

Town of Many, Louisiana

June 30, 2020

**Town of Many, Louisiana
June 30, 2020**

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-3
Required Supplemental Information - Part I		4
Management's Discussion and Analysis.....		5-8
Basic Financial Statements		9
Government-Wide Financial Statements.....		10
Statement of Net Position.....	A	11
Statement of Activities.....	B	12
Fund Financial Statements.....		13
Balance Sheet - Governmental Funds.....	C	14
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	D	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	E	16
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	17
Statement of Net Position - Proprietary Fund.....	G	18
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund.....	H	19
Statement of Cash Flows - Proprietary Fund.....	I	20-21
Notes to Basic Financial Statements		22-45
	<u>Schedule</u>	
Required Supplemental Information - Part II		46
Budgetary Comparison Schedules		
General Fund.....	1	47
Street Special Revenue Fund.....	2	48
Municipal Police Employees' Retirement System (MPERS)		
Schedule of Employer's Share of Net Pension Liability.....	3	49
Schedule of Employer Contributions.....	4	50
Notes to Required Supplemental Information.....	5	51
Municipal Employees' Retirement System (MERS)		
Schedule of Employer's Share of Net Pension Liability.....	6	52
Schedule of Employer Contributions.....	7	53
Notes to Required Supplemental Information.....	8	54

**Town of Many, Louisiana
June 30, 2020**

Table of Contents

	<u>Schedule</u>	<u>Page</u>
Other Information		55
Schedule of Compensation, Benefits, and Other Payments to the Agency Head.....	9	56
Unaudited Summary of Utility Service Customers.....	10	57
Unaudited Schedule of Insurance in Force.....	11	58-59
Unaudited List of Governing Body - Positions and Terms.....	12	60
Other Report Required by <i>Government Auditing Standards</i>		61
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		62-64
Schedule of Findings and Responses		65-66
Management's Corrective Action Plan		67-69
Management's Summary Schedule of Prior Audit Findings		70-71



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Honorable Robert Hable, Mayor
and Members of the Board of Aldermen
Town of Many, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Many, Louisiana (the Town), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.

1



1419 Metro Drive • P.O. Box 13200
Alexandria, LA 71315-3200
Ph: (318) 443-1893 • Fax: (318) 443-2515



PAYNE, MOORE & HERRINGTON, LLP

To the Honorable Robert Hable, Mayor
and Members of the Board of Aldermen
Town of Many, Louisiana

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Many, Louisiana, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedules of employer's share of net pension liability, schedules of employer contributions, and notes to required supplemental information labeled "Required Supplementary Information" in the table of contents (Part I and Part II) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation, benefits, and other payments to the agency head, unaudited summary of utility service customers, unaudited schedule of insurance in force, and unaudited list of governing body – positions and terms labeled as "Other Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.



PAYNE, MOORE & HERRINGTON, LLP

To the Honorable Robert Hable, Mayor
and Members of the Board of Aldermen
Town of Many, Louisiana

The schedule of compensation, benefits, and other payments to the agency head 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head is fairly stated in all material respects in relation to the basic financial statements as a whole.

The summary of utility service customers, the schedule of insurance in force, and the list of governing body - positions and terms have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town of Many's internal control over financial reporting and compliance.

Certified Public Accountants
Alexandria, Louisiana

October 22, 2021

Required Supplemental Information – Part I

Management's Discussion and Analysis

**Town of Many, Louisiana
June 30, 2020**

Management's Discussion and Analysis

This section of the Town's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The Town's net position amounted to \$17,323,269, an increase of \$1,282,935.
- Program and general revenues amounted to \$5,787,557, an increase of \$1,047,332.
- Expenses for the year amounted to \$4,504,622, a decrease of \$91,691.

Overview of Financial Statements

This annual report consists of three parts:

- Management's discussion and analysis
- Basic financial statements
- Supplementary and other information

The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail than the government-wide statements. The Town has a general fund, street fund, and a proprietary (utility) fund.

Financial Analysis of The Town as a Whole

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Current and other assets	\$ 1,687,745	\$ 2,294,153	\$ 985,138	\$ 833,457
Internal balances	840,305	1,080,540	(840,305)	(1,080,540)
Capital assets, net	6,093,150	4,279,882	11,118,212	10,925,416
Total Assets	8,621,200	7,654,575	11,263,045	10,678,333
Deferred outflow of pension resources	311,059	380,917	163,514	180,414
Current and other liabilities	109,948	260,695	435,941	53,734
Long-term debt and net pension liability	1,189,869	1,175,847	1,243,177	1,251,095
Total liabilities	1,229,817	1,436,542	1,679,118	1,304,829
Deferred inflow of pension resources	105,469	91,313	21,145	21,221
Net Position:				
Invested in capital assets	5,975,150	4,279,882	10,447,430	10,254,634
Restricted	1,728,147	2,547,121	-	-
Unrestricted	(106,324)	(319,366)	(721,134)	(721,937)
Total net position	\$ 7,596,973	\$ 6,507,637	\$ 9,726,296	\$ 9,532,967

**Town of Many, Louisiana
June 30, 2020**

Management's Discussion and Analysis

Condensed Statement of Activities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Year ended</u>		<u>Year ended</u>	
	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Expenses:				
Governmental activities:				
General government	\$ 568,356	620,436		
Public safety	857,997	881,452		
Public works	617,220	685,744		
Sanitation	473,208	355,387		
Cultural and recreation	103,238	167,877		
Interest expense	7,869	11,097		
Total Governmental activities	<u>2,627,888</u>	<u>2,721,993</u>		
Business-type activities			\$ 1,876,734	\$ 1,874,320
Program revenues:				
Charges for services	745,214	870,332	1,643,410	1,711,588
Grants and contributions	<u>1,093,529</u>	<u>365,699</u>	<u>425,284</u>	<u>17,538</u>
Total program revenues	<u>1,838,743</u>	<u>1,236,031</u>	<u>2,068,694</u>	<u>1,729,126</u>
General revenues:				
Taxes	1,873,832	1,767,113	-	-
Investment earnings	<u>4,649</u>	<u>6,115</u>	<u>1,639</u>	<u>1,840</u>
Total general revenues	<u>1,878,481</u>	<u>1,773,228</u>	<u>1,639</u>	<u>1,840</u>
Change in net position	<u>\$ 1,089,336</u>	<u>\$ 287,266</u>	<u>\$ 193,599</u>	<u>\$ (143,354)</u>

Overall government revenues increased by \$1,047,332 (22%) to \$5,787,557 in 2020, primarily due to increases in grant revenues and sales taxes. Expenses decreased by \$91,691 (2%) to \$4,504,622 in 2020, primarily due to the Town taking over garbage services to citizens versus using an outside contractor to provide this service.

Financial Analysis of the Funds

Fund balances for the Town's governmental funds, comprised of general fund and street fund, decreased \$668,758 during the year, primarily due to increased sales tax and grant revenues and proceeds of financing for a sanitation truck, offset by increased street overlay and airport runway reconstruction expenditures. Revenues increased \$707,965 (24%) during the year to \$3,691,891, primarily due to grants for airport improvements in 2020 and increased sales tax revenue. Expenses increased \$1,541,483 to \$4,506,649, primarily due to increased street overlays and capital expenditures relating to the airport grants.

General government and public safety expenditures continue to represent the largest portion of the general fund expenditures, amounting to \$467,529 and \$790,513, respectively, in 2020, or approximately 44% of all general fund expenditures. However, in 2020, capital outlay expenditures of \$1,040,276, primarily related to airport improvement projects, amounted to approximately 36% of the general fund expenditures.

**Town of Many, Louisiana
June 30, 2020**

Management's Discussion and Analysis

The Town's utility fund net position increased by \$193,599 in 2020 primarily due to capital grants of \$412,268 relating to sewer plant improvements exceeding the operating loss of \$233,324. Operating revenues decreased by 4% to \$1,643,410, and operating expenses amounted to \$1,876,734 in 2020, an increase of \$2,414 from 2019.

General and Steet Fund Budget Highlights

The original budget of the General Fund and Street Fund is adopted at the beginning of the year and reflected the Town's plan for the year. The budget was amended to reflect changes to the Town's plan that occurred during the year. The major budget changes were an increase in funds budgeted for street overlays in the street fund and an increase in funds budgeted for airport runway improvements.

