise taxes	260,640	279,973	-	-	260,640	279,973
Other taxes, penalties and interest	176,656	205,554	-	-	176,656	205,554
Licenses and permits	841,082	634,184	-	-	841,082	634,184
Earnings on investments	21,614	25,511	63,839	22,611	85,453	48,122
Miscellaneous	311,197	329,859	17,654	24,250	328,851	354,109
Total Revenues	4,653,967	5,685,798	3,339,349	3,293,347	7,993,316	8,979,145
Functions/Program Expenses:						
Governmental activities						
General and administrative	1,905,424	2,147,005	-	-	1,905,424	2,147,005
Public safety	2,388,717	2,159,824	-	-	2,388,717	2,159,824
Sanitation and health	175,391	162,971	-	-	175,391	162,971
Parks and recreation	385	539	-	-	385	539
Public works	548,155	624,681	-	-	548,155	624,681
Sewer	-	1,083,000	-	-	-	1,083,000
Interest expense	16,737	58,680	-	-	16,737	58,680
Business-type activities						
Water enterprise	-	-	2,812,899	2,718,123	2,812,899	2,718,123
Sewer enterprise	-	-	909,211	705,647	909,211	705,647
Interest expense	-	-	-	6,529	-	6,529
Total Functions/Program Expenses	5,034,809	6,236,700	3,722,110	3,430,299	8,756,919	9,666,999
Increase (decrease) in net position before transfers	(380,842)	(550,902)	(382,761)	(136,952)	(763,603)	(687,854)
Transfers	17,936	(344,572)	(17,936)	344,572	-	-
Increase (decrease) in net position	(362,906)	(895,474)	(400,697)	207,620	(763,603)	(687,854)
Net position - beginning, originally stated	1,429,013	2,324,487	9,706,740	9,499,120	11,135,753	11,823,607
Change in reporting entity (governmental to enterprise)	1,070,640	-	(1,070,640)	-	-	-
Change in accounting principle (GASB 101)	(142,508)	-	-	-	(142,508)	-
Net position - beginning, as restated	2,357,145	2,324,487	8,636,100	9,499,120	10,993,245	11,823,607
Net position - ending	\$ 1,994,239	\$ 1,429,013	\$ 8,235,403	\$ 9,706,740	\$ 10,229,642	\$ 11,135,753

City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

The chart below compares governmental revenues of the current year to the prior year.



The City's largest program expenses during the current year were general and administrative and public safety which are 38% and 47% of the total governmental-type program expense in the current year, respectively. The chart below compares program expenses of the current year to the prior year.



City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

THE CITY'S FUNDS

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

As the City completed the year, its governmental funds reported a combined fund balance of \$1.6 million, decreasing by \$370 thousand. This decrease in fund balance is due to increased operational and maintenance expenditures.

General Fund - Revenues increased \$268 thousand compared to the prior year. This was mainly due to increases in grant awards and permit fees.

Expenditures increased \$458 thousand which is mainly due to increased maintenance expenditures and purchases.

Proprietary funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer Utility fund reported a decrease in net position of \$415 thousand for the year with an ending net position of \$2,462 thousand. This was due mainly to increased contractor expenses, maintenance costs and purchases.

The Water Utility fund reported an increase net position of \$14 thousand for the year with an ending net position of \$5,773 thousand. The change in reporting entity resulted in a decrease in beginning net position of \$1,071 thousand

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was adopted in December, 2023. There were no budget amendments.

Actual amounts available for appropriation exceeded budgeted amounts by \$560 thousand which is mainly due to lease proceeds of \$426 thousand.

Actual charges to appropriations were more than budgeted charges to appropriations by \$828 thousand. This was due partially to actual capital outlay charges more than budgeted by \$418 thousand due to lease capital outlays. The remaining \$410 is due to increased operation and maintenance charges.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of December 31, 2024, the City had \$15.7 million net invested in capital assets including police equipment, buildings, and sewer equipment. This amount represents an increase of approximately \$347 thousand in investments in capital assets.

City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024

City of Mansfield's Capital Assets Net of Depreciation/Amortization
December 31,

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 201,820	\$ 201,820	\$ 70,361	\$ 70,361	\$ 272,181	\$ 272,181
Construction in Progress	150,810	97,091	721,585	-	872,395	97,091
Buildings & Improvements	361,169	381,593	-	-	361,169	381,593
Other Improvements	2,108,261	2,153,610	-	-	2,108,261	2,153,610
Equipment	76,986	108,508	-	-	76,986	108,508
Office Furniture	4,617	-	-	-	4,617	-
Vehicles	419,315	546,483	-	3,940	419,315	550,423
Right of Use Assets	550,412	127,232	80,178	101,611	630,590	228,843
Water Treatment Plant	-	-	1,370,908	1,489,644	1,370,908	1,489,644
Machinery & Equipment	-	-	99,362	116,147	99,362	116,147
Pumping Station	-	-	335,988	354,494	335,988	354,494
Transmission Line	-	-	1,325,675	1,378,763	1,325,675	1,378,763
Water System	-	-	5,077,470	5,232,360	5,077,470	5,232,360
Sewer System	-	-	1,106,095	1,230,541	1,106,095	1,230,541
Sewer Treatment Plant	-	-	1,681,443	1,801,405	1,681,443	1,801,405
Total capital assets	<u>\$ 3,873,390</u>	<u>\$ 3,616,337</u>	<u>\$ 11,869,065</u>	<u>\$ 11,779,266</u>	<u>\$ 15,742,455</u>	<u>\$ 15,395,603</u>

Current year additions included Fire Station #2 upgrades.

Debt

At December 31, 2024 long term debt for the City included the following:

Governmental Activities:

	2024	2023
Leases	\$ 467,023	\$ 130,323
Compensated absences	161,129	142,508
	<u>\$ 628,152</u>	<u>\$ 272,831</u>

Business-Type Activities:

	2024	2023
Private placement sales tax bonds	\$ 2,600,000	\$ 2,950,000
Sales tax bonds	2,710,000	-
Premium on sales tax bonds	43,552	-
Leases	82,594	104,027
URAF agreements	1,428,142	1,431,142
Drinking water revolving fund loan	255,563	-
	<u>\$ 7,119,851</u>	<u>\$ 4,485,169</u>

More detailed information about the City's long-term liabilities is presented in Note 11 to the financial statements.

**City of Mansfield
Management's Discussion and Analysis (MD&A)
December 31, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budget figures for the new fiscal year are based on efforts to stimulate the economy through the increase of economic development activities. In reference to sales tax collections, a conservative budget proposal was applied. The City will maintain the high service levels for fiscal year 2025 without any major rate and service fee increases in the near future. Personnel expenditures continue to rise.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City Clerk's office at 706 Polk St, Mansfield, Louisiana.

City of Mansfield

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City of Mansfield

BASIC FINANCIAL STATEMENTS:

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

CITY OF MANSFIELD

STATEMENT OF NET POSITION

December 31, 2024

Statement A

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT
ASSETS			
Cash and cash equivalents	\$ 611,563	\$ 3,457,064	\$ 4,068,627
Restricted assets:			
Cash and cash equivalents	-	1,217,997	1,217,997
Receivables, net	492,061	654,546	1,146,607
Internal balances	583,901	(583,901)	-
Prepaid items	67,431	70,459	137,890
Capital assets:			
Land and construction in progress	352,630	791,946	1,144,576
Depreciable assets, net of depreciation/ amortization	3,520,760	11,077,119	14,597,879
TOTAL ASSETS	5,628,346	16,685,230	22,313,576
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	675,872	214,946	890,818
TOTAL DEFERRED OUTFLOWS OF RESOURCES	675,872	214,946	890,818
LIABILITIES			
Accounts and other payables	151,796	230,431	382,227
Interest payable	-	49,686	49,686
Deposits payable from restricted assets	-	219,438	219,438
Noncurrent liabilities:			
Due within one year:			
Bonds, notes, leases, compensated absences	185,835	432,416	618,251
Due in more than one year			
Bonds, notes, leases, compensated absences	442,317	6,687,435	7,129,752
Net pension liability	3,212,137	1,007,314	4,219,451
TOTAL LIABILITIES	3,992,085	8,626,720	12,618,805
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	317,894	38,053	355,947
TOTAL DEFERRED INFLOWS OF RESOURCES	317,894	38,053	355,947
NET POSITION			
Net investment in capital assets	3,406,367	6,882,699	10,289,066
Restricted for:			
Water utilities	-	1,677,281	1,677,281
Unrestricted	(1,412,128)	(324,577)	(1,736,705)
TOTAL NET POSITION	\$ 1,994,239	\$ 8,235,403	\$ 10,229,642

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MANSFIELD

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		TOTAL
					Governmental Activities	Business-Type Activities	
<i>Governmental activities:</i>							
General and administrative	\$ 1,905,424	\$ 10,261	\$ -	\$ -	\$ (1,895,163)	\$ -	\$ (1,895,163)
Police department	1,623,103	7,406	148,581	-	(1,467,116)	-	(1,467,116)
Fire department	765,614	54,146	37,731	-	(673,737)	-	(673,737)
Sanitation and health	175,391	-	-	-	(175,391)	-	(175,391)
Parks and recreation	385	-	-	-	(385)	-	(385)
Public works	548,155	227,984	44,273	-	(275,898)	-	(275,898)
Interest expense	16,737	-	-	-	(16,737)	-	(16,737)
Total Governmental Activities	5,034,809	299,797	230,585	-	(4,504,427)	-	(4,504,427)
<i>Business-type activities:</i>							
Water activities	2,812,899	1,430,029	-	361,836	-	(1,021,034)	(1,021,034)
Sewer activities	909,211	446,414	-	33,706	-	(429,091)	(429,091)
Total Business-Type Activities	3,722,110	1,876,443	-	395,542	-	(1,450,125)	(1,450,125)
Total Primary Government	\$ 8,756,919	\$ 2,176,240	\$ 230,585	\$ 395,542	(4,504,427)	(1,450,125)	(5,954,552)
General Revenues and transfers:							
General revenues:							
Property taxes levied for general purposes					472,373	-	472,373
Sales and use tax revenue					2,040,023	985,871	3,025,894
Franchise taxes					260,640	-	260,640
Other taxes, penalties and interest					176,656	-	176,656
Licenses and permits					841,082	-	841,082
Earnings on investments					21,614	63,839	85,453
Miscellaneous					311,197	17,654	328,851
Transfers					17,936	(17,936)	-
Total general revenues and transfers					4,141,521	1,049,428	5,190,949
Changes in net position					(362,906)	(400,697)	(763,603)
Net position - beginning, as originally stated					1,429,013	9,706,740	11,135,753
Change in reporting entity (governmental to enterprise)					1,070,640	(1,070,640)	-
Change in accounting principle (adoption of GASB Statement 101)					(142,508)	-	(142,508)
Net position - beginning, as restated					2,357,145	8,636,100	10,993,245
Net position - ending	\$	1,994,239	\$	8,235,403	\$	10,229,642	

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTERGRAL PART OF THIS STATEMENT.

City of Mansfield

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City of Mansfield

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

City of Mansfield

GOVERNMENTAL FUNDS Balance Sheet December 31, 2024

Statement C

	MAJOR FUNDS			NONMAJOR FUND	
	GENERAL FUND	CAPITAL PROJECT FUND	DEBT SERVICE FUND	POLICE WITNESS FUND	TOTAL
ASSETS:					
Cash and cash equivalents	\$ 574,265	\$ 75	\$ -	\$ 37,223	\$ 611,563
Receivables, net	492,061	-	-	-	492,061
Interfund receivables	584,101	-	-	-	584,101
Prepaid items	67,431	-	-	-	67,431
TOTAL ASSETS	1,717,858	75	-	37,223	1,755,156
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts and other payables	15,745	-	-	-	15,745
Accrued liabilities	71,321	-	-	-	71,321
Cash bond payable	64,730	-	-	-	64,730
Interfund payables	-	200	-	-	200
TOTAL LIABILITIES	151,796	200	-	-	151,996
FUND BALANCES:					
Nonspendable	67,431	-	-	-	67,431
Assigned for police witness fees	-	-	-	37,223	37,223
Unassigned	1,498,631	(125)	-	-	1,498,506
TOTAL FUND BALANCES	1,566,062	(125)	-	37,223	1,603,160
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,717,858	\$ 75	\$ -	\$ 37,223	\$ 1,755,156

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTERGRAL PART OF THIS STATEMENT.

