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Town of Many, Louisiana

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1999

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Release Date 2-2-00



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Eugene W. Fremaux II

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Many, Louisiana, and the combining, individual fund and account group financial statements of the Town of Many, Louisiana, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Many, Louisiana, as of June 30, 1999, the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in my opinion, the combining, individual fund, and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Many at June 30, 1999, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended, in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Many, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and in my opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

In accordance with Government Auditing Standards, I have also issued my report dated December 23, 1999 on my consideration of the Town of Many, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The financial statements for the year ended June 30, 1998, which are included for comparative purposes, were taken from the financial report for that year in which I expressed a unqualified opinion dated December 17, 1998, on the general purpose, combining, individual fund, and account group financial statements of the Town of Many, Louisiana.

A handwritten signature in black ink, appearing to read "E. W. Fremaux II". The signature is stylized and cursive.

EUGENE W. FREMAUX II, CPA

December 23, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

TOWN OF MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE		ACCOUNT GROUPS		TOTALS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY) JUNE 30,	
						(Unaudited)		1999	1998
ASSETS									
Cash and cash equivalents (Note 13)	\$64,134	\$174,199		\$0	\$28,804			\$267,137	\$340,343
Investments, at cost (Note 13)	155,216	200,000		8,563	13,423			377,202	303,273
Receivables:									
Utility bills	1,457			0	117,708			117,708	122,746
Ad valorem taxes (Note 2)	29,998							1,457	536
Franchise taxes	0							29,998	29,400
Employees	13,832	3,500						0	829
State of Louisiana (Note 10)		86,353						17,332	16,868
Sales taxes	211	370			732			86,353	68,895
Other receivables (Note 10)	146,374	46,161	\$0					1,313	62,608
Due from utility fund	72,534	74,483						192,535	108,228
Due from sales tax fund	16,248							147,017	131,781
Due from street fund								16,248	0
Due from general fund		0		2,190	7,298			2,190	4,385
Prepaid insurance								7,298	6,524
Prepaid expenses								0	0
Utility deposits								125	125
Restricted assets: (Note 3)									
Cash									
Investments, at cost					47,764			47,764	40,991
Due from sales tax fund					480,414			480,414	314,953
General fixed assets, at cost (Note 4)					19,856			19,856	0
Plant and equipment (Note 8)						\$745,067		745,067	650,991
Accumulated depreciation (Note 8)					6,030,035			6,030,035	5,673,559
Amount available to debt service fund					(2,147,890)		\$10,754	(2,147,890)	(2,030,605)
Amount to be provided for retirement of general long-term debt							(754)	(754)	(2,660)
Amount to be provided for accumulated unpaid vacation							17,470	17,470	20,636
Total assets	\$500,129	\$585,066	\$0	\$10,753	\$4,598,144	\$745,067	\$27,470	\$6,466,629	\$5,887,066

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE		ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	FIXED ASSETS	GENERAL DEBT	1999	1998	(MEMORANDUM ONLY) JUNE 30,
LIABILITIES AND FUND EQUITY										
Liabilities:										
Sales taxes payable					\$1,014				\$1,014	\$1,101
Payroll and payroll taxes payable	\$11,531	\$3,844			8,196				23,571	36,831
Accounts payable - trade	44,169	5,014	\$0		42,564				91,747	129,570
Payable from restricted assets:										
Accrued interest coupons payable					16,375				16,375	16,875
Customers' meter deposits					77,150				77,150	78,080
Revenue bonds payable					20,000				20,000	20,000
Accounts payable-construction					37,423					
Due to debt service fund	2,190								2,190	2,890
Due to general fund		88,782			146,374				235,156	150,983
Due to streets and sidewalks fund	0	74,483			46,161				120,644	90,521
Due to utility fund		19,856							19,856	0
General obligation bonds payable (Note 5)							\$10,000		10,000	20,000
Revenue bonds payable (Note 5)					635,000				635,000	655,000
Due to State of Louisiana									0	0
Due to Federal government									0	0
Accumulated unpaid vacation					13,481				30,951	33,954
Total liabilities	57,890	191,979	0	0	1,043,738	0	27,470	1,321,077	1,235,805	
Fund Equity:										
Contributed capital					3,509,917				3,509,917	3,372,177
Investments in general fixed assets						745,067			745,067	650,991
Retained earnings:										
Reserved					433,461				433,461	277,864
Unreserved (deficit)-(Note 15)					(388,972)				(388,972)	(409,359)
Fund balances:										
Unreserved:										
Designated for debt service				10,753					10,753	21,660
Undesignated	442,239	393,087							835,326	737,928
Total fund equity	442,239	393,087	0	10,753	3,554,406	745,067	0	5,145,552	4,651,261	
Total liabilities and fund equity	\$500,129	\$585,066	\$0	\$10,753	\$4,598,144	\$745,067	\$27,470	\$6,466,629	\$5,887,066	