Capital Assets

During 2020, the Town invested approximately \$113,769 in water and sewer system equipment, along with \$484,393 in sewer plant improvements. In addition, capital investments were made in other additions of \$2,422,047, primarily relating to equipment, airport improvements and street overlays. Capital assets of \$11,410 were removed from asset inventory due to sale or obsolesce.

Debt

Debt of \$146,000 was incurred in 2020 related to acquisition of sanitation equipment. Debt payments of \$134,000 relating to retirement of certificates of indebtedness were made during 2020, along with a \$28,000 payment relating to the \$146,000 bond issue.

Economic Factors and Next Year's Budgets and Rates

The Town is dependent on charges for services and ad valorem and sales taxes, for most of the Town's recurring revenues. The level of sales tax collections is still somewhat unpredictable due to the continued slowdown in the economy of Sabine Parish due to the sharp drop off in drilling activity in the Haynesville Shale formation, the continued high unemployment in the oil and gas drilling industry due to volatile oil and gas prices and the ongoing economic impacts of the COVID-19 pandemic. The Town expects continued high maintenance costs for the next few years in the Utility Fund as deferred maintenance is completed. The Town also will be receiving funding from the American Rescue Plan Act over the next two years, which is expected primarily to be used to bolster improvements in the water and sewer systems. In addition, the Town expects to undertake a project in 2022, financed by a lease purchase agreement, to replace water meters with electronic water meters.

Contacting The Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Robert Hable, Mayor, P O Box 1330, Many, LA 71449.

Basic Financial Statements

**Government-Wide
Financial Statements**

**Town of Many, Louisiana
Many, Louisiana
Statement of Net Position
June 30, 2020**

Exhibit A

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,177,453	\$ 328,780	\$ 1,506,233
Receivables, net	484,585	641,709	1,126,294
Internal balances	840,305	(840,305)	-
Prepaid expenses	25,707	14,649	40,356
Capital assets			
Nondepreciable			
Land	454,717	38,999	493,716
Construction in progress	89,270	484,393	573,663
Depreciable			
Other capital assets, net of depreciation	5,549,163	10,594,820	16,143,983
Total Assets	8,621,200	11,263,045	19,884,245
 Deferred Outflows of Resources			
Deferred outflows of pension resources	311,059	163,514	474,573
 Liabilities			
Accounts and contracts payable	40,156	435,941	476,097
Accrued expenses	41,792	-	41,792
Long-term liabilities			
Due within one year			
Notes and bonds payable	28,000	-	28,000
Due in more than one year			
Notes and bonds payable	90,000	670,782	760,782
Meter deposits payable	-	124,847	124,847
Compensated absences	22,289	21,289	43,578
Other noncurrent liabilities			
Net pension liability	1,007,580	426,259	1,433,839
Total Liabilities	1,229,817	1,679,118	2,908,935
 Deferred Inflows of Resources			
Deferred inflows of pension resources	105,469	21,145	126,614
 Net Position			
Net investment in capital assets	5,975,150	10,447,430	16,422,580
Restricted for			
Streets and sidewalks	1,728,147	-	1,728,147
Unrestricted	(106,324)	(721,134)	(827,458)
 Total Net Position	 \$ 7,596,973	 \$ 9,726,296	 \$ 17,323,269

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

Town of Many, Louisiana
Many, Louisiana
Statement of Activities
For the Year Ended June 30, 2020

Exhibit B

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 568,356	\$ 301,407	\$ 5,037	\$ 758,488	\$ 496,576	\$ -	\$ 496,576
Public safety	857,997	145,586	65,271	-	(647,140)	-	(647,140)
Public works	617,220	5,000	25,773	33,700	(552,747)	-	(552,747)
Sanitation	473,208	293,221	1,203	-	(178,784)	-	(178,784)
Culture and recreation	103,238	-	204,057	-	100,819	-	100,819
Interest expense	7,869	-	-	-	(7,869)	-	(7,869)
Total Governmental Activities	<u>2,627,888</u>	<u>745,214</u>	<u>301,341</u>	<u>792,188</u>	<u>(789,145)</u>	<u>-</u>	<u>(789,145)</u>
Business-type activities							
Utility system	1,876,734	1,643,410	13,016	412,268	-	191,960	191,960
Total Business-type Activities	<u>1,876,734</u>	<u>1,643,410</u>	<u>13,016</u>	<u>412,268</u>	<u>-</u>	<u>191,960</u>	<u>191,960</u>
Total Primary Government	<u>\$ 4,504,622</u>	<u>\$ 2,388,624</u>	<u>\$ 314,357</u>	<u>\$ 1,204,456</u>	<u>(789,145)</u>	<u>191,960</u>	<u>(597,185)</u>
General Revenues							
Taxes							
Property taxes levied for general purposes					142,741	-	142,741
Sales tax authorized for general purposes					772,558	-	772,558
Sales tax authorized for specific purposes					772,559	-	772,559
Franchise and miscellaneous taxes					185,974	-	185,974
Investment earnings					4,649	1,639	6,288
Total General Revenues					<u>1,878,481</u>	<u>1,639</u>	<u>1,880,120</u>
Change in Net Position					1,089,336	193,599	1,282,935
Net Position, Beginning of Year					6,507,637	9,532,697	16,040,334
Net Position, End of Year					<u>\$ 7,596,973</u>	<u>\$ 9,726,296</u>	<u>\$ 17,323,269</u>

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

Fund Financial Statements

**Town of Many, Louisiana
Balance Sheet
Governmental Funds
June 30, 2020**

Exhibit C

	General Fund	Street Special Revenue Fund	Total Governmental
Assets			
Cash and cash equivalents	\$ 710,977	\$ 466,476	\$ 1,177,453
Receivables, net	409,067	75,518	484,585
Due from other funds	839,041	1,193,709	2,032,750
Prepaid expenses	23,455	2,252	25,707
Total Assets	\$ 1,982,540	\$ 1,737,955	\$ 3,720,495
Liabilities and Fund Balances			
Liabilities			
Accounts and contracts payable	\$ 30,348	\$ 9,808	\$ 40,156
Due to other funds	1,192,447	-	1,192,447
Accrued expenses	40,447	-	40,447
Total Liabilities	1,263,242	9,808	1,273,050
Fund balances			
Nonspendable - prepaid expenses	23,455	2,252	25,707
Spendable:			
Restricted - streets and sidewalks	-	1,725,895	1,725,895
Unassigned	695,843	-	695,843
Total Fund Balances	719,298	1,728,147	2,447,445
Total Liabilities and Fund Balances	\$ 1,982,540	\$ 1,737,955	\$ 3,720,495

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

**Town of Many, Louisiana
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2020**

Exhibit D

Total Fund Balance, Governmental Funds **\$ 2,447,445**

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

Pension related deferred outflows of resources and deferred inflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities of the Statement of Net Position.

Deferred outflows of pension resources	311,059
Deferred inflows of pension resources	(105,469)

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities of the Statement of Net Position.

6,093,150

Some liabilities are not due and payable in the current period and, therefore, are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.

Notes and loans payable	(118,000)
Compensated absences	(22,289)
Net pension liability	(1,007,580)

Interest on long-term debt is accrued in the Statement of Net Position but not in the governmental funds.

(1,343)

Net Position of Governmental Activities in the Statement of Net Position **\$ 7,596,973**

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

Town of Many, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

Exhibit E

	General Fund	Street Special Revenue Fund	Total Governmental Funds
Revenues			
Taxes			
Ad valorem taxes	\$ 142,741	\$ -	\$ 142,741
Franchise taxes	176,426	-	176,426
Sales taxes	772,559	772,559	1,545,118
Intergovernmental	1,035,810	38,700	1,074,510
Fines	145,586	-	145,586
Licenses and permits	247,941	-	247,941
Charges for services	299,013	-	299,013
Investment earnings	2,603	2,045	4,648
Miscellaneous	49,353	6,555	55,908
Total Revenues	2,872,032	819,859	3,691,891
Expenditures			
Current			
General government	467,529	-	467,529
Public safety	790,513	-	790,513
Public works	-	386,937	386,937
Sanitation	357,939	-	357,939
Culture and recreation	40,828	-	40,828
Capital outlay	1,040,276	1,251,896	2,292,172
Debt service			
Principal	162,000	-	162,000
Interest and other charges	8,731	-	8,731
Total Expenditures	2,867,816	1,638,833	4,506,649
Excess (Deficiency) of Revenues over Expenditures	4,216	(818,974)	(814,758)
Other Financing Sources (Uses)			
Issuance of bonds	146,000	-	146,000
Net Change in Fund Balances	150,216	(818,974)	(668,758)
Fund Balances, Beginning of Year	569,082	2,547,121	3,116,203
Fund Balances, End of Year	\$ 719,298	\$ 1,728,147	\$ 2,447,445