CITY OF MANSFIELD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2024**

Statement D

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - Governmental Funds	\$ 1,603,160
--	--------------

The cost of capital assets (land, buildings, furniture, equipment, and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation or amortization expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation and amortization expenses do not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 9,047,510	
Accumulated depreciation/amortization	<u>(5,174,120)</u>	
		3,873,390

Deferred outflows of resources are not available to pay current period expenditures and deferred inflows of resources are not due and payable in the current period, therefore, neither are reported in the governmental funds.

Deferred outflows related to pensions	675,872	
Deferred inflows related to pensions	<u>(317,894)</u>	
		357,978

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at December 31, 2024 are:

Leases payable	(467,023)	
Compensated absences payable	(161,129)	
Net pension liability	<u>(3,212,137)</u>	
		<u>(3,840,289)</u>

Net position - governmental activities	<u>\$ 1,994,239</u>
--	---------------------

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTERGRAL PART OF THIS STATEMENT.

CITY OF MANSFIELD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2024**

Statement E

	MAJOR FUNDS			NONMAJOR FUND	
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	POLICE WITNESS FUND	TOTAL
REVENUES					
Taxes:					
Ad valorem	\$ 472,373	\$ -	\$ -	\$ -	\$ 472,373
Sales and use	2,040,023	-	-	-	2,040,023
Other taxes, penalties, and interest	437,296	-	-	-	437,296
Licenses and permits	841,082	-	-	-	841,082
Intergovernmental revenues	230,585	-	-	-	230,585
Fees, charges and commissions for services	296,347	-	-	3,450	299,797
Fines and forfeitures	28,652	-	-	-	28,652
Oil & gas royalties	251,724	-	-	-	251,724
Miscellaneous revenues	51,792	-	-	643	52,435
TOTAL REVENUES	4,649,874	-	-	4,093	4,653,967
EXPENDITURES					
Current:					
General and administrative	1,828,369	-	-	-	1,828,369
Police department	1,600,019	-	-	4,017	1,604,036
Fire department	671,903	-	-	-	671,903
Sanitation and health	178,634	-	-	-	178,634
Parks and recreation	365	-	-	-	365
Public works	561,881	-	-	-	561,881
Capital outlay	516,679	-	-	-	516,679
Debt service:					
Principal retirement	89,535	-	-	-	89,535
Interest and bank charges	16,737	-	-	-	16,737
TOTAL EXPENDITURES	5,464,122	-	-	4,017	5,468,139
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(814,248)	-	-	76	(814,172)
OTHER FINANCING SOURCES (USES)					
Transfers in	17,936	-	-	-	17,936
Proceeds from leases	426,235	-	-	-	426,235
TOTAL OTHER FINANCING SOURCES (USES)	444,171	-	-	-	444,171
Net Change in Fund Balances	(370,077)	-	-	76	(370,001)
FUND BALANCES - BEGINNING, as originally stated	1,936,139	(125)	1,879,360	37,147	3,852,521
Change in reporting entity (governmental to enterprise)	-	-	(1,879,360)	-	(1,879,360)
FUND BALANCES - BEGINNING, AS RESTATED	1,936,139	(125)	-	37,147	1,973,161
FUND BALANCES - ENDING	\$ 1,566,062	\$ (125)	\$ -	\$ 37,223	\$ 1,603,160

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTERGRAL PART OF THIS STATEMENT.

CITY OF MANSFIELD

GOVERNMENTAL FUNDS

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2024**

Statement F

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

Total net change in fund balances - governmental funds	\$ (370,001)
--	--------------

Capital outlays are reported in 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 by which capital outlays exceed depreciation/amortization in the period:

Capital outlays	\$ 602,952	
Depreciation/amortization expense	<u>(345,899)</u>	257,053

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the governmental funds are the amounts actually paid.	105,363
---	---------

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	89,535
--	--------

In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(18,621)
---	----------

Debt proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities.	<u>(426,235)</u>
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Change in net position of governmental activities	<u>\$ (362,906)</u>
---	---------------------

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTERGRAL PART OF THIS STATEMENT.

CITY OF MANSFIELD

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statements of Net Position

December 31, 2024

Statement G

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>ENTERPRISE FUNDS</u>		
	<u>SEWER FUND</u>	<u>WATER FUND</u>	<u>TOTAL</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 90,189	\$ 3,366,875	\$ 3,457,064
Restricted assets:			
Cash and cash equivalents - debt service	-	998,487	998,487
Cash and cash equivalents - customer deposits	-	219,510	219,510
Receivables, net	42,317	543,671	585,988
Unbilled receivables	14,685	53,873	68,558
Prepaid items	10,380	60,079	70,459
Total current assets	157,571	5,242,495	5,400,066
NONCURRENT ASSETS:			
Capital Assets:			
Land and construction in progress	-	791,946	791,946
Depreciable assets, net of depreciation/amortization	2,816,523	8,260,596	11,077,119
Total noncurrent assets	2,816,523	9,052,542	11,869,065
TOTAL ASSETS	2,974,094	14,295,037	17,269,131
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	49,767	165,179	214,946
Total deferred outflows of resources	49,767	165,179	214,946
LIABILITIES			
CURRENT LIABILITIES :			
Accounts payable	1,101	209,785	210,886
Accrued payroll	4,013	15,532	19,545
Accrued interest	-	49,686	49,686
Interfund payables	289,012	294,889	583,901
Customer deposits payable - restricted assets	-	219,438	219,438
Compensated absences	-	-	-
Bond and note obligations	-	409,113	409,113
Lease obligations	8,318	14,985	23,303
Total current liabilities	302,444	1,213,428	1,515,872
NONCURRENT LIABILITIES:			
Bond and note obligations	-	6,628,144	6,628,144
Lease obligations	21,506	37,785	59,291
Net pension liability	229,594	777,720	1,007,314
Total noncurrent liabilities	251,100	7,443,649	7,694,749
TOTAL LIABILITIES	553,544	8,657,077	9,210,621
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	8,195	29,858	38,053
Total deferred inflows of resources	8,195	29,858	38,053
NET POSITION			
Net investment in capital assets	2,786,699	4,096,000	6,882,699
Restricted for:			
Water Utilities	-	1,677,281	1,677,281
Unrestricted	(324,577)	-	(324,577)
TOTAL NET POSITION	\$ 2,462,122	\$ 5,773,281	\$ 8,235,403

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MANSFIELD

PROPRIETARY FUND TYPE - ENTERPRISE FUND

**Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended December 31, 2024**

Statement H

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
OPERATING REVENUES			
Charges for services:			
Sewerage	\$ 446,414	\$ -	\$ 446,414
Water	-	1,395,702	1,395,702
Penalties/service charges	-	34,327	34,327
Other operating revenue	-	17,654	17,654
Total operating revenues	<u>446,414</u>	<u>1,447,683</u>	<u>1,894,097</u>
OPERATING EXPENSES			
Personnel services	256,530	879,415	1,135,945
Billing office	35,367	42,661	78,028
System maintenance	78,127	196,331	274,458
Treatment facilities	164,778	738,844	903,622
General and administrative	115,524	316,952	432,476
Depreciation/amortization	255,990	412,162	668,152
Total operating expenses	<u>906,316</u>	<u>2,586,365</u>	<u>3,492,681</u>
OPERATING INCOME (LOSS)	<u>(459,902)</u>	<u>(1,138,682)</u>	<u>(1,598,584)</u>
NONOPERATING REVENUES/EXPENSES			
Interest income	3,893	59,946	63,839
Interest expense & other charges	(2,895)	(79,805)	(82,700)
Grant revenue	33,706	-	33,706
Sales tax revenue	-	985,871	985,871
Bond issuance costs	-	(146,729)	(146,729)
Total nonoperating revenues (expenses)	<u>34,704</u>	<u>819,283</u>	<u>853,987</u>
Income (Loss) before transfers	<u>(425,198)</u>	<u>(319,399)</u>	<u>(744,597)</u>
TRANSFERS			
Transfers in	10,537	-	10,537
Transfers out	-	(28,473)	(28,473)
Capital contributions	-	361,836	361,836
Total capital contributions and transfers	<u>10,537</u>	<u>333,363</u>	<u>343,900</u>
CHANGE IN NET POSITION	<u>(414,661)</u>	<u>13,964</u>	<u>(400,697)</u>
NET POSITION - BEGINNING, as originally stated	2,876,783	6,829,957	9,706,740
Change in reporting entity (debt service fund from governmental to enterprise)	-	1,879,360	1,879,360
Change in reporting entity (add debt for debt service fund moved from governmental to enterprise fund)	-	(2,950,000)	(2,950,000)
NET POSITION - BEGINNING, RESTATED	<u>2,876,783</u>	<u>5,759,317</u>	<u>8,636,100</u>
NET POSITION - ENDING	<u>\$ 2,462,122</u>	<u>\$ 5,773,281</u>	<u>\$ 8,235,403</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MANSFIELD

PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended December 31, 2024

Statement I

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER	WATER	TOTAL
CASH FLOW (USES) FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 523,713	\$ 1,668,779	\$ 2,192,492
Receipts from other operating activities	-	17,654	17,654
Payments to employees	(269,461)	(933,244)	(1,202,705)
Payments to others	(418,307)	(1,341,243)	(1,759,550)
Net cash provided by (used for) operating activities	(164,055)	(588,054)	(752,109)
CASH FLOW (USES) FROM INVESTING ACTIVITIES			
Earnings on investments	3,893	59,946	63,839
Net cash provided by (used for) investing activities	3,893	59,946	63,839
CASH FLOW (USES) FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants	33,706	-	33,706
Transfers in	299,549	269,073	568,622
Net cash provided by (used for) noncapital financing activities	333,255	269,073	602,328
CASH FLOW (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grant	-	361,836	361,836
Sales taxes	-	699,679	699,679
Acquisition of capital assets	-	(757,950)	(757,950)
Loan proceeds	-	3,010,153	3,010,153
Bond issuance costs	-	(146,729)	(146,729)
Principal payment bonds & loans payable	-	(354,037)	(354,037)
Principal payment on leases	(7,643)	(13,791)	(21,434)
Interest & penalties paid on debt	(2,895)	(50,892)	(53,787)
Net cash provided by (used for) capital and related financing activities	(10,538)	2,748,269	2,737,731
Net increase (decrease) in cash and cash equivalents	162,555	2,489,234	2,651,789
CASH AND CASH EQUIVALENTS - BEGINNING	(72,366)	558,301	485,935
Change within the financial reporting entity		1,537,337	1,537,337
(from general fund to enterprise)			
CASH AND CASH EQUIVALENTS - BEGINNING RESTATED	(72,366)	2,095,638	2,023,272
CASH AND CASH EQUIVALENTS - ENDING	90,189	4,584,872	4,675,061
RECONCILIATION TO BALANCE SHEET			
Cash	90,189	3,366,875	3,457,064
Restricted assets - cash	-	1,217,997	1,217,997
	90,189	4,584,872	4,675,061
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(459,902)	(1,138,682)	(1,598,584)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation/amortization	255,990	412,163	668,153
(Increase) decrease in operating accounts receivable	77,299	234,624	311,923
(Increase) decrease in deferred outflows	16,899	64,447	81,346
(Increase) decrease in prepaid expenses	(9,307)	(52,445)	(61,752)
Increase (decrease) in operating accounts and other payables	(13,959)	6,221	(7,738)
Increase (decrease) in liabilities payable from restricted assets	-	4,126	4,126
Increase (decrease) in deferred inflows	4,422	16,862	21,284
Increase (decrease) in net pension liability	(35,497)	(135,370)	(170,867)
Net cash provided by (used for) operating activities	\$ (164,055)	\$ (588,054)	\$ (752,109)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

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City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mansfield, Louisiana (the City) was founded in 1843 and incorporated in 1845 by Act No. 128 by the Louisiana Legislature. The City is located in Desoto Parish. Elected officials of the City of Mansfield are a mayor and five (5) alderpersons who all serve four-year terms. The affairs of the City are conducted and managed by the mayor and city council. The City provides police and fire protection, sanitation, street maintenance, in addition to the administrative services provided to its residents. The City owns and operates two utility systems which provide water and sewer services.