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1999
 WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1998

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30,	
					1999	1998
Revenues:						
Taxes	\$224,485	\$940,107		\$82	\$1,164,674	\$993,816
Licenses and permits	174,435	0		0	174,435	172,129
Intergovernmental	178,385	7,050	\$137,740	0	323,175	440,365
Charges for services	111,269	0		0	111,269	106,069
Fines	35,780	0		0	35,780	35,162
Interest	7,125	8,261		411	15,797	15,000
Miscellaneous	22,422	626	83,452	0	106,500	87,844
Total revenues	753,901	956,044	221,192	493	1,931,630	1,850,385
Expenditures:						
Current:						
General government	193,707	173,484		0	367,191	381,882
Public safety:						
Police	432,674	0		0	432,674	390,327
Highways and streets	53,316	175,110		0	228,426	203,487
Sanitation	218,896	0		0	218,896	223,120
Hart airport	46,062	0		0	46,062	36,084
Recreation	135,354	0		0	135,354	80,544
Maintenance	955	0		0	955	9,695
Public relations	50,435	0		0	50,435	57,530
Capital construction	0	0	221,192	0	221,192	362,374
Debt service:						
Principal retirement	0	0		10,000	10,000	16,701
Interest and fiscal charges	0	0		1,400	1,400	2,298
Total expenditures	1,131,399	348,594	221,192	11,400	1,712,585	1,764,042
Excess (deficiency) of revenue over expenditures	(377,498)	607,450	0	(10,907)	219,045	86,343
Other financing sources (uses):					0	0
Operating transfers in	395,793	395,793		0	791,586	738,134
Operating transfers out	0	(924,140)		0	(924,140)	(738,134)
Total other financing sources (uses)	395,793	(528,347)	0	0	(132,554)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	18,295	79,103		(10,907)	86,491	86,343
Fund balances, beginning of year	423,944	313,984	0	21,660	759,588	673,245
Fund balances, end of year	\$442,239	\$393,087	\$0	\$10,753	\$846,079	\$759,588

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
 YEAR ENDED JUNE 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			DEBT SERVICE FUND TYPES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE)
Revenues:									
Taxes	\$223,500	\$224,485	\$985	\$742,772	\$940,107	\$197,335	\$0	\$62	\$82
Licenses and permits	174,400	174,435	35						
Intergovernmental	105,581	178,385	72,804	5,618	7,050	1,432			
Charges for services	103,400	111,269	7,869						
Fines	35,000	35,780	780						
Interest	8,000	7,125	(875)	4,500	8,261	3,761	250	411	161
Miscellaneous	13,500	22,422	8,922	0	626	626			
Total revenues	663,381	753,901	90,520	752,890	956,044	203,154	250	493	243
Expenditures:									
Current:									
General government	177,820	193,707	(15,887)	191,416	173,484	17,932			
Public safety:									
Police	427,896	432,674	(4,778)						
Highways and streets	54,500	53,316	1,184						
Sanitation	234,658	218,896	15,762	176,000	175,110	890			
Hart airport	110,422	46,062	64,360						
Recreation	48,555	135,354	(86,799)						
Maintenance	600	955	(355)						
Public relations	56,835	50,435	6,400						
Airport construction	0	0	0						
Debt service:									
Principal	0	0	0				10,000	10,000	0
Interest	0	0	0				1,400	1,400	0
Total expenditures	1,111,286	1,131,399	(20,113)	367,416	348,594	18,822	11,400	11,400	0
Excess (deficiency) of revenue over expenditures	(447,905)	(377,498)	70,407	385,474	607,450	221,976	(11,150)	(10,907)	243
Other financing sources (uses):									
Operating transfers in	363,958	395,793	31,835	363,958	395,793	31,835			
Operating transfers out				(727,916)	(924,140)	(196,224)			
Total other financing sources (uses)	363,958	395,793	31,835	(363,958)	(528,347)	(164,389)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(83,947)	18,295	102,242	21,516	79,103	57,587	(11,150)	(10,907)	243
Fund balances, beginning of year	423,944	423,944	0	313,984	313,984	0	21,660	21,660	0
Fund balances, end of year	\$339,997	\$442,239	\$102,242	\$335,500	\$393,087	\$57,587	\$10,510	\$10,753	\$243