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

Town of Many, Louisiana
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Exhibit F

Net Change in Fund Balances - Total Governmental Funds \$ (668,758)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlays included in governmental funds	2,292,172
Depreciation included in the Statement of Activities	(478,904)

Deferred outflows and deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds

Increase (decrease) in deferred outflows of pension resources	(69,858)
Decrease (increase) in deferred inflows of pension resources	(14,156)

The issuance of long-term debt provides current financial resources to governmental funds but does not have any effect on net position. (146,000)

Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. 162,000

Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

Compensated absences	2,166
Interest expense	862
On-behalf payments through pension plans	25,334
Pension expense	(15,522)

Change in Net Position of Governmental Activities in the Statement of Activities	\$ 1,089,336
---	---------------------

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

**Town of Many, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2020**

Exhibit G

**Utility System
Enterprise Fund**

Assets	
Current Assets	
Cash and cash equivalents	\$ 328,780
Receivables, net	641,709
Prepaid expenses	14,649
Total Current Assets	985,138
Noncurrent Assets	
Capital assets	
Nondepreciable	
Land	38,999
Construction in progress	484,393
Depreciable	
Property, plant and equipment	18,312,936
Less accumulated depreciation	(7,718,116)
Total Noncurrent Assets	11,118,212
Total Assets	12,103,350
Deferred Outflows of Resources	
Deferred outflows of pension resources	163,514
Liabilities	
Current Liabilities	
Accounts and contracts payable	435,941
Noncurrent Liabilities	
Notes and bonds payable	670,782
Meter deposits payable	124,847
Compensated absences	21,289
Due to other funds	840,305
Net pension liability	426,259
Total Noncurrent Liabilities	2,083,482
Total Liabilities	2,519,423
Deferred Inflows of Resources	
Deferred inflows of pension resources	21,145
Net Position	
Net investment in capital assets	10,447,430
Unrestricted	(721,134)
Total Net Position	\$ 9,726,296

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

Town of Many, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2020

Exhibit H

	Utility System Enterprise Fund
Operating Revenues	
Charges for services	\$ 1,643,410
Operating Expenses	
Salaries	493,892
Insurance	115,931
Supplies	112,911
Contracted services	32,916
Legal and accounting	28,144
Repairs and maintenance	210,881
Truck expense	13,352
Telephone	49,411
Office supplies and postage	1,151
Retirement	75,974
Payroll taxes	38,784
Utilities	97,688
Miscellaneous	35,595
Testing fees	21,350
Sewer plant supplies	97,467
Water purchased	41,884
Depreciation	405,365
Travel and seminars	4,038
Total Operating Expenses	1,876,734
Operating Income (Loss)	(233,324)
Nonoperating Revenue (Expenses)	
Operating grants and contributions	13,016
Investment earnings	1,639
Total Nonoperating Revenue (Expenses)	14,655
Income (Loss) Before Contributions	(218,669)
Capital contributions	412,268
Change in Net Position	193,599
Net Position, Beginning of the Year	9,532,697
Total Net Position, End of Year	\$ 9,726,296

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

**Town of Many, Louisiana
Many, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020**

**Exhibit I
(Continued)**

**Utility System
Enterprise Fund**

Cash Flows from Operating Activities

Receipts from customers	\$	1,679,129
Payments to employees		(491,816)
Payments to vendors and others		(952,359)
Net Cash Provided by (Used in) Operating Activities		234,954

Cash Flows from Noncapital Financing Activities

Change in due to other funds		(240,236)
Net Cash Provided by (Used in) Noncapital Financing Activities		(240,236)

Cash Flows from Capital and Related Financing Activities

Capital grants and contributions		412,268
Acquisition or construction of capital assets		(598,162)
Net Cash Provided by (Used in) Capital and Related Financing Activities		(185,894)

Cash Flows from Investing Activities

Interest received		1,639
Net Cash Provided by (Used in) Investing Activities		1,639

Net Increase (Decrease) in Cash and Cash Equivalents

(189,537)

Cash and Cash Equivalents, Beginning of Year

518,317

Cash and Cash Equivalents, End of Year

\$ 328,780

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

**Town of Many, Louisiana
Many, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020**

**Exhibit I
(Concluded)**

**Utility System
Enterprise Fund**

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	<u>Utility System Enterprise Fund</u>
Operating income (loss)	\$ (233,324)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Depreciation	405,365
Change in deferred outflows of pension resources	16,900
Change in deferred inflows of pension resources	(76)
On-behalf payments through pension plan	13,016
Changes in assets and liabilities	
Receivables	23,221
Prepaid expenses	3,229
Accounts and contracts payable	14,541
Meter deposits payable	5,250
Compensated absences	2,076
Net pension liability	<u>(15,244)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 234,954</u>

Additional required disclosures:

There were no material noncash operating, noncapital financing, capital and related financing, or investing activities for the year ended June 30, 2020.

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

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

1. Organization and Significant Accounting Policies

The Town of Many (the Town), Louisiana was incorporated November 1, 1878, under the provisions of a special home rule charter. The Town began operating under the provisions of the Lawrason Act in January 1996 as a result of an election that was held in the fall of 1995. The Town operates under a Mayor - Board of Aldermen form of government.

The accounting and reporting policies of the Town conform with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units. The accounting and reporting policies of the Town conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the Louisiana Governmental Audit Guide.

The accounting and reporting framework and the more significant accounting policies used by the Town are described below.

A. The Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity. The financial reporting entity consists of the primary government (the Town), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete.

In accordance with GAAP, the basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has established criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to the Town or to impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, the Town has no component units.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

B. Basis of Presentation and Accounting

The accounting system is organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The Town's funds are grouped into two broad fund categories and three generic fund types for financial statement presentation purposes. Governmental funds include the general fund and one special revenue fund. The proprietary fund consists of the utility system enterprise fund.

Government-Wide Financial Statements

The government-wide financial statements, Statement of Net Position and Statement of Activities, report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Eliminations have been made to minimize the effect of interfund activities upon resources and expenses.

The Statement of Net Position presents information on all of the Town's assets, liabilities, and deferred inflows and outflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Net position is reported as restricted when constraints placed on net positions are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

The government-wide Statement of Activities presents a comparison between expenses (both direct and indirect) and program revenues for each segment of the business-type activities of the Town and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Town.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Fund Financial Statements

Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting by fund type. Each major fund is presented in a separate column. All funds of the Town are major funds. Separate financial statements are provided for governmental funds and proprietary funds.

Nonspendable fund balances include amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact. Restricted fund balances represent those portions of fund balance that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the Town's Board of Aldermen. Formal action of the Town to establish or rescind committed funds requires adopting a resolution in a public meeting. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balances. In cases where restricted and unrestricted monies are received by the Town for the same function or purpose, the restricted monies are used first. Unrestricted monies are then spent in the following order: committed, assigned, and unassigned.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental funds are:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Town has one major special revenue fund:

Street Special Revenue Fund accounts for the share of the Town's sales tax dedicated to streets and sidewalks.

Revenue Recognition – In applying the susceptible-to-accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current period or within 60 days after year end and available to pay obligations of the current period): ad valorem taxes, franchise taxes, sales taxes, grants, interest revenue, and charges for services. Fines, permits, and license revenues are generally not susceptible to accrual because they are not measurable until received in cash. Reimbursements due for federal and state funded projects are accrued as revenue at the time the expenditures are made. When received in advance, the advance is not recognized as revenue until the related expenditure is incurred.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Ad valorem taxes are recognized as revenue in the year in which final approval is received from the Louisiana Tax Commission, at which time a valid claim exists, to the extent considered available. Ad valorem taxes are considered 'measurable' at the time of levy. Substantially all other non-governmental revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs.

Expenditure Recognition – GAAP requires that all liabilities and expenditures reported in governmental funds be recognized when the liability is incurred – that is, on the accrual basis – absent a specific requirement (modification) to do otherwise. Debt service expenditures (principal and interest) on general long-term debt, which has not matured, are recognized when paid. Compensated absences and claims and judgments are recognized only to the extent that the liabilities are normally expected to be liquidated with expendable available financial resources.