The accompanying financial statements of the City of Mansfield 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.

A. Reporting Entity

The City is considered a separate governmental reporting entity because it has a separately elected governing body and is legally separate and fiscally independent. For financial reporting purposes, the City's financial statements include all funds for which the City is financially accountable.

B. Basis of Accounting and Measurement Focus

Government-wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. The Statement of Net Position and Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the City has an enforceable legal claim to the revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows.

General Revenues General revenues included in the Statement of Activities derive directly from local property and sales taxes, interest and investment earnings, unrestricted state and local grants, and other miscellaneous revenues. General revenues finance the remaining balance of a function not covered by program revenues.

Program Revenues Program revenues included in the Statement of Activities 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.

Allocation of indirect expenses The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Fund Financial Statements (FFS)

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The emphasis in fund financial statements is on the major funds in both the governmental and business-type activities categories. Nonmajor funds by category are summarized into a single column.

The following fund types are used by the City:

1. Governmental funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are “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 government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when they mature.

With this measurement focus, only current assets, current liabilities and current deferred outflows/inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases and decreases in current net position. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

- Ad valorem taxes (property) are recorded in the year they are assessed. Property taxes are assessed on a calendar-year basis and become due on December 31 of each year and become delinquent on January 1st. The taxes are normally collected in December, January, and February of the current year.
- Sales taxes are recognized when received by the City’s collections agent.
- Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end.)
- Fines, forfeitures, licenses, and permits are considered measurable and available when they are collected.
- Interest income on investments is recorded when earned and the income is available.
- Substantially all other revenue items are recorded when they are measurable and available to the City.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Expenditures

- All expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

- Sales of capital assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

The City reports the following major governmental funds:

General fund – is the general operating fund of the City. It accounts for all activities except those required to be accounted for in other funds.

Capital project fund – accounts for financial resources used for the acquisition or construction of major capital facilities funded through the Louisiana Community Development Block Grant Program.

Debt service fund – To account for the financial resources accumulated and payments made for principal and interest on the Sales Tax Refunding Bond, Series 2021, reclassified as a proprietary fund for fiscal year 2024.

1. Proprietary funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Operating Revenues and Expenses Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are fees collected for water and sewer services provided to the citizens of the City. Non-operating revenues are revenues that are not derived from water or sewer services such as sales tax and earnings on investments. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Operating expenses are costs of providing these services such as maintenance and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary fund:

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

Water Fund - is used to account for water service operations that are financed and operated in a manner similar to a private business enterprise. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided the periodic determination of revenues

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Deposits and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statements of cash flows, cash and cash equivalents includes demand deposits and are stated at cost.

D. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. Business-type activities report utilities as their major receivable. An allowance for uncollectible receivables is maintained, however, if amounts become uncollectible, in the opinion of management, they are charged to operations at that time.

E. Elimination and Reclassification

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds.” While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

F. Capital Assets

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

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

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

G. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Statement of Net Position reports the City's proportionate share of the deferred outflows of resources related to pensions. Refer to Note 10 for additional information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Statement of Net Position reports the City's proportionate share of the deferred inflows of resources related to pensions.

H. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation to the Government-wide Financial Statements. Reimbursements occur between funds when one fund incurs a cost that benefits another fund, and the benefiting fund reimburses the fund incurring the cost for the benefit received. All other interfund transactions are treated as transfers. Transfers made between governmental and proprietary funds are eliminated as part of the reconciliation to the Government-wide Financial Statements.

I. Compensated Absences

Annual vacation is earned and accrued on a monthly basis throughout any given year of service. Monthly accrual rates and maximum service year allowances are as follows:

- Employees with 1 to 10 years of service earn 5/6 of a day per month, equating to a maximum of 10 paid working days annually.
- Employees with 10 to 20 years of service earn 1-1/4 days per month, with a maximum of 15 paid working days annually.
- Employees with 20 years of service or more earn 1-2/3 days per month, with a maximum of 20 paid working days annually.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

The City's policy on sick leave allows full-time employees to accrue 12 working days per year. Employees with 10 to 15 years of continuous service earn 20 days per year; 15 to 20 years earn 25 days; and those with over 20 years earn 30 days annually. New employees hired mid-year earn one day of sick leave per month from their hire date through December 31. Sick leave may be accumulated up to a maximum of 60 days. Unused sick leave is not reimbursed upon separation and therefore does not represent a financial liability.

In accordance with GASB Statement No. 16 and GASB Statement No. 101, the City recognizes a liability for compensated absences when (1) the absence is attributable to services already rendered, (2) the leave accumulates, and (3) it is more likely than not to be used for time off or otherwise paid. Accordingly, the City records a liability for vacation leave as it accumulates and becomes eligible for use. However, since sick leave is not payable upon termination and does not meet the "more likely than not to be paid" threshold, no liability is recognized for unused sick leave.

The liability for accrued vacation and applicable salary-related payments (such as the employer's share of Medicare and retirement contributions directly related to the vacation pay) is recorded in the government-wide financial statements. These costs are also reported in proprietary fund financial statements where applicable. Accumulated amounts are not paid upon termination unless specified by policy or employment agreement.

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond and loan premiums and discounts, as well as issuance costs, are recognized in the period the bonds and loans are issued. Deferred gains on refunding are capitalized and amortized over the life of the refunding only in the governmental activities.

In the fund financial statements, governmental fund types recognize bond and loan premiums and discounts, as well as bond and loan issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources 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. Payment of principal and interest are reported as debt service expenditures.

K. Restricted Net Position

For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exists:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provision or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

L. Fund Equity of Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used. In the fund financial statements, fund balances are classified as follows:

- a. Nonspendable fund balance - amounts that are not in a spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid expenses.
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance - amounts constrained to specific purposes determined by the City itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. The City Board of Alderpersons establishes (and modified or rescinds) fund balance commitments by passage of an ordinance or resolution.
- d. Assigned fund balance - amounts that the City intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Assigned fund balance is established by the Board of Alderpersons through adoption or amendment of the budget as intended for specific purpose.
- e. Unassigned fund balance - amounts that are available for any purpose, positive amounts are reported only in the General fund. The City has not adopted a policy to maintain the General fund's unassigned fund balance above a certain minimum level.

The City reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City considers restricted amounts to have been spent when an expenditure has been incurred for purposes for which both restricted and unrestricted fund balance are available.

M. 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.

N. Pension Plans

The City is a participating employer in cost-sharing, multiple employer, defined benefit pension plans. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions for the plans fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A Budget Information

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

- a) The Mayor and City Clerk prepare a proposed budget based on departmental group budget requests, and submits same to the Council no later than fifteen days prior to the beginning of each fiscal year.
- b) A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At that time a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e) The Mayor must advise the Council when (i) total revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet budgeted revenues and other sources by 5% or more; (ii) total 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 5% or more; and (iii) actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by 5% or more and fund balance is being used to fund current year expenditures. The Council is responsible for adopting amended budgets on a timely basis.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Excess of expenditures over appropriations in individual funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund	\$ 4,636,250	\$ 5,464,122	\$ (827,872)

B. Violations of legal or contractual provisions

For the year ended December 31, 2024, General Fund expenditures exceeded were over the adopted by \$827,872. Louisiana Revised Statute 39:1310, requires a formal budget amendment is required if expenditures exceed the budget by more than 5%.. No amendment was adopted during the year, resulting in a budgetary violation. This variance was primarily due to unanticipated costs in the Police Department, capital outlay, and debt service. Management intends to improve monitoring practices and adopt timely budget amendments in future periods to ensure compliance with state law.

C. Deficit fund equity

At December 31, 2024, the Capital Project Fund, a major governmental fund, reported a deficit fund balance of \$125. This deficit is expected to be eliminated in future periods through planned revenue transfers or reimbursement from grant proceeds.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits are stated at cost, which approximates fair market value. 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

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

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. At December 31 2024 the City had unrestricted cash deposits (book balance) of \$4,068,627 and restricted cash deposits of \$1,217,997 totaling \$5,286,624.

Custodial credit risk: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits, may not be returned to it. As of December 31, 2024, the City had a bank balance total of \$5,412,601, in which \$2,146,344 was exposed to custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City's policy does not address custodial credit risk.

Interest Rate Risk: The City's policy does not address interest rate risk.

NOTE 4 - AD VALOREM TAXES

The City levies property taxes on real and business property located within the City's boundaries. Property taxes are levied by the City on property values assessed by the Desoto Parish Tax Assessor and approved by the state of Louisiana Tax Commission. The City bills and collects its own property taxes. The city recognizes property tax revenues when levied. Ad valorem taxes were levied December 31, 2024 with a due date and collection date of December 31, 2024 and a lien date of January 31, 2025.

The following is a summary of authorized and levied property taxes:

	<u>Maximum Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Alimony	8.35	8.35	Statutory
Operating	8.80	8.80	2033

NOTE 5 - SALES TAXES

The City was authorized in 2009 to levy a 1.5% sales-based tax for the purpose of providing funds for the waterworks system of the City (.5%) and general operations of the City (1%). The tax expires in 2038.

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2024:

<u>Class of Receivables</u>	<u>General Fund</u>
<u>Governmental Activities:</u>	
General Funds:	
Taxes:	
Sales & use	\$ 186,191
Ad valorem taxes	139,195
Garbage collections	43,768
Less allowance for doubtful accounts	(5,700)
Other	128,607
Total	<u>\$ 492,061</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

<u>Class of Receivables</u>	<u>Sewer & Water Fund</u>
<u>Business-Type Activities</u>	
Proprietary Funds:	
Taxes:	
Sales & use	\$ 381,544
Utility user fees	388,703
Less allowance for doubtful accounts	(115,701)
Total	<u>\$ 654,546</u>

NOTE 7 - INTERFUND TRANSACTIONS/BALANCES

Individual balances due from/to other funds at December 31, 2024, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects	\$ 200
General	Water	294,889
General	Sewer	289,012
		<u>\$ 584,101</u>

The Capital Projects payable to the General fund is the amount due for a bill paid by the General fund. The Water and Sewer funds owe the General fund for expenses paid by the General fund prior to receipt of revenues in the Water and Sewer funds.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Water	\$ 17,936
Sewer	Water	10,537
		<u>\$ 28,473</u>

Transfer made from water fund to reimburse funds that initially paid lease payments made from General & Sewer funds.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 8 - CAPITAL ASSETS

The changes in capital assets for the year ended December 31, 2024 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 201,820	\$ -	\$ -	\$ 201,820
Construction in progress	97,091	53,719	-	150,810
Total capital assets, not being depreciated	298,911	53,719	-	352,630
Depreciable/amortizable assets:				
Buildings & improvements	1,101,705	-	-	1,101,705
Other improvements	3,894,285	36,725	-	3,931,010
Equipment	1,182,050	9,500	-	1,191,550
Office furniture	3,556	4,776	-	8,332
Vehicles	1,812,718	-	-	1,812,718
Right of use assets:				
Vehicles	151,333	430,732	-	582,065
Equipment	-	67,500	-	67,500
Total capital assets, being depreciated/amortized	8,145,647	549,233	-	8,694,880
Less: accumulated depreciation				
Buildings & improvements	(720,112)	(20,424)	-	(740,536)
Other improvements	(1,740,675)	(82,074)	-	(1,822,749)
Equipment	(1,073,542)	(41,022)	-	(1,114,564)
Office furniture	(3,556)	(159)	-	(3,715)
Vehicles	(1,266,235)	(127,168)	-	(1,393,403)
Less: accumulated amortization				
Vehicles	(24,101)	(52,552)	-	(76,653)
Equipment	-	(22,500)	-	(22,500)
Total accumulated depreciation/amortization	(4,828,221)	(345,899)	-	(5,174,120)
Depreciable/amortizable capital assets, net	3,317,426	203,334	-	3,520,760
Total capital assets, net	\$ 3,616,337	\$ 257,053	\$ -	\$ 3,873,390

Depreciation/amortization expense was charged to governmental activities as follows:

General and administrative	\$ 104,369
Public safety	201,610
Public works	31,299
Sanitation	8,602
Recreation	19
Total	<u>\$ 345,899</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