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)
 UTILITY FUND
 PROPRIETARY FUND TYPE
 YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
Operating revenues:		
Water charges	\$672,159	\$472,167
Sewer charges	153,872	154,439
Connection charges	11,765	15,610
Delinquent charges	9,288	8,715
Miscellaneous	4,009	2,119
	<u>851,093</u>	<u>653,050</u>
Operating expenses:		
Salaries	217,293	188,822
Insurance	54,875	38,893
Supplies	33,072	30,579
Contract labor	6,551	11,154
Bad debt expense	3,086	1,252
Legal and accounting	10,013	9,860
Repairs and maintenance	15,432	15,551
Truck expense	9,611	13,467
Telephone	6,428	5,048
Rent	1,894	1,540
Office supplies and postage	5,179	5,729
Retirement	7,186	3,883
Payroll taxes	17,328	20,828
Utilities	107,309	107,163
Freight	257	944
Miscellaneous	15,876	8,388
Testing fees	3,560	2,640
Water treatment plant supplies	79,980	82,161
Sewer plant supplies	18,409	9,652
Water purchased	43,685	41,343
Depreciation	129,932	126,331
Professional fees	0	725
Travel and seminars	7,242	3,866
	<u>794,198</u>	<u>729,819</u>
Operating income (loss)	<u>56,895</u>	<u>(76,769)</u>
Nonoperating revenues (expenses):		
Interest income	19,785	18,669
Transfer from sales tax fund	132,554	0
Interest expense	(33,250)	(34,250)
	<u>119,089</u>	<u>(15,581)</u>
Net income (loss)	175,984	(92,350)
Retained earnings (deficit), beginning of year	(131,495)	(39,145)
Retained earnings (deficit), end of year	<u>\$44,489</u>	<u>(\$131,495)</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
UTILITY FUND
YEARS ENDED JUNE 30, 1999 AND 1998

	YEAR ENDED JUNE 30,	
	1999	1998
Cash flows from operating activities:		
Cash received from customers	\$856,131	\$609,330
Cash paid to suppliers and employees	(573,744)	(541,326)
Customers' deposits received	22,275	22,050
Customers' deposits refunded	(23,205)	(17,110)
Net cash provided by operating activities	<u>281,457</u>	<u>72,944</u>
Cash flows from capital and related financing activities:		
Grants received for acquisition of fixed assets	137,740	358,597
Sales taxes collected for construction	112,698	0
Capital expenditures paid in cash	(331,700)	(409,822)
Cash paid on principal amount of bonds payable	(20,000)	(20,000)
Interest on bonds payable paid	(33,750)	(34,750)
Cash flows from capital and related financing activities	<u>(135,012)</u>	<u>(105,975)</u>
Cash flows from investing activities:		
Interest received	19,995	16,745
Net cash provided (used) by investing activities	<u>19,995</u>	<u>16,745</u>
Net increase (decrease) in cash and cash equivalents	166,440	(16,286)
Cash and cash equivalents, beginning of year	403,965	420,251
Cash and cash equivalents, end of year	<u>\$570,405</u>	<u>\$403,965</u>
Reconciliation of operating income to net cash provided by operations:		
Operating income (loss)	\$56,895	(\$76,769)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	129,932	126,331
(Increase) decrease in prepaid insurance	(774)	549
(Increase) decrease in prepaid expenses	0	0
(Increase) decrease in accounts receivable	5,038	(43,720)
(Decrease) increase in payroll and payroll taxes payable	(3,138)	4,168
(Decrease) increase in accounts payable	10,051	20,372
(Decrease) increase in customers' deposits	(930)	4,940
(Decrease) increase in payable to other funds	84,307	33,225
(Decrease) increase in accumulated unpaid vacation	163	3,563
(Decrease) increase in sales taxes payable	(87)	285
Total adjustments to operating income	<u>224,562</u>	<u>149,713</u>
Net cash provided by operating activities	<u>\$281,457</u>	<u>\$72,944</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