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus is concerned with determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned, and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Town has one proprietary fund, which is classified as an enterprise fund.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The major enterprise fund of the Town is the utility system enterprise fund, which accounts for water and sewer services provided to residents of the Town and general surrounding areas.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Budgets and Budgetary Accounting

Operating budgets of proposed expenditures and the means of financing them were adopted for the General Fund and the Street Special Revenue Fund.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

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

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, the date of a public hearing is published.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance.
5. Budgetary amendments involving the transfers of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. All expenditures in excess of budgeted amounts are approved by the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Aldermen.

D. Cash, Cash Equivalents, and Investments

Cash includes amounts on hand, in demand deposits, and in time deposits. For the purpose of the statement of cash flows, the Town considers all highly liquid investments with maturity of three months or less when acquired to be cash equivalents.

Under state law, the Town may deposit funds in demand deposits (interest bearing or non-interest bearing), money market accounts, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana. The Town may invest in United States bonds, treasury notes, investments as stipulated in state law, or any other federally insured investments. At year-end, the Town had no investments.

E. Receivables and Bad Debts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. None of the governmental funds receivables were considered uncollectible at year-end.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

F. Internal Balances (Due from/to Other Funds)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the statement of net position and as due from/to other funds in the fund financial statements.

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

G. Inventories

Inventories are accounted for in the General Fund and Enterprise Fund as expenditures or expenses when purchased. Amounts on hand, if any, are immaterial.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year-end are recorded as prepaid expenses using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which it is consumed.

I. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental funds.

In the government-wide financial statements, capital assets, including general capital assets are capitalized and depreciated on a straight-line basis over their estimated useful lives. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets, drainage systems, and lighting systems are capitalized. The valuation basis for capital assets is historical cost, or when historical cost is not available, estimated historical cost. Donated capital assets are valued at estimated fair value on date of donation. The minimum capitalization threshold is as follows:

Land	All costs
Infrastructure	\$ 12,500
Equipment	5,000
Vehicles	7,500
All other	5,000

The Town qualifies as a Phase Three government exempting them from reporting infrastructure on a retroactive basis. Due to this qualification, the Town has elected to report infrastructure on a prospective basis. Acquisitions made on or after July 1, 2003, and meeting the above capitalization thresholds, have been capitalized and depreciated in the government-wide financial statements. Capital assets are not capitalized in the governmental fund financial statements.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Capital assets in the proprietary fund are capitalized in the fund. The valuation basis for proprietary fund capital assets is the same as those used for general capital assets.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized during the current period.

In the government-wide financial statements and proprietary fund financial statements, capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Water system	10 – 60
Sewer system	5 – 60
Buildings and improvements	10 – 40
Infrastructure	10 – 30
Fixtures and equipment	5 – 60
Trucks and machinery	3 – 5

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently the Town has only one item that qualifies for reporting in this category: deferred outflows related to pensions.

In addition to liabilities, the Statement of Financial Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenues) until then. The Town has only one item that qualifies for reporting in this category: deferred inflows related to pensions.

K. Short-Term Liabilities

Short-term liabilities with maturity of one year or less are reported as liabilities in the governmental funds balance sheet.

L. Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are not reported in the Balance Sheet for the fund financial statements; however, such long-term obligations are reported in the Statement of Net Position in the government-wide financial statements. Interest expense on long-term debt is recognized in the government-wide financial statements as the interest accrues, regardless of when it is due. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in that fund.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

M. Compensated Absences

Vested or accumulated leave is accrued in the period the liability is incurred. Compensated absences expected to be financed from governmental funds are not reported in the Balance Sheet of the fund financial statements; however, compensated absences are reported in the statement of Net Position in the government-wide financial statements. Vested or accumulated leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

N. Interfund Transactions

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

O. Supplemental Wages

Certain employees of the police department are eligible for and receive supplemental wages from the State of Louisiana. These supplemental wages are recognized as intergovernmental revenue and public safety expenditures in the General Fund.

P. 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 and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Impact of Recently Issued Pronouncements

The Town implemented Statement 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective July 1, 2019. In March 2018, GASB released an amendment to Statements 34 and 38, aimed at improving disclosures related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The GASB approved the following statement that changes the accounting and financial reporting by state and local governments. Management is currently evaluating the impact of the future adoption of this statement on the Town's financial statements.

Statement 87 *Leases*, effective for reporting periods beginning after June 15, 2021, was adopted by GASB in June 2017. This pronouncement is predicated on the basic notion that all leases are financings of the right to use an underlying asset. A lease is defined as "a contract that conveys the right to use a nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction." Any contract that meets this definition is accounted for under the lease guidance, unless specifically excluded. Management is currently evaluating the impact of the adoption of this statement.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

2. Ad Valorem Taxes

Levied ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and are payable upon receipt of notice. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Sabine Parish.

For the current year, property taxes were levied for 5.34 mills on property with assessed valuations totaling \$22,788,103 and were dedicated for general alimony purposes. Total taxes levied were \$121,688.

3. Dedication of Proceeds and Flow of Funds - Sales Tax

Proceeds of the Town's 1% sales and use tax are dedicated to the following purposes:

- (a) One-half to the Street Special Revenue Fund for maintenance and construction of streets and sidewalks.
- (b) One-half to the General Fund for general operating expenditures or any other use as designated by the Board.

4. Cash and Cash Equivalents

Under state law, the Town may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Cash and cash equivalents consist of both non-interest-bearing and interest-bearing bank accounts with area financial institutions. Interest-bearing and non-interest-bearing accounts were insured by the FDIC up to \$250,000 per institution. Banks are required by R.S. 49:321 to pledge security for deposits in excess of FDIC coverage. Louisiana revised statutes require the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Town that the pledging bank has failed to pay deposited funds upon demand. At year-end, the Town's deposits were covered by depository insurance or collateral held by the Town or its agent in the Town's name. The Town was not exposed to custodial credit risk at year-end.

5. Receivables

Receivables, as shown in the government-wide financial statements, consist of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Taxes			
Sales taxes	\$ 151,036	\$ -	\$ 151,036
Franchise taxes	31,043	-	31,043
Ad valorem taxes	16,492	-	16,492
Intergovernmental	279,748	367,668	647,416

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Customers			
Uncollected cycle billings	-	420,198	420,198
Estimated unbilled services	-	78,146	78,146
Other	<u>6,266</u>	<u>34,197</u>	<u>40,463</u>
Gross receivables	484,585	900,209	1,384,794
Allowance for estimated uncollectible	-	(258,500)	(258,500)
	<u>\$ 484,585</u>	<u>\$ 641,709</u>	<u>\$ 1,126,294</u>

6. Internal Balances (Due from/to Other Funds)

Amounts due from and to other funds, as reported in the fund financial statements, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utility System Enterprise Fund	\$ 839,041
Street Special Revenue Fund	General Fund	1,192,447
Street Special Revenue Fund	Utility System Enterprise Fund	<u>1,262</u>
		<u>\$ 2,032,750</u>

The balances reflected in interfunds represent either routine charges for goods and services or transfers from one fund to another. These balances are settled as funds become available. Complete settlement is not expected within the next fiscal year.

7. Capital Assets and Depreciation

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 454,717	\$ -	\$ -	\$ 454,717
Construction in progress	<u>219,145</u>	<u>89,270</u>	<u>(219,145)</u>	<u>89,270</u>
Total capital assets not being depreciated	673,862	89,270	(219,145)	543,987
Other capital assets				
Buildings and improvements	4,060,154	948,783	-	5,008,937
Infrastructure	1,795,708	1,167,227	-	2,962,935
Machinery and equipment	749,515	134,922	(11,410)	873,027
Automobiles and trucks	<u>348,506</u>	<u>171,115</u>	<u>-</u>	<u>519,621</u>
Total other capital assets	6,953,883	2,422,047	(11,410)	9,364,520
Accumulated depreciation				
Buildings and improvements	(1,545,029)	(213,984)	-	(1,759,013)
Infrastructure	(995,685)	(163,880)	-	(1,159,565)
Machinery and equipment	(533,543)	(46,738)	11,410	(568,871)
Automobiles and trucks	<u>(273,606)</u>	<u>(54,302)</u>	<u>-</u>	<u>(327,908)</u>
Total accumulated depreciation	<u>(3,347,863)</u>	<u>(478,904)</u>	<u>11,410</u>	<u>(3,815,357)</u>
Other capital assets, net	<u>3,606,020</u>	<u>1,943,143</u>	<u>-</u>	<u>5,549,163</u>
Net Capital Assets	\$ 4,279,882	\$ 2,032,413	\$ (219,145)	\$ 6,093,150