	Balance Beginning	Additions	Deletions	Ending Balance
<u>Business-Type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 70,361	\$ -	\$ -	\$ 70,361
Construction in progress	-	721,585	-	721,585
Total capital assets, not being depreciated	70,361	721,585	-	791,946
Depreciable/amortizable assets:				
Buildings	3,095	-	-	3,095
Machinery & equipment	581,925	-	-	581,925
Vehicles	171,810	-	-	171,810
Pumping station	1,536,308	-	-	1,536,308
Transmission line	4,090,726	-	-	4,090,726
Water system	7,927,723	36,365	-	7,964,088
Water treatment plant	4,707,554	-	-	4,707,554
Sewer system	5,357,856	-	-	5,357,856
Sewer treatment plant	4,510,684	-	-	4,510,684
Right of use assets:				
Vehicles	120,366	-	-	120,366
Total capital assets, being depreciated/amortized	29,008,047	36,365	-	29,044,412
Less: accumulated depreciation				
Buildings	(3,095)	-	-	(3,095)
Machinery & equipment	(465,778)	(16,785)	-	(482,563)
Vehicles	(167,870)	(3,940)	-	(171,810)
Pumping station	(1,181,814)	(18,506)	-	(1,200,320)
Transmission line	(2,711,963)	(53,088)	-	(2,765,051)
Water system	(2,695,363)	(191,255)	-	(2,886,618)
Water treatment plant	(3,217,910)	(118,736)	-	(3,336,646)
Sewer system	(4,127,315)	(124,446)	-	(4,251,761)
Sewer treatment plant	(2,709,279)	(119,962)	-	(2,829,241)
Less: accumulated amortization				
Vehicles	(18,755)	(21,433)	-	(40,188)
Total accumulated depreciation/amortization	(17,299,142)	(668,151)	-	(17,967,293)
Depreciable/amortizable capital assets, net	11,708,905	(631,786)	-	11,077,119
Total capital assets, net	\$ 11,779,267	\$ 89,799	\$ -	\$ 11,869,065

Depreciation/amortization expense was charged to business-type activities as follows:

Water	\$ 412,162
Sewer	255,989
Total	<u>\$ 668,151</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 9 – ACCOUNTS PAYABLE

Payables at year-end are as follows:

Class of Payables	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>General</u>	<u>Capital Project Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	
Accounts Payable	\$ 15,745	\$ -	\$ 1,101	\$ 209,785	\$ 226,631
Accrued Payroll	-	-	4,013	15,532	19,545
Accrued Interest	-	-	-	49,686	49,686
Interfund Payables	-	200	289,012	294,889	584,101
Customer Deposits Payable	-	-	-	219,438	219,438
Net Total payable	<u>\$ 15,745</u>	<u>\$ 200</u>	<u>\$ 294,126</u>	<u>\$ 789,330</u>	<u>\$ 1,099,401</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 10- PENSION PLANS

The City is a participating employer in two statewide, public employee retirement systems, Municipal Employees Retirement System (MERS) and Municipal Police Employees Retirement System (MPERS). Both of these plans have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contributions rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each plan issues a public report that includes financial statements and required supplementary information. Copies of these reports for MERS and MPERS may be obtained at www.mersla.com and www.lampers.org.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Municipal Employees' Retirement System: MERS provides retirement, disability, and survivor's benefits to employees of all incorporated villages, towns, and cities within the state which do not have their own retirement plan and which elect to become members of the Plan.

Membership in MERS is mandatory for any permanent employee working at least 35 hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the Plan with exceptions as outlined in the statutes. Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 25 years of creditable service at any age or has 10 years of creditable service and is age 60. A member is eligible for early retirement after he has been a member of MERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three percent of the member's monthly average final compensation multiplied by his years of creditable service.

Membership Commencing January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 7 years of creditable service at age 67, 10 years of creditable service at age 62, or has 30 years of creditable service at age 55. A member is eligible for early retirement after he/she has been a member of the Plan for 25 years of creditable service at any age, with an actuarially reduced benefit. Benefit rates are three percent of the member's final average compensation multiplied by his/her years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. Any city marshal or deputy city marshal receives an additional regular retirement benefit.

Upon death of an active contributing member with five or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Cost of Living Adjustments

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

City of Mansfield
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Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his/her account balance in that fund, or any other method of payment if approved by the board of trustees. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the Plan.

Disability Benefits

A member shall be eligible to retire and receive a disability benefit if he/she has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the state medical disability board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of forty-five percent of his/her final average compensation or three percent of his/her final average compensation multiplied by his/her years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

Municipal Police Employees' Retirement System: MPERS provides retirement, disability, and survivor's benefits to municipal police officers.

Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children.

Membership Commencing January 1, 2013: A member's eligibility for regular retirement, early retirement, disability and survivor benefits are based on hazardous duty and nonhazardous sub duty plans. Under the hazardous duty sub-plan, a member is eligible for regular retirement after he/she has been a member of the Plan and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the non-hazardous duty sub-plan, a member is eligible for regular retirement after he has been a member of the Plan and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he has been a member of the Plan for 20 years of creditable

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

service at any age, with an actuarially reduced benefit from age 55. Under hazardous and non-hazardous duty sub-plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the Plan provides for surviving spouses and minor children.

Cost of Living Adjustments

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

Deferred Retirement Option Plan

MPERS members are eligible to elect to enter the deferred retirement option plan (DROP) when he/she is eligible for regular retirement based on the member's plan participation. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the retirement plan shall resume and upon later termination, the member shall receive additional retirement benefit based on the additional service.

Initial Benefit Option Plan

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

Employer Contributions

Each year the Louisiana Public Employee Retirement System Actuary Committee approves the contribution rates for employees and employers needed to fund 100% of the annual required contribution for both the current and unfunded portions of the net pension liability as required by state law for each state-sponsored retirement system plan. The City pays 100% of the required annual contribution, as determined by eligible active employee wages, and contributions are funded from the same sources the related salaries are paid.

The contribution requirements of plan members and the City are established and may be amended by state statute. According to state statute, 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. Employer contributions to MERS and MPERS were \$516,576 and \$251,560 with the following contribution rates:

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

	Jan 1, 2024 to June 30, 2024		July 1, 2024 to Dec 31, 2024	
	Employee	Employer	Employee	Employer
MERS	10.00%	29.50%	10.00%	28.00%
MPERS				
Members hired prior to 1/1/2013	10.00%	33.93%	10.00%	35.60%
Hazardous Duty Members hired after 1/1/2013	10.00%	33.93%	10.00%	35.60%
Non Hazardous Duty Members hired after 1/1/2013	8.00%	33.93%	8.00%	35.60%
Member whose earnable compensation is less than poverty guidelines	7.50%	36.43%	7.50%	38.10%

Non-employer Contributions

MERS receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes except for Orleans, per state statute. The Plan also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income of \$72,205 are used as additional employer contributions and considered support from non-employer contributing entities.

MPERS receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$49,864 for MPERS was recognized as revenue during the fiscal year.

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

At December 31, 2024, the City reported a liability of \$4,219,451 for its proportionate share of the MERS and MPERS Net Pension Liability (NPL). This liability will be liquidated by the General fund and the Water and Sewer funds. The NPL was measured as of June 30, 2024, and the total pension liabilities used to calculate the NPL was determined by actuarial valuations as of that date. The City's proportions of the NPL were based on an allocation method based on employer's contribution to the respective retirement plans during the plan year ended June 30, 2024 as compared to the total of all employers' contributions to the respective retirement plans during the plan year ended 2024.

As of June 30, 2024, the most recent measurement date, the City's proportions and the changes in proportion from the prior measurement date were as follows:

System	City's Proportion	Change in Proportion
MERS	0.882249%	0.076349%
MPERS	0.191701%	-0.026289%

For the year ended December 31, 2024, the City recognized a total pension expense for state sponsored plans of \$594,536 or \$331,752 for MERS and \$262,784 for MPERS. The City reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Governmental Activities:

	Deferred Outflows			Deferred Inflows		
	MERS	MPERS	Total	MERS	MPERS	Total
Differences between expected and actual experience	\$ -	\$ 94,035	\$ 94,035	\$ 51,842	\$ 52,539	\$ 104,381
Changes of assumptions	-	-	-	9,244	-	9,244
Net difference between projected and actual earnings on pension plan investments	21,089	48,282	69,371	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	124,019	94,358	218,377	432	203,837	204,269
Employer contributions subsequent to the measurement date	160,343	133,746	294,089	-	-	-
Total	<u>\$ 305,451</u>	<u>\$ 370,421</u>	<u>\$ 675,872</u>	<u>\$ 61,518</u>	<u>\$ 256,376</u>	<u>\$ 317,894</u>

Business Type Activities:

	Deferred Outflows			Deferred Inflows		
	MERS	MPERS	Total	MERS	MPERS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 30,343	\$ -	\$ 30,343
Changes of assumptions	-	-	-	5,410	-	5,410
Net difference between projected and actual earnings on pension plan investments	12,343	-	12,343	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	108,756	-	108,756	2,300	-	2,300
Employer contributions subsequent to the measurement date	93,847	-	93,847	-	-	-
Total	<u>\$ 214,946</u>	<u>\$ -</u>	<u>\$ 214,946</u>	<u>\$ 38,053</u>	<u>\$ -</u>	<u>\$ 38,053</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the plan's NPL in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Governmental Activities:

	MERS	MPERS	Total
2025	\$ 32,835	\$ 26,995	\$ 59,830
2026	124,413	100,236	224,649
2027	(42,747)	(116,497)	(159,244)
2028	(30,911)	(30,435)	(61,346)
Total	<u>\$ 83,590</u>	<u>\$ (19,701)</u>	<u>\$ 63,889</u>

Business-Type Activities:

	MERS	MPERS	Total
2025	\$ 32,625	\$ -	\$ 32,625
2026	123,620	-	123,620
2027	(42,475)	-	(42,475)
2028	(30,724)	-	(30,724)
Total	<u>\$ 83,046</u>	<u>\$ -</u>	<u>\$ 83,046</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Actuarial Assumptions. The NPL was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net pension. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

	MERS	MPERS
Valuation Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	4 years
Investment Rate of Return	6.85%, net of investment exp.	6.75%, net of investment exp.
Inflation Rate	2.50% per annum	2.50% per annum
Mortality - Non-disabled	PubG-2010(B) Healthy Retiree Table set equal to 115% for males & females, each adjusted using their respective male & female MP2021 scales. PubG-2010(B) Employee Table set equal to 115% for males & 120% for females, each adjusted using their respective male & female MP2021 scales	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Employees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale)
Mortality - Disabled	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males & females with the full generational MP2021 scale	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)
Termination, Disability, Retirement	2018-2023 experience study	2014-2019 experience study
Salary Increases	1 to 2 years of service - 9.0%, 2 years of service - 4.4%	1 to 2 years of service - 12.30%, above 2 years - 4.70%
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

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

	Target Allocation	LT Expected Real Rate of Return
MERS (arithmetic)		
Public equity	56.00%	2.44%
Public fixed income	29.00%	1.26%
Alternatives	15.00%	0.65%
Total	100.00%	4.35%
Inflation		2.50%
Expected arithmetic nominal return		6.85%
MPERS (arithmetic)		
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternative	14.00%	1.03%
Total	100.00%	5.24%
Inflation		2.62%
Expected arithmetic nominal return		7.86%

Discount Rate. The discount rate used to measure the total pension liability was 6.85% for MERS, 6.75% for MPERS. There was no change in the discount rate from prior years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of each plan's actuary. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the City's proportionate share of the NPL for all plans using the current discount rate as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS	\$ 3,738,501	\$ 2,482,648	\$ 1,422,490
MPERS	\$ 2,579,978	\$ 1,736,803	\$ 1,032,916

Pension plan fiduciary net position. Detailed information about the plan's fiduciary net position is available in the separately issued financial report referenced above.

Payables to the Pension Plan. At December 31, 2024, the City had no payables to MERS and MPERS.

NOTE 11 - LONG-TERM DEBT

During the year ended December 31, 2024, the following changes occurred in long-term debt:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Leases	\$ 130,323	\$ 426,235	\$ 89,535	\$ 467,023	\$ 88,785
Compensated absences *	142,508	18,621	-	161,129	97,050
Total	<u>\$ 272,831</u>	<u>\$ 444,856</u>	<u>\$ 89,535</u>	<u>\$ 628,152</u>	<u>\$ 185,835</u>

* The beginning balance of compensated absences was restated due to the adoption of GASB 101.