(1) Summary of Significant Accounting Policies -

The Town of Many 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 of Many conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

Financial reporting entity

In evaluating how to define the Town of Many, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements of the Town of Many consist of only the funds and account groups of the Town since the Town has no oversight responsibility for any other governmental entity.

Fund accounting

The accounts of the Town of Many are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are all allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

Governmental Funds -

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.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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 special revenue funds consist of the Sales Tax, Streets and Sidewalks, and Section Eight Existing Housing Voucher Funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the construction of major capital facilities.

Proprietary Fund -

Enterprise Fund

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

Fixed assets and long-term liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets. Approximately 75 percent of fixed assets are valued at historical cost, while the remaining 25 percent of fixed assets are valued at estimated historical cost based on the cost of like items. Detail fixed assets records were completed in 1998 and appropriate adjustments were made to the fixed asset account group financial records.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheet.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water system	10-60 years
Sewer system	5-60 years
Fixtures and equipment	5-60 years
Trucks and machinery	3-5 years

All fixed assets are stated at historical cost.

Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting also relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers ad valorem taxes as available if they are collected within 60 days after year end. Ad valorem taxes are recorded as revenue when levied because they are considered to be both measurable and available. Those revenues susceptible to accrual are ad valorem taxes, franchise taxes, sales taxes, interest revenue, licenses, intergovernmental revenues, and charges for services. Fines, permits, penalties and interest, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for by using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and budgetary accounting

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

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and 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 notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. This is included in minutes of the council meetings.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

5. Budgetary amendments involving the transfer 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 generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

Cash and cash equivalents

Consistent with GASB Statement 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, the Town of Many defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

Investments

Investments are stated at cost. Discounts and premiums on the purchase of investments are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

Bad debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. No ad valorem taxes or customers' utility receivables were considered uncollectible at June 30, 1999.

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items.

Compensated absences

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Accumulated vacation leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43,

TOWN OF MANY, LOUISIANA
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JUNE 30, 1999

Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Comparative data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on combined statements - overview

Total columns on the general purpose financial statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Ad Valorem Taxes

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. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation - 3 and GASB Codification Section P70 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended June 30, 1999, taxes of 6.91 mills were levied on property with assessed valuations totaling \$12,586,930 and were dedicated as follows:

General corporate purposes 6.91 mills

Total taxes levied were \$86,976.

(3) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30, 1999:

Bond reserve account	\$ 58,000
Depreciation and contingency account	194,216
Construction	185,608
Customers' meter deposits	77,150
Revenue bond and interest sinking account	<u>33,060</u>
Total	\$548,034 =====

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets for 1998 follows:

	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
Land	\$116,366	\$ 0	0	\$116,366
Buildings and improvements	145,191	28,322		173,513

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Streets and traffic control equip.	0	2,697	0	2,697
Machinery and equipment	234,025	42,970	0	276,995
Automobiles and trucks	<u>155,409</u>	<u>20,087</u>	<u>0</u>	<u>175,496</u>
Total general fixed assets	<u>\$650,991</u>	<u>\$ 94,076</u>	<u>\$ 0</u>	<u>\$745,067</u>

(5) Long-term Debt

General obligation bonds

The Town of Many issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. Bonds expected to be repaid from proprietary revenues are reported in the proprietary fund. General obligation bonds are direct obligations and pledge the full faith and credit of the Town of Many. General obligation bonds outstanding at June 30, 1999, are comprised of the following individual issues:

\$240,000 Public Improvement Bonds - Series A dated 7/1/75; due in annual installments of \$5,000 - \$20,000 through March 1, 2000; interest at 6% - 7% (this issue secured by levy and collection of ad valorem taxes)

\$ 5,000

\$300,000 Public Improvement Bonds - Series B dated 7/1/75; due in annual installments of \$5,000 - \$30,000 through March 1, 2000; interest at 6% - 7% (this issue secured by levy and collection of ad valorem taxes)

5,000

\$ 10,000

=====

Revenue bonds

The Town of Many also issues bonds where the Town pledges income derived from the acquired or constructed assets to pay the debt service. Revenue bonds outstanding at June 30, 1998 are comprised of the following:

\$903,000 Utility Revenue Bonds dated 12/30/77; due in annual installments of \$20,000 - \$55,000 through December 30, 2018; interest at 5%

\$655,000

=====

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$380,000 are as follows:

<u>YEAR ENDING</u> <u>JUNE 30</u>	<u>GENERAL</u> <u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
1999		\$16,375	\$16,375
2000	\$10,700	52,250	62,950
2001		51,250	51,250
2002		50,250	50,250
2003		54,125	54,125
2004		52,875	52,875
2005		51,625	51,625
2006		55,250	55,250

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

2007	53,750	53,750
2008	57,125	57,125
2009	55,375	55,375
2010	53,625	53,625
2011	51,875	51,875
2012	55,000	55,000
2013	53,000	53,000
2014	55,875	55,875
2015	53,625	53,625
2016	51,375	51,375
2017	54,000	54,000
2018	56,375	56,375
	\$ 10,700	\$1,045,700
	=====	=====

Changes in long-term debt

During the year ended June 30, 1999, the following changes occurred in liabilities reported in the general long-term debt account group:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
General obligation debt:				
Public improvement bonds:				
Series A - 1975	\$ 10,000	-	\$(5,000)	\$ 5,000
Series B - 1975	10,000	-	(5,000)	5,000
Accumulated unpaid vacation	20,636	-	(3,166)	17,470
	\$ 40,636	\$ -	\$(13,166)	\$ 27,470
	=====	=====	=====	=====

During the year ended June 30, 1999 the following changes occurred in long-term debt reported as liabilities in the proprietary fund:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
Revenue bonds:				
1977 Utility revenue bonds	\$655,000	-	\$(20,000)	\$635,000
	=====	=====	=====	=====

(6) Dedication of proceeds and flow of funds - 1% sales and use tax

Proceeds of a 1% sales and use tax levied by the Town of Many are dedicated to the following purposes:

1. 1/2% sales tax is transferred to the streets and sidewalks fund for maintenance and construction of streets and sidewalks.
2. 1/2% sales tax is transferred to the general fund for general operating or any other use as designated by the Board.
3. 1/4% sales tax is transferred to the utility fund to be used for water system improvements. This tax was effective October 1, 1998.

(7) Flow of funds; restrictions on use - utilities revenues

Under the terms of the bond indenture on outstanding Utility Revenue Bonds dated December 30, 1977, all income and revenues of every nature, earned or derived from operations of the utility fund are pledged and dedicated to the retirement of said bonds, and are to be used for the following expressed purposes:

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

(a) Payment of all reasonable expenses of administration, operation and maintenance of the system.

(b) Each month there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. The required balance is the sum of six monthly deposits (\$26,125). The present balance in the account is \$33,060.

(c) There will be set aside monthly into a "Revenue Bond Reserve Fund" a sum equal to at least 5% of the amount required to be deposited into the Revenue Bond and Interest Sinking Fund until the balance reaches \$58,000. These funds are to be used only for payment of principal and interest on bonds that would otherwise be in default. There is presently \$58,000 in this fund.

(d) There will be set aside into a "Depreciation and Contingency Fund" \$520 each month. Expenditures for extensions, additions, improvements and replacements necessary to properly operate the utility may be made from this fund. The required balance at June 30, 1999 is \$127,920. There is presently \$194,216 in this fund.