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Depreciation was charged to Governmental Activities as follows:

General government	\$ 220,107
Public safety	9,388
Public works	211,364
Culture and recreation	12,867
Sanitation	25,178
	\$ 478,904

	July 1, 2019	Increases	Decreases	June 30, 2020
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 38,999	\$ -	\$ -	\$ 38,999
Construction in progress	-	484,393	-	484,393
Total capital assets not being depreciated	38,999	484,393	-	523,392
Other capital assets				
Water system	13,480,926	49,236	-	13,530,162
Sewer system	4,482,143	-	-	4,482,143
Furniture and fixtures	26,504	64,533	-	91,037
Trucks and equipment	209,594	-	-	209,594
Total other capital assets	18,199,167	113,769	-	18,312,936
Accumulated depreciation				
Water system	(4,469,541)	(263,401)	-	(4,732,942)
Sewer system	(2,669,602)	(119,672)	-	(2,789,274)
Furniture and fixtures	(19,633)	(441)	-	(20,074)
Trucks and equipment	(153,975)	(21,851)	-	(175,826)
Total accumulated depreciation	(7,312,751)	(405,365)	-	(7,718,116)
Other capital assets, net	10,886,416	(291,596)	-	10,594,820
Net Capital Assets	\$ 10,925,415	\$ 192,797	\$ -	\$ 11,118,212

Depreciation in the amount of \$405,365 was charged to Utility System expenses.

8. Long-Term Liabilities

Governmental activities' long-term liabilities are direct obligations and pledge the full faith and credit of the Town. The Town incurred these liabilities to provide funds for operations. In addition, the Town's obligation relative to the governmental funds' liability for compensated absences is reported as a governmental activities' long-term liability.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

A summary of long-term liabilities as of year-end follows:

	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Governmental activities				
Direct borrowing and placement:				
Limited Tax Bond Obligation				
Series 2019	2020-2024	1.975-3.950%	\$ 118,000	-
Other long-term liabilities:				
Compensated absences			22,289	-
Business-type activities				
Direct borrowing and placement:				
LDOTD note payable - construction	Open ended	N/A	-	670,782
Other long-term liabilities:				
Meter deposits payable			-	124,847
Compensated absences			-	21,289
			<u>\$ 140,289</u>	<u>\$ 816,918</u>

For the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>Due Within One Year</u>
Governmental activities					
Direct borrowing and placement:					
Certificates of indebtedness	\$ 134,000	\$ -	\$ (134,000)	\$ -	\$ -
Limited Tax Bond Obligation Series 2019	-	146,000	(28,000)	118,000	28,000
Other long-term liabilities:					
Compensated absences	24,455	-	(2,166)	22,289	-
Business-type activities					
Direct borrowing and placement:					
LDOTD notes payable	670,782	-	-	670,782	-
Other long-term liabilities:					
Meter deposits payable	119,597	5,250	-	124,847	-
Compensated absences	19,213	2,076	-	21,289	-
	<u>\$ 968,047</u>	<u>\$ 153,326</u>	<u>\$ (164,166)</u>	<u>\$ 957,207</u>	<u>\$ 28,000</u>

The limited tax bonds, Series 2019, are payable from an irrevocable pledge and dedication of funds derived by the Town from ad valorem tax revenue levied and collected annually. In accordance with Louisiana Revised Statute 39:562, the Town is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the Town. At June 30, 2020, the statutory limit was \$2,278,810.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

The Town entered into agreements with the Louisiana Department of Transportation and Development (LDOTD) for utility relocation assistance funding. Issuance of future permits to the Town by the LDOTD for location of additional longitudinal facilities within any state owned right of way is contingent upon repayment of this funding. As of year-end, LDOTD had invoiced the Town for these projects, but a payment schedule has not been established.

The annual requirements to amortize outstanding governmental activities long-term debt from direct borrowings and placements are as follows:

<u>Year ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2021	\$ 28,000	\$ 4,088	\$ 32,088
2022	29,000	3,120	32,120
2023	30,000	2,113	32,113
2024	31,000	1,066	32,066
	<u>\$ 118,000</u>	<u>\$ 10,387</u>	<u>\$ 128,387</u>

9. Compensation Paid to Mayor and Board of Aldermen

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following report reflects compensation paid to the Mayor and members of the Board of Aldermen of the Town of Many, Louisiana, for the fiscal year ending June 30, 2020.

Mayor Kenneth Freeman	\$ 30,000
Board of Aldermen	
James D. Kennedy, Mayor Pro Tem	9,300
Mary Brocato	9,000
Veda Gay Corley	9,000
Anita W. Darwin	9,000
Bobbie Guay Jackson	9,000

10. Supplemental Pay

Certain employees meeting statutory qualifications in the police department receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$50,510 is recognized as intergovernmental revenue in the General Fund and as public safety expenditures.

11. Defined Benefit Pension Plans

The Town contributes to the Municipal Police Employees' Retirement System and Municipal Employees' Retirement System. Each System issues an annual publicly available financial report that includes statements and required supplementary information for the system. The Town recognized its proportional share of each of the pension plans' net pension liability and related disclosures.

The following recap shows the total deferred outflows and inflows of pension resources and net pension liability, as reported in the Statement of Net Position, for each of these plans, which is explained further in this note disclosure.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

	Deferred Outflows of Pension Resources	Deferred Inflows of Pension Resources	Net Pension Liability
Municipal Police Employees' Retirement System (MPERS)	\$ 228,946	\$ 90,838	\$ 651,138
Municipal Employees' Retirement System (MERS)	245,627	35,776	782,701
Total	\$ 474,573	\$ 126,614	\$ 1,433,839

A. Municipal Police Employees' Retirement System of Louisiana (MPERS)

General Information about the Pension Plan

Plan Description

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana, engaged in law enforcement, and empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233. MPERS issues a publicly available financial report that is available for download at www.lampers.org.

Benefits Provided

The following is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

A member who has joined MPERS before January 1, 2013, is eligible for regular retirement after he has been a member of the 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 the MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to 10% percent of the member's average final compensation or \$200 per month, whichever is greater.

The eligibility of a member who joins MPERS on or after January 1, 2013, for regular retirement, early retirement, disability, and survivor benefits is based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

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 MPERS 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 MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month, whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

The Board of Trustees of MPERS is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least 1 full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least 1/2 of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in MPERS is terminated. 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 36 months or less. If employment is terminated after the 3-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into MPERS shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of MPERS' investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on MPERS' investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

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 retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Employer Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay.

For the plan year ended June 30, 2019, total contributions due from employers and employees was 42.25%. The employer and employee contribution rates for all members hired prior to January 1, 2013, and Hazardous Duty members hired after January 1, 2013, were 32.25% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013, were 32.25% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.75% and 7.5%, respectively.

Non-Employer Contributions

MPERS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions were recognized as revenue during the plan year ended June 30, 2019, and excluded from pension expense.

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

At June 30, 2020, the Town of Many, Louisiana reported a liability of \$651,138 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2019, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The Town of Many's proportion of the NPL was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, The Town's proportion was 0.071698%, which was a decrease of 0.011876% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized a pension expense of \$112,344.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,366	\$ 20,033
Changes of assumptions	36,489	-
Difference between projected and actual earnings on pension plan investments	42,303	-

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	73,121	70,805
Employer contributions subsequent to the measurement date	75,667	-
Total	\$ 228,946	\$ 90,838

The \$75,667 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the plan year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>			
2021		\$	68,786
2022			(9,358)
2023			(7,545)
2024			10,558

Actuarial Methods and Assumptions

The actuarial assumptions used in the June 30, 2019 valuation were based on the assumptions used in the June 30, 2019 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.125%, net of investment expense
Expected Remaining Service Lives	4 years
Inflation Rate	2.50%
Salary increases, including inflation and merit	

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1 – 2	9.75%
3 – 23	4.75%
Over 23	4.25%

**Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements**

Mortality Rate Assumption

RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.
 RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.
 RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by MPERS and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 7.125%. 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 Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of MPERS actuary. Based on those assumptions, MPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the Employer's proportionate share of the NPL using the discount rate of 7.125%, as well as what the employers' proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage point lower (6.125%) or one percentage point higher (8.125%) than the current rate.