* The change in compensated absences is the net change for the year.

Business-Type Activities:	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Private placement sales tax bonds	\$ 2,950,000	\$ -	\$ 350,000	\$ 2,600,000	\$ 355,000
Sales tax bonds	-	2,710,000	-	2,710,000	-
Premium on sales tax bonds	-	44,589	1,037	43,552	-
Leases	104,027	-	21,433	82,594	23,303
URAF agreements	1,431,142	-	3,000	1,428,142	3,000
Drinking water revolving fund loan	-	501,105	245,542	255,563	51,113
Total	<u>\$ 4,485,169</u>	<u>\$ 3,255,694</u>	<u>\$ 621,012</u>	<u>\$ 7,119,851</u>	<u>\$ 432,416</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Sales Tax Bonds:

The individual bonds issues for the business type activities sales tax bonds are as follows:

<u>Original Issue</u>	<u>Issue Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Interest to Maturity</u>	<u>Fiscal Year Final Maturity</u>	<u>Outstanding at Year End</u>
Revenue Bonds:						
Direct Borrowing and Private Placement:						
Improvements to water system, Refunding	2021	\$ 3,365,000	1.69%	\$ 159,452	2032	\$ 2,600,000
Public Offering:						
Improvements to water system	2024	2,710,000	4.00%	1,115,064	2038	2,710,000

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

The sales tax bonds are due as follows:

Year	Principal	Interest	Total Payment
2025	\$ 355,000	\$ 138,453	\$ 493,453
2026	360,000	140,594	500,594
2027	365,000	134,426	499,426
2028	375,000	128,130	503,130
2029	380,000	121,667	501,667
2030-2034	1,810,000	481,251	2,291,251
2035-2038	1,665,000	129,995	1,794,995
	\$ 5,310,000	\$ 1,274,516	\$ 6,584,516

Sinking Fund Requirements:

For the 2021 bonds, the City must transfer each month an amount equal to the principal and interest accruing on the bonds for that month. The required amount to be on deposit at December 31, 2024 was \$345,556. The deposit in the sinking fund exceeded the required amount.

The 2024 bond issuance has two reserve requirements – reserve fund and sinking fund.

Reserve fund: 10% of the bonds proceeds at issuance were transferred to the reserve fund. The City is required to transfer monthly on or before the 20th, \$1,841.54 until the reserve requirement is met. The reserve requirement is an amount equal to 100% of the maximum annual principal and interest requirements on the bonds. The deposit in the reserve account exceeded the required deposits.

Sinking fund: The City must transfer each month an amount equal to the principal and interest accruing on the bonds for such month. The deposit in the sinking fund met the requirement.

Pledged Revenues:

The City has pledged future collections of the 0.5% sales and use tax being levied and collected pursuant to the provisions of the law and in compliance with the said election held in 2009 to repay the sales tax bond issuances. The total bond issuances were \$6,075,000. Proceeds from the bonds provide financing for the purpose of maintaining, operating, and supporting the water system. These revenue bonds are paid solely from the Water fund and are payable through fiscal year 2032 for the 2021 bonds and 2038 for the 2024 bonds. The total principal and interest remaining to be paid on the bonds are \$5,310,000 and \$1,274,516. Of the \$995,929 received for the ½% sales tax collections, the City paid \$350,000 in principal and \$46,898 in interest for the fiscal year ended December 31, 2024. The annual principal and interest payments are estimated to be 34.63% of the tax revenues over the next 8 years for the 2021 bonds and 27.43% of the tax revenues for the 2024 bonds for 14 years.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

URAF:

The individual utility relocation agreement funding (URAF) debt is as follows:

<u>Original Issue</u>	<u>Issue Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Outstanding at Year End</u>
Utility Relocation Agreement Funding (URAF):				
Agreement/Project Number:				
08085/105-01-0008	3/14/1991	\$ 238,029	0%	\$ 221,028
08751/021-02-0037	7/24/1996	106,665	0%	89,665
08996/035-04-0010	7/9/1998	50,534	0%	33,534
06465/035-03-0015	7/12/1982	133,858	0%	133,858
LTM116-02/025-05-0023	5/16/2006	49,573	0%	49,573
LTM399-01/025-05-0024	3/28/2008	600,322	0%	600,322
14958	8/23/2019	300,162	0%	300,162
				<u>\$ 1,428,142</u>

The DOTD advanced the City's share of the cost of relocation of utility lines in connection with the above referenced projects. URAF funding is neither a loan nor a grant and there is no interest charged on this money. The City entered into an agreement to make a \$1,000 annual payment on the first three notes noted above. The annual payments are due on January 15th of each year. There was no agreement to repay the other notes. The City failed to make the \$1,000 annual payments on the first three notes in 2024.

Drinking Water Revolving Loan Fund:

The City received two payments from the Drinking Water Revolving Loan fund totaling \$501,105. These are taxable revenue bonds, Series 2024, not to exceed \$1,130,000 in total. These funds are provided by the Bipartisan Infrastructure Law of 2021 which amended the Safe Water Drinking Water Act to provide capitalization grants to states to be used for "lead reduction projects" (as defined in the Federal Act). The City made application to the State of Louisiana for a loan from the State Revolving Fund specifically to complete an inventory of lead service lines. The Louisiana Health Department will purchase the bond from the City and pay the purchase price in installments pursuant to the loan agreement.

Upon the payment of each principal draw on the loan 49% of the principal amount of each such draw on the loan shall immediately and irrevocably be deemed to be forgiven by the Department and no interest shall accrue on the principal amount that is so forgiven. For the current fiscal year, \$501,105 was drawn down and \$245,542 was forgiven leaving a balance of \$255,563 which is due as follows:

2025	\$ 51,113
2026	12,778
2027	21,288
2028	42,602
2029	127,782
	<u>\$ 255,563</u>

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

Leases:

The City leased seven vehicles in the 2023 fiscal year for \$271,700 for five years at interest rates ranging from 8.19% to 8.51%. In the current fiscal year, the City leased eight police vehicles for \$358,735 for five years with an interest rate of 8.19% and police laptops for \$67,500 with an interest rate of 4.33%. These payments are due as follows:

Governmental Activities:

Year	Principal	Interest	Total Payment
2025	\$ 88,785	\$ 32,474	\$ 121,259
2026	120,840	26,559	147,399
2027	106,768	17,171	123,939
2028	85,672	8,926	94,598
2029	64,958	2,308	67,266
	<u>\$ 467,023</u>	<u>\$ 87,438</u>	<u>\$ 554,461</u>

Business-Type Activities:

Year	Principal	Interest	Total Payment
2025	\$ 23,303	\$ 6,055	\$ 29,358
2026	25,337	4,020	29,357
2027	27,549	1,808	29,357
2028	6,405	84	6,489
	<u>\$ 82,594</u>	<u>\$ 11,967</u>	<u>\$ 94,561</u>

NOTE 12 - ON-BEHALF SUPPLEMENTAL PAY

Certain employees meeting statutory qualifications in the police and fire departments receive supplemental pay directly from the State of Louisiana. This supplemental pay, in the amount of \$138,700, is recognized as intergovernmental revenue and police and fire expenditures. Of the \$138,700 recognized, the State paid \$64,800 to City Firemen and \$73,900 to City Police.

NOTE 13 - LITIGATIONS AND CONTINGENCIES

Contingencies: The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

Construction Commitments: The City has three construction projects ongoing at December 31, 2024. The fire stations renovations contract amount with change orders of \$231,102 and \$150,810 was expended as of December 31, 2024. The lead service line inventory project amount of \$969,485 with \$403,701 expended at December 31, 2024. The water meter project amount is \$2,032,982 with \$227,884 expended at December 31, 2024.

Litigations: Various lawsuits are pending against the City of Mansfield. Attorneys of the City are of the opinion that any judgement rendered in favor of the plaintiff will not materially affect the financial position of the City at December 31, 2024.

City of Mansfield
Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 14 - 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, and automobile liability for which the City carries commercial insurance.

NOTE 15 - NEW GASB STANDARDS In the current fiscal year, the City implemented Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB statement No. 62. This statement provides guidance to enhance accounting changes and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability. See the change in reporting entity in the table below for the effect of the adoption of this standard.

The City also implemented GASB Statement No. 101 – Compensated Absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. See the change in accounting principle in the table below for the effect of the adoption of this standard.

	Reporting Units Affected by Restatement of Beginning Balances			
	Governmental Funds Debt Service Fund	Enterprise Funds Water Fund	Governmental Activities	Business Type Activities
Fund balance as reported at December 31, 2023	\$ 1,879,360	\$ 6,829,957	\$ 1,429,013	\$ 9,706,740
Change in reporting entity - move debt service fund from major governmental fund to enterprise fund	(1,879,360)	1,879,360	1,070,640	(1,070,640)
Change in reporting entity - add debt from debt service fund	-	(2,950,000)	-	-
Change in accounting principle (GASB 101)	-	-	(142,508)	-
Beginning fund balance as restated	<u>\$ -</u>	<u>\$ 5,759,317</u>	<u>\$ 2,357,145</u>	<u>\$ 8,636,100</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Mansfield

Exhibit 1-1

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY Last Ten Years

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Municipal Employees' Retirement System (MERS)					
2024	0.882249%	\$ 2,482,648	\$ 1,725,688	143.86%	79.05%
2023	0.805900%	2,945,451	1,492,828	197.31%	72.46%
2022	0.747750%	3,105,571	1,414,068	219.62%	67.87%
2021	0.753900%	2,096,978	1,638,231	128.00%	77.82%
2020	0.810960%	3,506,099	1,593,658	220.00%	64.52%
2019	0.787910%	3,292,392	1,432,699	229.80%	64.68%
2018	0.739660%	3,062,690	1,368,343	223.82%	63.94%
2017	0.733460%	3,068,390	1,481,072	207.17%	62.49%
2016	0.800790%	3,282,200	1,491,121	220.12%	62.11%
2015	0.885230%	3,162,196	1,522,754	207.66%	66.18%
Municipal Police Employees' Retirement System (MPERS)					
2024	0.191701%	\$ 1,736,803	\$ 648,947	267.63%	75.84%
2023	0.226720%	2,303,005	605,619	380.27%	71.30%
2022	0.196020%	2,288,747	581,543	393.56%	70.80%
2021	0.147800%	926,913	549,577	168.66%	84.09%
2020	0.128140%	1,597,934	485,790	328.94%	70.94%
2019	0.136900%	1,243,272	399,156	311.48%	71.01%
2018	0.172890%	1,083,320	404,849	267.59%	71.89%
2017	0.173890%	1,290,330	476,917	270.56%	70.08%
2016	0.223910%	1,837,222	613,552	299.44%	66.04%
2015	0.217990%	1,776,083	792,329	224.16%	70.73%

Notes:

The amounts presented were determined as of the measurement date of June 30th of the current fiscal year end.

See notes to required supplementary information for pensions.

City of Mansfield

Exhibit 1-2

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN Last Ten Years

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Municipal Employees' Retirement System (MERS)					
2024	\$ 529,587	\$ 529,587	\$ -	\$ 1,795,210	29.50%
2023	509,078	509,078	-	1,725,688	29.50%
2022	440,384	440,384	-	1,492,828	29.50%
2021	417,150	417,150	-	1,414,068	29.50%
2020	454,609	454,609	-	1,638,231	27.75%
2019	414,351	414,351	-	1,593,658	26.00%
2018	354,593	354,593	-	1,432,699	24.75%
2017	311,298	311,298	-	1,368,343	22.75%
2016	292,512	292,512	-	1,481,072	19.75%
2015	294,496	294,496	-	1,491,121	19.75%
Municipal Police Employees' Retirement System (MPERS)					
2024	\$ 222,548	\$ 222,548	\$ -	\$ 656,000	33.925%
2023	209,463	209,463	-	648,947	32.277%
2022	203,997	203,997	-	605,619	33.684%
2021	182,791	182,791	-	581,543	31.432%
2020	182,034	182,034	-	549,577	33.123%
2019	157,312	157,312	-	485,790	32.383%
2018	125,734	125,734	-	399,156	31.500%
2017	126,636	126,636	-	404,849	31.280%
2016	145,792	145,792	-	476,917	30.570%
2015	180,998	180,998	-	613,552	29.500%

Notes:

The amounts presented were determined as of the fiscal year end.