Under terms of the 1/4% sales tax effective October 1, 1998 and the corresponding rate increase, funds from these revenue sources are restricted to use for payment of construction and financing costs related to a water system improvement project, as further described in Note 15; assets of \$185,608 are shown as restricted in the financial statements.

(8) Plant and equipment - proprietary fund type

A summary of plant and equipment for the utility fund at June 30, 1999 is as follows:

	STRAIGHT LINE RATE	COST	ACCUMULATED DEPRECIATION	NET	1999 DEPRECIATION
Water system	10-60 yrs.	\$2,660,272	\$ 901,688	\$1,758,584	\$ 51,530
Sewer system	5-60 yrs.	3,074,708	1,127,092	1,947,616	65,859
Fixtures and equipment	5-60 yrs.	72,567	60,502	12,065	3,002
Trucks and machinery	3-5 yrs.	122,066	58,608	63,458	9,540
Construction in progress		61,423		61,423	
Land	-	38,999	-	38,999	-
		<u>\$6,030,035</u>	<u>\$2,147,890</u>	<u>\$3,882,145</u>	<u>\$129,931</u>
		=====	=====	=====	=====

	COST	ACCUMULATED DEPRECIATION	NET
Changes during the year:			
Balance, beginning of year	\$5,673,559	\$2,030,605	\$3,642,954
Additions:			
Water system	590,113	-	590,113
Sewer system	16,595	-	16,595
Fixtures & equipment	1,341	-	1,341
Trucks & equipment	38,049	-	38,049
Construction in progress	282,615	-	282,615
Deletions:			
Sewer system	(5,400)	(3,285)	
Water system	(10,745)	(9,361)	
Construction in progress	(556,092)		
Depreciation	-	129,931	(129,931)
Total	<u>\$6,030,035</u>	<u>\$2,147,890</u>	<u>\$3,882,145</u>

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

=====

(9) Employee retirement systems

All employees of the Town of Many are protected by the Social Security System. All employees contributed 7.65% of their total salary to the System, while the Town contributed a like amount. For the year ended June 30, 1999 total contributions to the System were \$117,108, of which the Town contributed \$58,554 and employees contributed \$58,554. Total payroll covered by this System for the year ended June 30, 1999 was \$765,414. Any future deficit in this System will be financed by the United States Government. The Town has no further liability to the System for the year ended June 30, 1999.

The police are also members of the Municipal Police Employees' Retirement System of Louisiana. The following is a brief description of this retirement system.

Municipal Police Employees' Retirement System

The Municipal Police Employees' Retirement System provides retirement benefits to employees of any municipality in the state which employs a full-time police officer, empowered to make arrests, or which has an elected Chief of Police whose salary is at least \$100 per month.

Eligible employees include any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month. Elected Councilmen and Mayors are excluded from membership.

Persons who were members on September 7, 1977 must remain members of the System and persons hired on or after that date must become members of the System as a condition of employment if they are under age 50 and are not covered by the Social Security System.

Employees attaining the age of 50 completing 20 or more years of service, or the age of 55 and completing 12 years of service, are entitled to a yearly benefit of 3 1/3% of their average final compensation, as defined in the plan, times years of creditable service. Active employees who become disabled after 1985 due to total and permanent disability, with at least 5 years of creditable service, receive a benefit of 3% of average final compensation multiplied by the years of creditable service, but not less than 40% nor more than 60% of average final compensation. Upon reaching retirement age, disability pensioners receive the greater of disability benefits or accrued benefits earned to the date of disability. Prior to the enactment of Act 81 of 1985, other disability rules may be applicable as described in the plan. The system also provides for death benefits as described in the plan.

Covered employees are required by state statute to contribute 7.5% of their salary to the System. The Town is required to contribute 9% of covered employees' salaries to the System. The contribution requirement for the year ended June 30, 1999 was \$16,621 which consisted of \$9,143 from the Town and \$7,478 from covered employees.