	<u>1.0% Decrease</u> <u>(6.125%)</u>	<u>Current Discount</u> <u>Rate (7.125%)</u>	<u>1.0% Increase</u> <u>(8.125%)</u>
Employer's proportionate share of the net pension liability	\$ 907,250	\$ 651,138	\$ 436,286

Support of Non-employer Contributing Entities

In accordance with state statute, MPERS receives insurance premium tax monies. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. For the plan year ended June 30, 2019, the proportionate share of these monies received by the MPERS on behalf of the Town of Many, was \$14,761.

**Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements**

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued audit report online at www.lampers.org.

B. Municipal Employees' Retirement System of Louisiana (MERS)

General Information about the Pension Plan

Plan Description

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple employer defined benefit pension plan. MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. MERS provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system, and which elect to become members of the MERS. For the plan year ended June 30, 2019, there were 87 contributing municipalities in Plan A and 67 in Plan B. The Town of Many participates in Plan B.

The following is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information. MERS issues a publicly available financial report that is available for download at www.mersla.com.

Eligibility Requirements

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in MERS with exceptions as outlined in the statutes. Any person eligible for membership but whose first employment making him eligible for membership in MERS occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of MERS as a condition of employment.

Benefits Provided

Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following is a brief description of Plan B benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Any member of Plan B who commenced participation in MERS prior to January 1, 2013 can retire providing he meets one of the following criteria: (1) Any age with 30 years of creditable service; (2) Age 60 with a minimum of 10 or more years of creditable service; (3) Any age with 10 years of creditable service eligible for disability benefits; (4) Survivor's benefits require 5 years creditable service at death of member.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2% of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest 60 consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if the member meets one of the following requirements: (1) 7 years or more of service at age 67 or thereafter; (2) 10 years or more of service at age 62 or thereafter; (3) 30 years or more of service at age 55 or thereafter; or (4) 25 years of service credit at any age, exclusive of military service and unused annual sick leave.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to 2% of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest 60 consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon death of any member of Plan B with 5 or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

DROP Benefits

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to 3 years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of MERS has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in MERS.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least 10 years of creditable service, in which he would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least 10 years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of 30% of his final average compensation or 2% of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to 2% of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

Cost of Living Increases

MERS is authorized under state law to grant a cost-of-living increase to members who have been retired for at least 1 year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows MERS to grant an additional cost of living increase to all retirees and beneficiaries who are age 65 and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits

Plan B provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the plan year ending June 30, 2019, the employer contribution rate was 14.00% for Plan B.

Non-Employer Contributions

According to state statute, MERS also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. MERS also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities.

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

At June 30, 2020, the Town of Many, Louisiana reported a liability of \$782,701 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2019, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The Town of Many's proportion of the NPL was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, The Town's proportion was 0.894706%, which was an increase of 0.005221% from its proportion measured as of June 30, 2018.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

For the year ended June 30, 2020, the Town recognized a pension expense of \$169,206.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 34,716
Changes of assumptions	47,712	-
Net difference between projected and actual earnings on pension plan investments	82,439	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	4,849	1,060
Employer contributions subsequent to the measurement date	<u>110,627</u>	<u>-</u>
Total	\$ 245,627	\$ 35,776

The \$110,627 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the plan year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ 53,707
2022	27,371
2023	10,983
2024	7,163

Actuarial Methods and 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 position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense

**Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements**

Projected Salary Increases	1-4 years of service – 7.4% More than 4 years of service – 4.9%
Mortality Rates	
Annuitant and beneficiary	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA.
Employee mortality	RP-2000 Disabled Lives Mortality Table set back 2 years for both males and females.
Disabled lives mortality	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.
Expected Remaining Service Lives	4 years for Plan B

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by Public Retirement Systems Actuarial Committee (PRSAC). Based on those assumptions, MERS'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.

Sensitivity to Changes in Discount Rate

The following presents the Employer's proportionate share of the NPL using the discount rate of 7.00%, as well as what the employers' proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Employer's proportionate share of the net pension liability	\$ 1,043,139	\$ 782,701	\$ 562,441

Support of Non-employer Contributing Entities

In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. For the year ended June 30, 2020, the proportionate share of these monies received by the MERS on behalf of the Town of Many was \$23,589.

Town of Many, Louisiana
June 30, 2020
Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued audit report online at www.mersla.com.

12. Contingencies

The Town is periodically the subject of litigation by a variety of plaintiffs. The Town's management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

The Town receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement of disallowed costs under the terms of the grant agreements.

The Town provides water and sewer services to the citizens of Many, and these services are heavily regulated by DHH and DEQ. Drinking water and sewer treatment discharges are subject to strict guidelines relating to quality. Failure to meet these requirements could subject the Town to penalties.

13. Subsequent Event

Subsequent to the financial statement date but prior to issuance of this report, the Town began making application to enter into a lease purchase agreement for approximately \$925,000 for the acquisition of an electronic water meter system.

The Town suffered damages and costs related to Hurricane Laura during August 2020. As a result, the Town has applied for and/or received some funding related to those costs.

The Mayor and two of the members of the Board of Aldermen in office during the period under audit were not reelected or did not seek reelection at the expiration of their terms ending June 30, 2021.

Subsequent to the financial statement date but prior to issuance of this report, the Town applied for and/or has received various grants and other funding and entered into various agreements for capital improvements and acquisition of operating supplies, equipment, and repairs.

14. Risk Management

The Town is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town carries commercial insurance to cover various risks of loss. The Town covers all other losses, claim settlements, and judgments from General Fund and Enterprise Fund resources. The Town currently reports its risk management activities in its General Fund and Enterprise Funds. Claims expenditures and liabilities are reported when it is probable that a loss not covered by insurance has occurred and the amount of that loss can be reasonably estimated. Settlements have not exceeded insurance coverage for each of the prior three fiscal years.

Required Supplemental Information – Part II

**Town of Many, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020**

Schedule 1

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Ad valorem and franchise taxes	\$ 380,500	\$ 370,500	\$ 319,167	\$ (51,333)
Sales taxes	687,629	687,629	772,559	84,930
Intergovernmental	71,000	961,000	1,035,810	74,810
Fines	170,000	145,000	145,586	586
Licenses and permits	231,700	231,700	247,941	16,241
Charges for services	349,912	314,912	299,013	(15,899)
Investment earnings	300	300	2,603	2,303
Miscellaneous	15,000	15,000	49,353	34,353
Total Revenues	1,906,041	2,726,041	2,872,032	145,991
Expenditures				
Current				
General government	432,125	526,626	467,529	59,097
Public safety	854,838	854,838	790,513	64,325
Sanitation	354,503	373,503	357,939	15,564
Culture and recreation	22,100	27,100	40,828	(13,728)
Capital outlay	69,264	1,359,264	1,040,276	318,988
Debt service				
Principal	140,700	165,700	162,000	3,700
Interest and other charges	-	-	8,731	(8,731)
Total Expenditures	1,873,530	3,307,031	2,867,816	439,215
Excess (Deficiency) of Revenues over Expenditures	32,511	(580,990)	4,216	585,206
Other Financing Sources (Uses)				
Issuance of bonds	-	145,990	146,000	10
Net Change in Fund Balances	32,511	(435,000)	150,216	585,216
Fund Balances, Beginning of Year	569,082	569,082	569,082	-
Fund Balances, End of Year	\$ 601,593	\$ 134,082	\$ 719,298	\$ 585,216

See Independent Auditor's Report.

**Town of Many, Louisiana
 Budgetary Comparison Schedule
 Street Special Revenue Fund
 For the Year Ended June 30, 2020**

Schedule 2

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Sales taxes	\$ 687,629	\$ 687,630	\$ 772,559	\$ 84,929
Intergovernmental	10,000	10,000	38,700	28,700
Investment earnings	300	300	2,045	1,745
Miscellaneous	-	-	6,555	6,555
Total Revenues	<u>697,929</u>	<u>697,930</u>	<u>819,859</u>	<u>121,929</u>
Expenditures				
Current				
Public works	437,880	597,880	386,937	210,943
Capital outlay	189,770	1,089,770	1,251,896	(162,126)
Total Expenditures	<u>627,650</u>	<u>1,687,650</u>	<u>1,638,833</u>	<u>48,817</u>
Net Change in Fund Balances	70,279	(989,720)	(818,974)	170,746
Fund Balances, Beginning of Year	<u>2,547,121</u>	<u>2,547,121</u>	<u>2,547,121</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 2,617,400</u></u>	<u><u>\$ 1,557,401</u></u>	<u><u>\$ 1,728,147</u></u>	<u><u>\$ 170,746</u></u>

See Independent Auditor's Report.