See notes to required supplementary information for pensions.

City of Mansfield

Notes to Required Supplementary Information for Pensions

The following schedule provides changes in actuarial assumptions for Municipal Employee's Retirement System (MERS):

Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Investment Rate of Return	6.85%, net of investment exp.	6.85%, net of investment exp.	6.85%, net of investment exp.	6.85%, net of investment exp.	6.95%, net of investment exp.	7.00%, net of investment exp.	7.275%, net of investment exp.	7.40%, net of investment exp.	7.50%, net of investment exp.	7.50%, net of investment exp.
Inflation Rate	2.50% per annum	2.50% per annum	2.50% per annum	2.50% per annum	2.50% per annum	2.50% per annum	2.60% per annum	2.775% per annum	2.875% per annum	2.875% per annum
Mortality-Non-Disabled	PubG-2010(B) Healthy Retiree Table set equal to 115% for males & females, each adjusted using their respective male & female MP2021 scales. PubG-2010(B) Employee Table set equal to 115% for males & 120% for females, each adjusted using their respective male & female MP2021 scales.	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales.	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales.	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales.	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales.	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales.	PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales.	RP-2000 Healthy Annuitant Sex District Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex District Table (set back 2 years for both males and females)	RP-2000 Healthy Annuitant Sex District Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex District Table (set back 2 years for both males and females)	RP-2000 Healthy Annuitant Sex District Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex District Table (set back 2 years for both males and females)
Mortality-Disabled	PubNS-2010(B) Disabled Retiree Table set equal to 115% for males & 120% for females with the full generational MP2021 scale.	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale.	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale.	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale.	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale.	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale.	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale.	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)
Termination, Disability, Retirement	2018-2023 experience study	2013-2018 experience study	2013-2018 experience study	2013-2018 experience study	2013-2018 experience study	2013-2018 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study
Salary Increases	1 to 2 years of service - 9.0%, more than 2 years of service - 4.4%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	1 to 4 years of service - 6.4%, more than 4 years of service - 4.5%	5.0%	5.0%	5.0%

City of Mansfield

Notes to Required Supplementary Information for Pensions

The following schedule provides changes in actuarial assumptions for Municipal Police Employee's Retirement System (MPERS):

Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Investment Rate of Return	6.75%, net of investment exp.	6.75%, net of investment exp.	6.75%, net of investment exp.	6.75%, net of investment exp.	6.95%, net of investment exp.	7.125%, net of investment exp.	7.20%, net of investment exp.	7.325%, net of investment exp.	7.50%, net of investment exp.	7.50%, net of investment exp.
Inflation Rate	2.50% per annum	2.50% per annum	2.50% per annum	2.50% per annum	2.50% per annum	2.50% per annum	2.60% per annum	2.70% per annum	2.875% per annum	2.875% per annum
Mortality-Non-Disabled	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members
Mortality-Disabled	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)	RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females)
Termination, Disability, Retirement	2014-2019 experience study	2014-2019 experience study	2014-2019 experience study	2014-2019 experience study	2014-2019 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study	2009-2014 experience study
Salary Increases	1 to 2 years of service - 12.30%, Above 2 years - 4.70%	1 to 2 years of service - 12.30%, Above 2 years - 4.70%	1 to 2 years of service - 12.30%, Above 2 years - 4.70%	1 to 2 years of service - 12.30%, Above 2 years - 4.70%	1 to 2 years of service - 12.30%, Above 2 years - 4.70%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%	1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25%

City of Mansfield

Budgetary Comparison Schedules Of the General Fund For The Year Ended December 31, 2024

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	BUDGETARY	WITH FINAL
			BASIS	BUDGET
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,936,139	\$ 1,936,139	\$ 1,936,139	\$ -
Resources (inflows)				
Taxes:				
Ad valorem	471,009	471,009	472,373	1,364
Sales and use	2,217,000	2,217,000	2,040,023	(176,977)
Other taxes, penalties, and interest	523,000	523,000	437,296	(85,704)
Licenses and permits	627,500	627,500	841,082	213,582
Intergovernmental revenues	178,800	178,800	230,585	51,785
Fees, charges and commissions for services	262,500	262,500	296,347	33,847
Fines and forfeitures	204,600	204,600	28,652	(175,948)
Oil & gas royalties	5,000	5,000	251,724	246,724
Miscellaneous revenues	45,041	45,041	51,792	6,751
Transfers from other funds	-	-	17,936	17,936
Proceeds from leases	-	-	426,235	426,235
	<u>6,470,589</u>	<u>6,470,589</u>	<u>7,030,184</u>	<u>559,595</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Current:				
General and administrative	2,085,650	2,085,650	1,828,369	257,281
Police department	1,195,000	1,195,000	1,600,019	(405,019)
Fire department	594,150	594,150	671,903	(77,753)
Sanitation and health	182,400	182,400	178,634	3,766
Parks and recreation	-	-	365	(365)
Public works	480,050	480,050	561,881	(81,831)
Capital outlay	99,000	99,000	516,679	(417,679)
Debt service:				
Principal retirement	-	-	89,535	(89,535)
Interest and bank charges	-	-	16,737	(16,737)
	<u>4,636,250</u>	<u>4,636,250</u>	<u>5,464,122</u>	<u>(827,872)</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,834,339</u>	<u>\$ 1,834,339</u>	<u>\$ 1,566,062</u>	<u>\$ (268,277)</u>

See accompanying notes to the budgetary comparison schedule.

City of Mansfield

Notes to the Budgetary Comparison Schedules For the General Fund For the Year Ended December 31, 2024

NOTE A. BUDGET PRACTICES The Mayor is to present the proposed budget with the proposed adoption instrument to the Board no later than 15 days prior to the beginning of the fiscal year. Also, the proposed budget must be made available for public inspection no later than 15 days prior to the beginning of the fiscal year in accordance with state law. The Board is responsible for adopting the budgets in an open meeting before the end of the prior fiscal year.

Before the adoption of the budget, if the City has total proposed expenditures of \$500,000 or more from the general fund and any special revenue fund in a fiscal year, the public must be given an opportunity to participate in the budgetary process accordance with state law. No proposed budget shall be considered for adoption or otherwise finalized until at least one public hearing has been conducted on the proposal.

If, at the end of any fiscal year, the appropriations necessary for the support of the City for the ensuing fiscal year have not been made, then 50% of the amounts appropriated in the appropriation ordinance/resolution for the last validly passed budget year shall be deemed reappropriated for the several objects and purposes specified in such ordinance/resolution. This 50% limitation will continue until a budget is approved.

The Mayor is to administer and monitor the budgets and provide the Board with monthly financial statements and budget-to-actual comparisons, including any warnings of corrective actions needed. The Board is responsible for adopting amended budgets on a timely basis. The City does not use encumbrance accounting in its accounting system. Appropriations (unexpended budget balances) lapse at year end.

All governmental funds' budgets are prepared on the modified accrual basis of accounting in accordance with GAAP.

NOTE B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN THE GENERAL FUND

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund	\$ 4,636,250	\$ 5,464,122	\$ (827,872)

City of Mansfield

Notes to the Budgetary Comparison Schedules General Fund For the Year Ended December 31, 2024

Note C - BUDGET TO GAAP RECONCILIATION - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	<u>GENERAL</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 7,030,184
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(1,936,139)
Transfers in are shown as resources (inflows) for budgetary purposes but as other financing sources for reporting purposes	(17,936)
Note/lease proceeds and insurance recoveries are shown as resources (inflows) for budgetary purposes but as other financing sources for reporting purposes	<u>(426,235)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds	<u><u>4,649,874</u></u>
<u>Uses/outflows of resources:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	<u>5,464,122</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 5,464,122</u></u>

City of Mansfield

SUPPLEMENTARY INFORMATION

City of Mansfield

Exhibit 3

**Schedule of Compensation Paid to Alderpersons
For the Year Ended December 31, 2024**

The City of Mansfield, paid the following amounts for compensation to the members of the Council:

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

City of Mansfield

Exhibit 4

Schedule of Compensation, Benefits, and Other Payments to Agency Head For the Year Ended December 31, 2024

Thomas Jones, Mayor

Purpose	Amount
Salary	\$ 45,000
Benefits - Insurance	23,343
Benefits - Retirement	12,938
Benefits-Medicare	783
Car allowance	9,000
Travel	1,637
Registration fees	250
Special meals	445
Total	<u>\$ 93,396</u>

City of Mansfield

Exhibit 5

Justice System Funding Schedule - Collecting/Disbursing Entity As Required by Act 87 of the 2020 Regular Legislative Session

Cash Basis Presentation

	First Six Month Period Ended 06/30/24	Second Six Month Period Ended 12/31/24
1. Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 62,801	\$ 64,456
2. Add: Collections		
Bond Fees	4,900	5,600
Criminal Court Costs/Fees	2,520	1,620
Criminal Fines - Other	20,430	16,602
Subtotal Collections	27,850	23,822
3. Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Indigent Defender Fund; Criminal Fines-Other	2,878	1,708
LCLE-Crime Victims; Criminal Fines-Other	98	68
Ware Youth Center; Criminal Fines-Other	623	368
LCLE-Police Training; Criminal Fines-Other	166	98
North LA Crime Lab; Criminal Fines-Other	760	480
LA Supreme Court-CMIS; Criminal Fines-Other	248	146
DHH-Traumatic Head Injury; Criminal Fines-Other	115	70
LA Supreme Court-Justice System; Criminal Fines-Other	42	24
DeSoto Crimestoppers; Criminal Fines-Other	166	94
4. Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency:		
Criminal Court Costs/Fees	2,520	1,620
Criminal Fines-Other	15,279	13,263
5. Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	3,300	4,830
6 Subtotal Disbursements/Retainage	26,195	22,769
7. Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 64,456	\$ 65,509

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

ALLEN, GREEN & WILLIAMSON, LLP



CERTIFIED PUBLIC ACCOUNTANTS

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Aimee Buchanan, CPA

Principal: Cindy Thomason, CPA

Audit Managers: Amy Tynes, CPA, CFE
Margie Williamson, CPA
Jennie Henry, CPA, CFE

Supervisors: Sandra Harper, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

To the Honorable Mayor Thomas Jones
and City Council
City of Mansfield
Mansfield, Louisiana

We have audited, 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 (*Government Auditing Standards*), 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 as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2024-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2024-001, 2024-002 and 2024-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Findings and Responses as items 2024-002 and 2024-004.

The City's Response to Findings

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
June 30, 2025

City of Mansfield
Schedule of Current Year Findings & Responses
For the Year Ended December 31, 2024

Part I – Summary of the Auditor’s Results

Financial Statement Audit

- i. The type of audit report issued was an unmodified opinion on the governmental activities, business type activities, each major fund and the aggregate remaining fund information.
- ii. Four significant deficiencies in internal control over financial reporting were identified. One of those is considered to be a material weakness.
- iii. The audit disclosed instances of noncompliance that were material to the financial statements, as defined by Government Auditing Standards.

PART II – Findings related to the financial statements which are required to be reported in accordance with Governmental auditing Standards generally accepted in the United States of America.

Reference # and Title: 2024-001 Deficiencies in Internal Control

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Sound internal controls are essential to ensure financial operations are executed in accordance with established policies and procedures. These controls must provide for proper authorization, documentation, segregation of duties, and oversight over financial transactions, inventory, utility billing, and vendor disbursements. Strong internal control systems reduce the risk of errors, fraud, and inefficiencies.

Condition Found: During audit procedures several internal control deficiencies were identified. These include:

- Financial transactions processed without adequate supporting documentation or appropriate approvals.
- Purchase orders dated after corresponding invoices, indicating lapses in procurement control.
- Inconsistent application of established policies, including enforcement of utility disconnection procedures.
- Lack of oversight in areas such as police citation management and credit card activity.
- Absence of formally adopted policies in key areas such as inventory management, capital asset tracking, and grant administration.
- A critical data loss occurred in the utility billing system when an entire month of billing records was inadvertently overwritten by the water department. The lost data cannot be recovered, indicating a lack of data backup procedures and insufficient safeguards against overwriting critical system information.
- No separation of duties in the payroll process.