The amount of the total pension benefit obligation is based on a standardized measurement established by GASB 5 that, with some exceptions must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS financial statements to (a) assess the PERS funding status on a going concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among other PERS and among other employers.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Total unfunded pension benefit obligation of the Municipal Police Employees' Retirement System as of June 30, 1998 was as follows:

Total pension benefit obligations	\$1,086,540,897
Net assets available for benefits	<u>1,018,384,354</u>
Unfunded (assets in excess of) pension benefit obligation	\$ (68,156,543) =====

The measurement of the total pension benefit obligation is based on an actuarial valuation as of June 30, 1998. Net assets available to pay pension benefits were valued as of the same date.

Ten-year historical trend information is presented in the System's June 30, 1998 comprehensive annual financial report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Municipal Employees' Retirement System

Other full time employees participate in the Municipal Employees' Retirement System of Louisiana (the System), a multiple-employer public employee retirement system. Employees who retire at or after age 65 with 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the last three years of credited service. Employees may retire at or after age 60 and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by State statute. Participating employees contribute 5% of their total salary into the System, and the Town contributes an amount equal to 3.75% of the total salaries of participating employees. For the year ended June 30, 1999, the total contributions to this System were \$26,880, of which the Town contributed \$12,582 and the employees contributed \$14,298. Total payroll covered by this System was \$335,519. Total unfunded pension benefit obligation of the Municipal Employees' Retirement System as of June 30, 1999 was as follows:

Total pension benefit obligations	\$96,158,035
Net assets available for benefits	<u>88,384,208</u>
Unfunded pension benefit obligation	\$ 7,773,827 =====

The Town of Many does not guarantee the benefits granted by any of the systems in which it participates.

(10) Amounts due from State of Louisiana and other receivables

Amounts due from State of Louisiana at June 30, 1999 consisted of the following:

Due from State of Louisiana

Mowing	\$ 3,500
Video poker tax	5,888
Beer taxes	3,992
Tobacco taxes	<u>3,952</u>
Total due from Louisiana	\$17,332 =====

Other receivables at June 30, 1999 are as follows:

Other receivables

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Interest

\$ 1,313
=====

(11) Obligations under leases

The Town was not obligated under any capital lease commitments at June 30, 1999.

(12) Litigation

The Town is a party to legal proceedings involving suits filed against the Town for various reasons, however Town management does not believe the Town is exposed to any material losses in these proceedings. Accordingly, no provision for losses is included in the financial statements.

(13) Cash and Investments

Louisiana revised Statutes authorize the Town to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

As described in Note 1, cash equivalents include all short term highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the date of purchase, have a maturity date no longer than three months qualify under this definition.

At June 30, 1999, the Town of Many has cash and investments as follows:

	Unrestricted	Restricted	Total
Cash	\$267,137	\$ 47,764	\$ 314,901
Investments	377,202	480,414	857,616
	-----	-----	-----
	\$644,339	\$528,178	\$1,172,517
	=====	=====	=====

Investments consist of certificates of deposit.

Of the total of \$1,171,987 deposited in demand and time deposits as of June 30, 1999, \$200,000 was secured through federal depository insurance and \$971,987 was secured by the pledge of securities (\$1,194,000 par value) owned by the depository bank. These securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to both parties. These secured deposits are considered uncollateralized under the provisions of GASB Statement 3; however, Louisiana Revised Statutes require the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Town that the pledging bank has failed to pay deposited funds upon demand. The Town's deposits were fully insured or collateralized at June 30, 1998.

(14) Report classifications

Certain previously reported amounts have been reclassified to conform to 1998 report classifications.

(15) Retained earnings (deficit)

Effective May 15, 1998 the Town increased water rates by approximately 23% to allow the Utility Fund to eliminate the deficit in retained earnings caused by the continuing loss being incurred in operations of water services. The Town also has a project underway to replace the majority of the water lines in the Town, which is to be funded through the issuance of an estimated \$3,800,000 in bonds under the Drinking Water

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Revolving Loan program. The bonds are to repaid through a water rate increase of 28% effective October 1998, a 1/4% sales tax effective October 1, 1998, and an estimated ad valorem tax of 11 mills effective in 2000. The project is presently in the engineering stage and no funds have been expended.

A portion of retained earnings is reserved to cover certain restricted assets pledged for future debt service on the revenue bonds issued by the Utility Fund.