Town of Many, Louisiana
Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees' Retirement System (MPERS)

Schedule 3

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.071698%	0.083574%	0.075435%	0.053591%	0.07498%	0.09020%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 651,138	\$ 706,540	\$ 658,579	\$ 502,299	\$ 587,390	\$ 564,285
Employer's Covered-Employee Payroll	\$ 223,904	\$ 243,412	\$ 225,135	\$ 150,121	\$ 200,591	\$ 272,169
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	290.81%	290.27%	292.53%	334.60%	292.83%	207.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.01%	71.89%	70.08%	66.04%	70.73%	75.10%
The amounts presented have a measurement date of:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

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

See Independent Auditor's Report.

**Town of Many, Louisiana
Schedule of Employer Contributions
Municipal Police Employees' Retirement System (MPERS)**

Schedule 4

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2015	\$ 63,178	\$ 63,178	-	\$ 200,566	31.50%
6/30/2016	62,943	62,943	-	199,840	31.50%
6/30/2017	71,500	71,500	-	225,196	31.75%
6/30/2018	74,972	74,972	-	243,412	30.80%
6/30/2019	72,209	72,209	-	223,904	32.25%
6/30/2020	75,667	75,667	-	232,822	32.50%

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

5

See Independent Auditor's Report.

Town of Many, Louisiana
Notes to Required Supplemental Information
Municipal Police Employees' Retirement System (MPERS)
For the Year Ended June 30, 2020

Schedule 5

Changes in Benefit Terms

There were no changes in benefit terms for the plan year ended June 30, 2019.

Changes of Actuarial Assumptions

The net investment rate of return was decreased from 7.20% to 7.125% per the year ended June 30, 2019 actuarial report.

The inflation interest rate was decreased from 2.60% to 2.50% per the year ended June 30, 2019 actuarial report.

See Independent Auditor's Report.

Town of Many, Louisiana
Schedule of Employer's Share of Net Pension Liability
Municipal Employees' Retirement System (MERS)

Schedule 6

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.894706%	0.889485%	0.893223%	0.877156%	0.709269%	0.80866%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 782,701	\$ 752,355	\$ 772,846	\$ 727,082	\$ 482,053	\$ 379,664
Employer's Covered-Employee Payroll	\$ 683,973	\$ 659,173	\$ 664,830	\$ 644,449	\$ 492,005	\$ 507,376
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	114.43%	114.14%	116.25%	112.82%	97.98%	74.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.14%	65.60%	63.49%	63.34%	68.71%	76.94%
The amounts presented have a measurement date of:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

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

See Independent Auditor's Report.

**Town of Many, Louisiana
Schedule of Employer Contributions
Municipal Employees' Retirement System (MERS)**

Schedule 7

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2015	\$ 46,685	\$ 46,703	\$ 18	\$ 491,423	9.50%
6/30/2016	61,302	61,302	-	645,284	9.50%
6/30/2017	72,806	72,806	-	661,871	11.00%
6/30/2018	87,340	87,340	-	659,173	13.25%
6/30/2019	95,756	95,756	-	683,973	14.00%
6/30/2020	110,627	110,627	-	790,190	14.00%

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

53

See Independent Auditor's Report.

Town of Many, Louisiana
Notes to Required Supplemental Information
Municipal Employee's Retirement System (MERS)
For the Year Ended June 30, 2020

Schedule 8

Changes in Benefit Terms

There were no changes in benefit terms for the plan year ended June 30, 2019.

Changes of Actuarial Assumptions

The net investment rate of return was decreased from 7.28% to 7.00% per the year ended June 30, 2019 actuarial report.

The inflation interest rate was decreased from 2.60% to 2.50% per the year ended June 30, 2019 actuarial report.

See Independent Auditor's Report.

Other Information

**Town of Many, Louisiana
Schedule of Compensation, Benefits, and Other
Payments to the Agency Head
For the Year Ended June 30, 2020**

Schedule 9

Agency Head: Honorable Mayor Kenneth Freeman

	Purpose	Amount
Salary		<u>\$ 30,000</u>
Benefits - medicare		435
Benefits - retirement		4,200
Benefits - social security		<u>1,860</u>
Total		<u><u>\$ 36,495</u></u>

See Independent Auditor's Report.

Town of Many, Louisiana
Unaudited Summary of Utility Service Customers
June 30, 2020

Schedule 10

<u>Type of Customers</u>	<u>Number of Customers</u>
Residential	970
Non-Residential	<u>294</u>
	<u><u>1,264</u></u>

See Independent Auditor's Report.

Town of Many, Louisiana
Unaudited Schedule of Insurance in Force
June 30, 2020

Insurer	Expiration Date	Coverage	Limits
Louisiana Municipal Risk Management Agency	March 9, 2021	Commercial General Liability Combined Single Limit Medical Payments Per Person Per Occurrence Fire Legal Liability per Occurrence Deductible	\$ 500,000 1,000 10,000 50,000 -
Louisiana Municipal Risk Management Agency	March 9, 2021	Law Enforcement Officer Combined Single Limit Deductible	500,000 1,000
Louisiana Municipal Risk Management Agency	March 9, 2021	Errors and Omissions Combined Single Limit Deductible	500,000 1,000
Louisiana Municipal Risk Management Agency	March 9, 2021	Automobile Liability Combined Single Limit Deductible	500,000 -
Western Surety Company	Continuous	Public Official Honesty Bond (Mayor, Mayor Pro-Tempre, Clerk, Depty Clerk) Per Person	20,000
Phares Lites & Walsworth (Aviation Insurance Managers, Inc.)	August 5, 2020	Legal Liability: Each Occurrence - CSL, BI, PD Non-Owned Aircraft Legal Liability: Each Occurrence - CSL, BI, PD Ground Hangarkeepers Legal Liability: Any One Aircraft Ground Hangarkeepers Legal Liability: Any One Occurrence Damage to Rented Premises (Fire Legal Liability): Each Occurrence Premises Medical Payments: Each Person	2,000,000 2,000,000 2,000,000 2,000,000 100,000 1,000
Phares Lites & Walsworth (Scottsdale Insurance Co.)	October 24, 2020	Buildings, Welcome Signs & Personal Property Building 1 (Community Center) Building 2 (City Hall/P.D.) BPP Building 3 (Airport Terminal) BPP Building 4 (Equipment Warehouse "Barn") Building 5 (Water Office) Building 9 (Train Depot) Inland Marine Welcome Signs (4) Deductible (\$2,500 for each PP, IM & Signs)	254,618 309,563 85,664 134,010 18,522 16,082 49,585 378,000 76,000 67,580 2,500

Schedule 11
continued

Town of Many, Louisiana
Unaudited Schedule of Insurance in Force
June 30, 2020

**Schedule 11
concluded**

<u>Insurer</u>	<u>Expiration Date</u>	<u>Coverage</u>	<u>Limits</u>
A.J. Gallagher (Evanston Insurance Company) Parks and Playgrounds (115 Fairgrounds Road) Parks and Playgrounds (850 Highland Avenue) Parks and Playgrounds (710 Martin Luther King Drive)	November 7, 2020	General Aggregate Limit Personal/Advertising Limit Each Occurrence Limit Damage to Premises Rented To You Limit Medical Expense Limit (Any one person)	2,000,000 1,000,000 1,000,000 100,000 5,000
Phares Lites & Walsworth (Starr Indemnity & Liability Company)	August 5, 2020	Each Occurrence-CSL, BI, PD Damage to Premises (Rented To You Limit) Damage to Premises (Medical Expense Limit) Personal & Advertising Injury Aggregate Limit Products/Completed Operations Aggregate Limit Hangarkeepers Limit (Each Aircraft Limit) Hangarkeepers Limit (Each Loss Limit)	2,000,000 100,000 1,000 2,000,000 2,000,000 2,000,000 2,000,000
Rod Prejean & Assoc, Inc. (Lloyd's London)	March 10, 2021	Automobile physical damage Deductible-Collision Deductible-Specified Perils	 1,000 500

69 See Independent Auditor's Report.

**Town of Many, Louisiana
 Unaudited List of Governing Body -
 Positions and Terms
 June 30, 2020**

Schedule 12

<u>Name</u>	<u>Position</u>	<u>Address</u>	<u>Telephone Number</u>	<u>Term Expires</u>
Kenneth Freeman	Mayor	1055 Alabama Street, Many, LA 71449	(318) 256-5146	6/30/2021
Mary Brocato	Alderwoman	100 Blueberry Lane, Many, LA 71449	(318) 256-5809	6/30/2021
Gay Corley	Alderwoman	665 Ponder Street, Many, LA 71449	(318) 508-1424	6/30/2021
Anita Darwin	Alderwoman	339 Day Street, Many, LA 71449	(318) 379-8683	6/30/2021
Bobbie Jackson	Alderwoman	206 Trace Street, Many, LA 71449	(318) 228-7910	6/30/2021
James Kennedy	Mayor Pro-Tem	1335 Kenilworth Street, Many, LA 71449	(318) 471-4503	6/30/2021

See Independent Auditor's Report.