These deficiencies indicate that existing internal controls are not consistently followed or are insufficient in several critical areas of financial operations. The findings suggest material weaknesses throughout the departments of the City rather than isolated exceptions.

City of Mansfield
Schedule of Current Year Findings & Responses
For the Year Ended December 31, 2024

PART II – Findings related to the financial statements which are required to be reported in accordance with Governmental auditing Standards generally accepted in the United States of America.

Context: The issues were noted through audit tests of vendor disbursements and journal entries, utility system data reviews, and interaction with staff.

Possibly Asserted Effect (Cause and Effect)

Cause: Inadequate enforcement of established policies, absence of formalized procedures in key areas, and insufficient monitoring controls.

Effect: Increased risk of financial misstatements, noncompliance with regulations, unauthorized transactions, and diminished accountability over public funds.

Recommendation to Prevent Future Occurrences:

The City of Mansfield should evaluate its internal control framework and take steps to strengthen compliance with established procedures. Key recommendations include:

- Enforcing existing financial control procedures consistently across all departments.
- Developing and implementing formal written policies for inventory, asset management, and grant fund management.
- Ensuring all financial transactions are properly supported and approved in accordance with existing policy.
- Enhancing oversight functions, particularly in areas prone to risk, such as utility billing enforcement and credit card use.
- Providing training to personnel on the importance of internal controls and their role in ensuring accountability and compliance.

Origination Date and Prior Year Reference: This is a new finding for the Fiscal Year ended December 31, 2024.

Management's Response: We have already implemented some financial checks and balances. The individual who was responsible for ensuring financial guidelines, policies and procedures were consistently followed is no longer employed by the City of Mansfield. The city clerk is working closer with finance to strengthen controls throughout the organization.

City of Mansfield
Schedule of Current Year Findings & Responses
For the Year Ended December 31, 2024

PART II – Findings related to the financial statements which are required to be reported in accordance with Governmental auditing Standards generally accepted in the United States of America.

Reference # and Title: 2024-002 Non-Compliance with State Statutes

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or Specific Requirement: Louisiana municipalities are required to comply with various state statutes governing procurement, budgeting, public meeting transparency, and fee administration. Specifically:

- **Louisiana Revised Statute (R.S.) 38:2212** requires Cities to adhere to public bid law for purchases exceeding statutory thresholds.
- **Louisiana Revised Statute (R.S.) 39:1310** requires governing authorities to amend their budgets when revenues or expenditures exceed the original estimates by more than 5%.
- **Louisiana Revised Statute (R.S.) 42:20** mandates that minutes of public meetings be posted online within ten days of publication in the official journal.
- **Article VII, Section 14 of the 1974 Constitution** prohibits the use of funds, credit, property or things of value of any political subdivision from being loaned, pledged and/or donated to any person, association or corporation, public or private.

Conditions Found: The audit identified several instances of noncompliance with Louisiana state laws:

- Public bid law procedures were not followed for certain large purchases, including chemicals and water meters, despite prior-year findings noting similar concerns.
- The general fund budget was not amended during the fiscal year, despite expenditures exceeding the original budget by more than 5%, in violation of state budgeting requirements.
- As of January 21, 2025, the most recent public meeting minutes posted on the Town’s website were dated April 8, 2024. This does not comply with requirements for timely online posting.
- Waivers of utility late fees were granted without proper documentation or explanation, reflecting inconsistent application of policy and lack of transparency.

Context: The compliance issues identified were the result of detailed audit procedures including review of purchasing documentation, budget-to-actual comparisons, viewing public meeting records, and reviewing utility account management practices. These instances of noncompliance point to a pattern of inadequate adherence to state-mandated laws, as well as a lack of follow-through on prior audit recommendations. The nature and recurrence of these issues, especially those related to bid law and budgeting, suggest that internal monitoring systems may be insufficient to ensure ongoing compliance with applicable Louisiana statutes.

Possible Asserted Effect (Cause and Effect)

Cause: Lapses in oversight, insufficient awareness of state compliance requirements, and failure to implement corrective actions from prior audit cycles.

City of Mansfield
Schedule of Current Year Findings & Responses
For the Year Ended December 31, 2024

PART II – Findings related to the financial statements which are required to be reported in accordance with Governmental auditing Standards generally accepted in the United States of America.

Effects: The City is exposed to legal noncompliance; there is an increased risk of operational inefficiencies. Lack of adherence to bid law and budget amendment procedures may result in unauthorized expenditures, reduced fiscal control, and limited assurance that public funds are being used efficiently and legally. There is also a lack of transparency to the public (citizens) due to unpublished meeting minutes.

Recommendation to Prevent Future Occurrences:

- Ensure compliance with Louisiana Public Bid Law by reviewing thresholds annually and maintaining documentation for all required purchases.
- Monitor actual-to-budget performance throughout the year and formally amend the budget when variances exceed statutory thresholds.
- Establish procedures for timely publication of meeting minutes in accordance with state law.
- Require documentation for all waived utility fees and establish a formal written policy for such decisions to ensure uniform application.

Origination Date and Prior Year Reference:

This is a reoccurring finding, originally noted in the fiscal year ended December 31, 2023.

Management's Response: The individual that was responsible for amending the budget and assuring purchasing policies and Bid Law were followed is no longer employed by the City of Mansfield. Bids for chemicals were posted in the local newspaper for 2025. The city clerk will update the website with past council meeting minutes and post them monthly going forward. The mayor will verify the postings. Utility bill adjustments and late fee waivers will be documented consistently. Utility clerks have been instructed to follow this guidance.

Reference # and Title: 2024-003 Weakness in Financial Reporting

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or Specific Requirement: Generally Accepted Accounting Principles (GAAP) along with good financial management require that transactions be accurately recorded in the proper accounting period and account, accounts need to be routinely reconciled, and financial activity be appropriately classified. Municipal entities must ensure that journal entries are properly reviewed, account balances reflect actual conditions, and financial records are complete and reliable for external reporting and decision-making.

Condition Found: Audit procedures identified multiple accounting-related issues. These included errors in the classification of transactions, failure to record liabilities in the appropriate period, and discrepancies in accounts receivable and payable balances. Several entries required manual audit adjustments to correct misstatements. In addition, routine reconciliations were not consistently performed, and some accounts lacked

City of Mansfield
Schedule of Current Year Findings & Responses
For the Year Ended December 31, 2024

PART II – Findings related to the financial statements which are required to be reported in accordance with Governmental auditing Standards generally accepted in the United States of America.

adequate supporting documentation or oversight. The City also did not maintain a consistent process for tracking or applying overpayments and billing credits.

Context: The above listed accounting issues were noted during audit testing of journal entries, account balances, and reconciliations. The errors required auditor-initiated adjustment journal entries to be made and reflect a lack of routine financial oversight and post-closing review procedures.

Possible Asserted Effect (Cause and Effect):

Cause: Insufficient review of journal entries, failure to perform fund reconciliation and gaps in accounting procedures.

Effect: Potential misstatements in financial statements, unreliable fund balances, and weakened integrity of financial reporting.

Recommendation to Prevent Future Occurrences:

The City should strengthen its financial reporting controls by requiring consistent review of journal entries by a second reviewer, monthly reconciliation of all balance sheet accounts, and proper classification of revenues and expenditures. A structured closing process and supervisory review should be implemented to identify and correct errors prior to audit. Policies should also be established for managing overpayments and billing credits on a recurring basis.

Origination Date and Prior Year Reference (If Applicable):

This is a new finding for the fiscal year ended December 31, 2024.

Management's Response: The individual who was responsible for journal entry did not include the clerk for checks and balances. They are no longer employed by the City of Mansfield. The current journal entry person has been instructed to submit her reports to the city clerk or the mayor for review and approval.

Reference # and Title: 2024-004 Inadequate Safeguarding of Credit Cards and Failure to Comply with Reporting Requirements of Louisiana Legislative Auditor

Entity Wide or Program/Department Specific: This finding is entity wide.

Criteria or Specific Requirement: All governmental entities must ensure strong internal controls over issuance, use, and oversight to protect public funds from misuse or theft. In accordance with Louisiana Revised Statute (R.S.) 24:523, any actual or suspected misappropriation of public funds must be reported in writing to the Louisiana Legislative Auditor (LLA) and the district attorney of the parish in which the entity is domiciled. Additionally, routine review of credit card statements, prompt cancellation of cards upon employee separation, and secure card storage are essential control practices.

City of Mansfield
Schedule of Current Year Findings & Responses
For the Year Ended December 31, 2024

PART II – Findings related to the financial statements which are required to be reported in accordance with Governmental auditing Standards generally accepted in the United States of America.

Condition Found: A discharged employee from the fire department, Donald Anthony Jr. obtained a City-issued credit card and, along with an acquaintance with no affiliation to the City, incurred charges totaling approximately \$14,000 between February 2024 and July 2024. These charges were not detected in a timely manner because the City did not implement adequate safeguards over credit card access or review of credit card statements. The matter was reported to the District Attorney; however, the City failed to notify the Louisiana Legislative Auditor as required by Louisiana Revised Statute 24:253. At the report date, one individual, Donald Anthony Jr., plead guilty to related charges and restitution of \$5,339.11 has been paid. The remaining balance of \$8,928.67 is subject to restitution ordered by the courts. The City did not file an insurance claim.

Context: This issue was identified through discussions with City staff and review of the City's credit card activity. The length of time the card remained in use by the terminated employee coupled with the lack of oversight and required reporting highlights a control weakness.

Possible Asserted Effect (Cause and Effect):

Cause: Lack of control over credit card statement review and card cancellation, insufficient implementation of state reporting requirements.

Effect: Loss of public funds, delayed detection of fraudulent activity and noncompliance with Louisiana State statutes.

Recommendation to Prevent Future Occurrences: The City should implement a formal policy requiring the immediate cancellation of credit cards when they are unable to be located. The City should also establish routine review of all credit card transactions with supporting documentation. Written procedures should be adopted to ensure full compliance with R.S. 24:523, including prompt reporting of any suspected or actual misappropriation of funds to the LLA and district attorney. Staff should receive training on safeguarding public resources and statutory reporting obligations.

Origination Date and Prior Year Reference (If Applicable)

This is a new finding for the fiscal year ended December 31, 2024.

Management's Response: Department heads have been instructed not to leave fuel credit cards in vehicles. The cards are assigned to individuals and will be collected upon their separation from the City of Mansfield. Employees have been instructed to immediately notify their department head if a card is misplaced, lost or stolen. They will notify the city clerk and purchasing so the card can be deactivated.

OTHER INFORMATION

City of Mansfield
Status of Prior Year Findings and Responses
For the Year Ended December 31, 2024

Reference # and title: 2023-001 Failure to Follow Established Policies and Procedures for Permits

Condition found: Louisiana governments are required to establish an adequate system of internal controls to help the entity operate efficiently and effectively, protect its assets, maintain accurate records, and ensure compliance with policies, rules, regulations, and laws. Management is responsible for ensuring that internal controls for all accounting functions including revenue are set up, followed, and reviewed regularly. Audit procedures revealed instances where the City failed to follow its established internal control policies and procedures with regard to ensuring the completeness, valuation, and accuracy of revenue receipts.

Status of finding: This has not been cleared. See current year finding 2024-001.

Reference # and title: 2023-002 Failure to Comply with the Public Bid Law

Condition found: The Louisiana Public Bid Law governs contracts for public works and the purchase of materials and supplies by public entities that meet certain threshold requirements. Public entities purchasing materials and supplies exceeding \$60,000 must advertise at least 15 days prior to opening bids. The City did not properly advertise for the purchase of materials and supplies exceeding \$60,000.

Status of finding: This has not been cleared. See current year finding 2024-002.

**Corrective Action Plan for Current Year Audit Findings
and Responses for the Year Ended December 31, 2024**



CITY OF MANSFIELD

"A CITY OF VISION & CHANGE"

705 POLK ST. MANSFIELD, LA 71052

P: 318-872-0406 F: 318-872-0402

Mayor Thomas Jones, Jr.