**Other Report Required by
*Government Auditing Standards***

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Auditor’s Report
on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Robert Hable, Mayor
and Members of the Board of Aldermen
Town of Many, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Many, Louisiana (the Town), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated October 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) 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 Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as Findings 2020-001 and 2020-002 that we consider to be material weaknesses.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Many, Louisiana's Response to Findings

The Town's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP".

Certified Public Accountants
Alexandria, Louisiana

October 22, 2021

**Town of Many, Louisiana
Schedule of Findings and Responses
For the Year Ended June 30, 2020**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u>	Yes	<u> X </u>	None reported

Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No
---	---------------	-----	--------------	----

Management's Corrective Action Plan See attached

Management's Summary Schedule of Prior Audit Findings See attached

Other Comments and Recommendations None reported

Part II – Findings Related to the Financial Statements which are Required to be Reported Under Government Auditing Standards

Finding 2020-001 Grants and Related Financial Oversight

Criteria: The objectives of internal controls are to provide management with reasonable assurance that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. In addition, internal controls are essential to ensure that management properly complies with all provisions of grants and that recordkeeping is complete and sufficient to demonstrate such compliance.

Condition: No comprehensive schedule of grant awards and expenditures was maintained. Recordkeeping for various grants was difficult to follow and not readily available. The sources of funding for various grants was not identified by Town personnel and was not readily available to the auditors.

Cause and Effect: During the period under audit, there was no specified individual responsible for summarizing and overseeing compliance with all grant provisions, including recordkeeping, determining funding sources, and ensuring compliance with all provisions. As a result, management could not affirm compliance with all provisions of grants or provide the auditors with a comprehensive list of grant awards and expenditures during the year.

Recommendation: The auditors recommend that management develop and implement procedures to ensure that recordkeeping and oversight of all grant awards and expenditures are sufficiently and timely maintained. Procedures should include regular reporting of awards, expenditures, funding sources, and compliance requirements to management and those charged with governance in detail sufficient to ensure that the Town is in full compliance with laws and provisions related to grants.

Management's Response: See Management's Corrective Action Plan.

**Town of Many, Louisiana
Schedule of Findings and Responses
For the Year Ended June 30, 2020**

Finding 2020-002 Delinquent Payment of Certain Payroll Liabilities

Criteria: Effective internal controls over payroll processing and payment of all payroll liabilities is essential to ensure that the Town is adhering to statutory requirements and fiduciary responsibilities. Although the conditions identified and reported herein are subsequent to the period under audit, the auditors believe that the matter is of such importance that reporting is prudent.

Condition: During fieldwork on the June 30, 2020, audit, the auditors became aware that the Town had not remitted Louisiana income taxes withheld from employees' wages and had not filed the required reports during the months of February 2021 through July 2021. The Town did not timely remit retirement contributions and required reports for police department employees during the months of May, June, and July 2021. The Town did not properly calculate and remit retirement payments for other municipal employees for the months of April, May, and June 2021. Premiums for Town employees' health insurance were not remitted timely during some months during the period November 2020 through July 2021.

Cause and Effect: Internal controls over payroll processes and functions were not followed. As a result, certain payroll tax withholdings, retirement contributions, and health insurance premiums were not paid timely and related reports were not properly prepared.

Recommendation: The auditors recommend that internal control procedures related to payroll processing be followed and supervision of payroll functions be improved to ensure complete and timely filing of required reports and payment of all payroll liabilities.

Management's Response: See Management's Corrective Action Plan.

Part III - Findings and Questioned Costs for Federal Awards

Not Applicable

Management's Corrective Action Plan

Town of Many

The Heart of Toledo Bend

MAYOR
Robert H. Hable, Jr.

CHIEF OF POLICE
Cheryl Wooley

P.O. Box 1330
MANY, LA 71449
(318) 256-3651 PHONE
(318) 256-4013 FAX

ALDERMEN
Anita Darwin
Bobbie Jackson
Mary Brocato
Mary Perry
Cherry Williams

The Town of Many respectfully submits the following corrective action plan for the year ended June 30, 2020.

Independent Public Accounting Firm: Payne, Moore, & Herrington, LLP
P.O. Box 13200
Alexandria, La 71315-3200
(318) 443-1893

Auditee Contact Person: Honorable Mayor Robert Hable
Town of Many, Louisiana
P.O. Box 1330
Many, LA 71449
(318) 256-3651

Audit Period: July 1, 2019 through June 30, 2020

The findings from the Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the numbers assigned in the preceding Schedule.

Part I – Findings Related to the Financial Statements

Finding 2020-001 Grants and Related Financial Oversight

Condition: No comprehensive schedule of grant awards and expenditures was maintained. Recordkeeping for various grants was difficult to follow and not readily available. The sources of funding for various grants was not identified by Town personnel and was not readily available to the auditors.

Recommendation: The auditors recommend that management develop and implement procedures to ensure that recordkeeping and oversight of all grant awards and expenditures are sufficiently and timely maintained. Procedures should include regular reporting of awards, expenditures, funding sources, and compliance requirements to management and those charged with governance in detail sufficient to ensure that the Town is in full compliance with laws and provisions related to grants.

Management's Response: Management agrees with the recommendation and is in the process of adopting the needed procedures and oversight to properly maintain the needed information on grants. Management expects this project to be completed by November 30, 2021.

Finding 2020-002 Delinquent Payment of Certain Payroll Liabilities

Condition: During fieldwork on the June 30, 2020, audit, the auditors became aware that the Town had not remitted Louisiana income taxes withheld from employees' wages and had not filed the required reports during the months of February 2021 through July 2021. The Town did not timely remit retirement contributions and required reports for police department employees during the months of May, June, and July 2021. The Town did not properly calculate and remit retirement payments for other municipal employees for the months of April, May, and June 2021. Premiums for Town employees' health insurance were not remitted timely during some months during the period November 2020 through July 2021.

Recommendation: The auditors recommend that internal control procedures related to payroll processing be followed and supervision of payroll functions be improved to ensure complete and timely filing of required reports and payment of all payroll liabilities.

Management's Response: Several years ago, management adopted procedures to ensure appropriate compliance in these critical areas, however proper oversight of these compliance procedures did not occur. The lack of proper oversight of compliance was also compounded by turnover of personnel in the office. The Town Clerk, Mayor and Council will increase oversight of these procedures to ensure compliance.

Respectfully submitted,

Robert Hable
Mayor

Management's Summary Schedule of Prior Audit Findings

Town of Many

The Heart of Toledo Bend

MAYOR
Robert H. Hable, Jr.

CHIEF OF POLICE
Cheryl Wooley

P.O. Box 1330
MANY, LA 71449
(318) 256-3651 PHONE
(318) 256-4013 FAX

ALDERMEN
Anita Darwin
Bobbie Jackson
Mary Brocato
Mary Perry
CherryWilliams

Management's Summary Schedule of Prior Audit Findings Year Ended June 30, 2020

Finding 2019-001 Grant Receivables and Payables

Condition: The results of audit procedures identified unrecorded grant receivables and unrecorded related payables.

Current Status: Resolved

Finding 2019-002 Advance Payments to Contractor

Conditions: The Town made payments to a contractor in advance of the contractor performing work. Also, there did not appear to be an executed contract between the Town and the contractor except for the acceptance of the contractor's bid in the minutes of the meeting.

Current Status: Resolved

Finding 2019-003 Budget Compliance

Conditions: Actual expenditures in the General Fund and Street Special Revenue Fund exceeded budgeted expenditures by 7.12% and 9.08%, respectively.

Current Status: Resolved

Finding 2019-004 Timekeeping and Payroll Procedures

Condition: Hours worked by some employees were not properly recorded on department payroll summaries and timecards.

Current Status: Resolved

Respectfully submitted,

Robert Hable
Mayor