Corrective Action Plan

Contact Person: Mayor Thomas Jones - (318) 872-0406 - mansfieldmayor@gmail.com

Reference# and Title: 2024-001 Deficiencies in Internal Control

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Sound internal controls are essential to ensure financial operations are executed in accordance with established policies and procedures. These controls must provide for proper authorization, documentation, segregation of duties, and oversight over financial transactions, inventory, utility billing, and vendor disbursements. Strong internal control systems reduce the risk of errors, fraud, and inefficiencies.

Condition Found: During audit procedures several internal control deficiencies were identified. These include:

- Financial transactions processed without adequate supporting documentation or appropriate approvals.
- Purchase orders dated after corresponding invoices, indicating lapses in procurement control.
- Inconsistent application of established policies, including enforcement of utility disconnection procedures.
- Lack of oversight in areas such as police citation management and credit card activity.
- Absence of formally adopted policies in key areas such as inventory management, capital asset tracking, and grant administration.
- A critical data loss occurred in the utility billing system when an entire month of billing records was inadvertently overwritten by the water department. The lost data cannot be recovered, indicating a lack of data backup procedures and insufficient safeguards against overwriting critical system information.
- No separation of duties in the payroll process.

These deficiencies indicate that existing internal controls are not consistently followed or are insufficient in several critical areas of financial operations. The findings suggest weaknesses throughout the departments of the City rather than isolated exceptions.

Context: The issues were noted through audit tests of vendor disbursements and journal entries, utility system data reviews, and interaction with staff.

Corrective Action Plan for Current Year Audit Findings and Responses for the Year Ended December 31, 2024

Possibly Asserted Effect (Cause and Effect)

Cause: Inadequate enforcement of established policies, absence of formalized procedures in key areas, and insufficient monitoring controls.

Effect: Increased risk of financial misstatements, noncompliance with regulations, unauthorized transactions, and diminished accountability over public funds

Recommendation to Prevent Future Occurrences:

The City of Mansfield should evaluate its internal control framework and take steps to strengthen compliance with established procedures. Key recommendations include:

- Enforcing existing financial control procedures consistently across all departments.
- Developing and implementing formal written policies for inventory, asset management, and grant fund management.
- Ensuring all financial transactions are properly supported and approved in accordance with existing policy.
- Enhancing oversight functions, particularly in areas prone to risk, such as utility billing enforcement and credit card use.
- Providing training to personnel on the importance of internal controls and their role in ensuring accountability and compliance.

Origination Date and Prior Year Reference: This is a new finding for the Fiscal Year ended December 31, 2024.

Response: We have already implemented some financial checks and balances. The individual who was responsible for ensuring financial guidelines, policies and procedures were consistently followed is no longer employed by the City of Mansfield. The city clerk is working closer with finance personnel to strengthen controls throughout the organization. Corrections to be made in completion by 12/31/25.

Reference # and Title: 2024-002 Non-Compliance with State Statutes

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or Specific Requirement: Louisiana municipalities are required to comply with various state statutes governing procurement, budgeting, public meeting transparency, and fee administration. Specifically:

- **Louisiana Revised Statute (R.S.) 38:2212** requires Cities to adhere to public bid law for purchases exceeding statutory thresholds.
- **Louisiana Revised Statute (R.S.) 39:1310** requires governing authorities to amend their budgets when revenues or expenditures exceed the original estimates by more than 5%.
- **Louisiana Revised Statute (R.S.) 42:20** mandates that minutes of public meetings be posted online within ten days of publication in the official journal.
- **Article VII, Section 14 of the 1974 Constitution** prohibits the use of funds, credit, property or things of value of any political subdivision from being loaned, pledged and/or donated to any person, association or corporation, public or private.

Corrective Action Plan for Current Year Audit Findings and Responses for the Year Ended December 31, 2024

Conditions Found: The audit identified several instances of noncompliance with Louisiana state laws:

- Public bid law procedures were not followed for certain large purchases, including chemicals and water meters, despite prior-year findings noting similar concerns.
- The general fund budget was not amended during the fiscal year, despite expenditures exceeding the original budget by more than 5%, in violation of state budgeting requirements.
- As of January 21, 2025, the most recent public meeting minutes posted on the Town's website were dated April 8, 2024. This does not comply with requirements for timely online posting.
- Waivers of utility late fees were granted without proper documentation or explanation, reflecting inconsistent application of policy and lack of transparency.

Context: The compliance issues identified were the result of detailed audit procedures including review of purchasing documentation, budget-to-actual comparisons, viewing public meeting records, and reviewing utility account management practices. These instances of noncompliance point to a pattern of inadequate adherence to state-mandated laws, as well as a lack of follow-through on prior audit recommendations. The nature and recurrence of these issues, especially those related to bid law and budgeting, suggest that internal monitoring systems may be insufficient to ensure ongoing compliance with applicable Louisiana statutes.

Possible Asserted Effect (Cause and Effect)

Cause: Lapses in oversight, insufficient awareness of state compliance requirements, and failure to implement corrective actions from prior audit cycles.

Effects: The City is exposed to legal noncompliance; there is an increased risk of operational inefficiencies. Lack of adherence to bid law and budget amendment procedures may result in unauthorized expenditures, reduced fiscal control, and limited assurance that public funds are being used efficiently and legally. There is also a lack of transparency to the public (citizens) due to unpublished meeting minutes.

Recommendation to Prevent Future Occurrences:

- Ensure compliance with Louisiana Public Bid Law by reviewing thresholds annually and maintaining documentation for all required purchases.
- Monitor actual-to-budget performance throughout the year and formally amend the budget when variances exceed statutory thresholds.
- Establish procedures for timely publication of meeting minutes in accordance with state law.
- Require documentation for all waived utility fees and establish a formal written policy for such decisions to ensure uniform application.

Origination Date and Prior Year Reference

This is a reoccurring finding, originally noted in the fiscal year ended December 31, 2023.

Response: The individual that was responsible for amending the budget and assuring purchasing policies and Bid Law were followed is no longer employed by the City of Mansfield. Bids for chemicals were posted in the local newspaper for 2025. The city clerk will update the website with past council meeting minutes and post them monthly going forward. The mayor will verify the postings. Utility bill adjustments and late fee waivers will be documented consistently. Utility clerks have been instructed to follow this guidance. Corrections to be made in completion by 06/30/25.

Corrective Action Plan for Current Year Audit Findings and Responses for the Year Ended December 31, 2024

Reference # and Title: 2024-003 Weakness in Financial Reporting

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or Specific Requirement: Generally Accepted Accounting Principles (GAAP) along with good financial management require that transactions be accurately recorded in the proper accounting period and account, accounts need to be routinely reconciled, and financial activity be appropriately classified. Municipal entities must ensure that journal entries are properly reviewed, account balances reflect actual conditions, and financial records are complete and reliable for external reporting and decision-making.

Condition Found:

Audit procedures identified multiple accounting-related issues. These included errors in the classification of transactions, failure to record liabilities in the appropriate period, and discrepancies in accounts receivable and payable balances. Several entries required manual audit adjustments to correct misstatements. In addition, routine reconciliations were not consistently performed, and some accounts lacked adequate supporting documentation or oversight. The City also did not maintain a consistent process for tracking or applying overpayments and billing credits.

Context:

The above listed accounting issues were noted during audit testing of journal entries, account balances, and reconciliations. The errors required auditor-initiated adjustment journal entries to be made and reflect a lack of routine financial oversight and post-closing review procedures.

Possible Asserted Effect (Cause and Effect)

Cause: Insufficient review of journal entries, failure to perform fund reconciliation and gaps in accounting procedures.

Effect: Potential misstatements in financial statements, unreliable fund balances, and weakened integrity of financial reporting.

Recommendation to Prevent Future Occurrences:

The City should strengthen its financial reporting controls by requiring consistent review of journal entries by a second reviewer, monthly reconciliation of all balance sheet accounts, and proper classification of revenues and expenditures. A structured closing process and supervisory review should be implemented to identify and correct errors prior to audit. Policies should also be established for managing overpayments and billing credits on a recurring basis.

Origination Date and Prior Year Reference (If Applicable)

This is a new finding for the fiscal year ended December 31, 2024.

Response: The individual who was responsible for journal entry did not include the clerk for checks and balances. They are no longer employed by the City of Mansfield. The current journal entry person has been instructed to submit her reports to the city clerk or the mayor for review and approval. Corrections to be made in completion by 06/30/25.

Reference# and Title: 2024-004 Inadequate Safeguarding of Credit Cards and Failure to Comply with Reporting Requirements of Louisiana Legislative Auditor

Entity Wide or Program/Department Specific: This finding is entity wide.

Criteria or Specific Requirement: All governmental entities must ensure strong internal controls over issuance, use, and oversight to protect public funds from misuse or theft. In accordance with Louisiana Revised Statute (R.S.) 24:523, any actual or suspected misappropriation of public funds must be reported in writing to the Louisiana Legislative Auditor (LLA) and the district attorney of the parish in which the entity is domiciled. Additionally, routine review of credit card statements, prompt cancellation of cards upon employee separation, and secure card storage are essential control practices.

Condition Found: A discharged employee from the fire department, Donald Anthony Jr. obtained a City-issued credit card and, along with an acquaintance with no affiliation to the City, incurred charges totaling approximately \$14,000 between February 2024 and July 2024. These charges were not detected in a timely manner because the City did not implement adequate safeguards over credit card access or review of credit card statements. The matter was reported to the District Attorney; however, the City failed to notify the Louisiana Legislative Auditor as required by Louisiana Revised Statute 24:253. At the report date, one individual, Donald Anthony Jr., plead guilty to related charges and restitution of \$5,339.11 has been paid. The remaining balance of \$8,928.67 is subject to restitution ordered by the courts. The City did not file an insurance claim.

Context: This issue was identified through discussions with City staff and review of the City's credit card activity. The length of time the card remained in use by the terminated employee coupled with the lack of oversight and required reporting highlights a control weakness.

Possible Asserted Effect (Cause and Effect)

Cause: Lack of control over credit card statement review and card cancellation, insufficient implementation of state reporting requirements.

Effect: Loss of public funds, delayed detection of fraudulent activity and noncompliance with Louisiana State statutes.

Recommendation to Prevent Future Occurrences: The City should implement a formal policy requiring the immediate cancellation of credit cards when they are unable to be located. The city should also establish routine review of all credit card transactions with supporting documentation. Written procedures should be adopted to ensure full compliance with R.S. 24:523, including prompt reporting of any suspected or actual misappropriation of funds to the LLA and district attorney. Staff should receive training on safeguarding public resources and statutory reporting obligations.

Origination Date and Prior Year Reference (If Applicable)

This is a new finding for the fiscal year ended December 31, 2024.

Response: Department heads have been instructed not to leave fuel credit cards in vehicles. The cards are assigned to individuals and will be collected upon their separation from the City of Mansfield. Employees have been instructed to immediately notify their department head if a card is misplaced, lost or stolen. They will notify the city clerk and purchasing so the card can be deactivated. Corrections to be made in completion by 06/30/25.

AGREED-UPON PROCEDURES



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Monroe, LA 71201

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Jennie Henry, CPA, CFE

Supervisors: Sandra Harper, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Honorable Thomas Jones and
Members of the Council
City of Mansfield
Mansfield, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended 2024. City of Mansfield's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year ended 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. Disbursements, including processing, reviewing, and approving.
 - iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- viii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. Ethics including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Comment: The City did not provide written policies and procedures for Information Technology Disaster Recovery/Business Continuity.

Management's Response: The City of Mansfield does not have this policy. Even though it is not a requirement, we will adopt a new policy to align with Best Management Practices as prescribed by the Legislative Auditor.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: One exception was noted for the operating account. No documentation was provided that checks outstanding for longer than 12 months was researched.

Management's Response: Our accountant has the responsibility to research outstanding checks. Evidently this didn't happen. This employee is no longer employed by the City of Mansfield.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statement selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Comment: Four exceptions were noted where the monthly statement or combined statement and supporting documentation did not have evidence of review or approval.

Management's Response: Our accountant has the responsibility to assure that all supporting documentation and statements are reviewed and approved. Evidently this did not happen on the four transactions noted. This employee is no longer employed by the City of Mansfield.

We were engaged by the City of Mansfield to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Allen, Green & Williamson, LLP

Allen, Green & Williamson, LLP
Monroe, Louisiana
June 30, 2025