(16) Compensation paid to Mayor and Aldermen

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and member of the Town Council for the year ended June 30, 1999:

Mayor Kenneth Freeman	\$12,000
Aldermen:	
I. D. Bostian	4,212
John Hoagland	4,212
Micheal J. Luster	4,212
Janet Spears	4,212
Faye Kennedy	4,212

(17) Interfund receivables and payables

A summary of interfund receivables and payables at June 30, 1999 follows:

	<u>Receivable</u>	<u>Payable</u>
General fund - due from utility fund	\$ 16,248	
- due from sales tax fund	72,534	
- due from street fund	16,248	
Special revenue - due from utility fund	46,161	
- due from sales tax fund	74,486	
Debt service - due from general fund	2,190	
General fund - due to debt service fund		\$ 2,190
Special revenue - due to general fund		88,782
- due to street fund		74,483
- due to utility fund		19,856
Utility fund - due to general fund		146,374
- due from sales tax	19,856	
- due to street fund	-----	<u>46,161</u>
	\$377,846	\$377,846
	=====	=====

(18) Garbage and trash contract

In March 1997 the Town entered into a contract with TransAmerican Waste Industries, Inc. to handle all the garbage and trash collection for the Town for the next eight years at a basic rate of \$5.75 per residential collection for the first four years, increasing to \$6.75 for the second four years. Upon execution, the Town received a \$35,000 payment in settlement of disputed hauling costs the Town had incurred in prior years. The \$35,000 was used to reduce billings to citizens for garbage and trash collection.

(19) Year 2000

The Town does not expect any interruption of critical services.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

(20) Subsequent events

Under EPA regulations, the Town had to replace the fueling facilities at the airport prior to December 31, 1998, at an estimated cost of approximately \$70,000, in order to continue to provide fuel at the airport. The Town completed this work during the summer of 1999.

Beginning July 1, 1998, the Town began to receive funds of \$115,902 from a three year U. S. Department of Justice grant to hire two additional police officers. The Town is committed to fund a portion of the cost (amounting to \$38,635) of these two additional police officers during the term of the grant.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

ASSETS	1999	1998
Cash and cash equivalents	\$64,134	\$84,216
Investments, at cost	155,216	203,273
Receivables:		
Ad valorem taxes	1,457	416
Franchise taxes	29,998	29,400
Employees	0	829
State of Louisiana	13,832	14,059
Other	211	390
Due from sales tax fund	72,534	64,916
Due from street fund	16,248	0
Due from utility fund	146,374	86,067
Utility deposits	<u>125</u>	<u>125</u>
 Total assets	 <u>\$500,129</u>	 <u>\$483,691</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$44,169	\$33,203
Payroll and payroll taxes payable	11,531	22,159
Due to debt service fund	2,190	2,890
Due to street and sidewalks fund	<u>0</u>	<u>1,495</u>
 Total liabilities	 57,890	 59,747
 Fund balance - unreserved	 <u>442,239</u>	 <u>423,944</u>
 Total liabilities and fund balance	 <u>\$500,129</u>	 <u>\$483,691</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
Revenues:		
Taxes:		
Ad valorem	\$88,437	\$85,563
Franchise	136,048	130,831
Licenses and permits	174,435	172,129
Intergovernmental	178,385	87,203
Charges for services	111,269	106,069
Fines	35,780	35,162
Interest	7,125	9,003
Miscellaneous revenues	22,422	46,961
	<u>753,901</u>	<u>672,921</u>
Expenditures:		
Current:		
General government	193,707	204,501
Highways and streets	53,316	54,183
Public safety:		
Police	432,674	390,327
Sanitation	218,896	223,120
Hart airport	46,062	36,084
Recreation	135,354	80,544
Maintenance	955	9,695
Public relations	50,435	57,530
Debt service:		
Principal	0	6,701
Interest	0	198
	<u>1,131,399</u>	<u>1,062,883</u>
Excess (deficiency) of revenues over expenditures	<u>(377,498)</u>	<u>(389,962)</u>
Other financing sources (uses):		
Operating transfers from (to):		
Sales tax fund	395,793	369,067
	<u>395,793</u>	<u>369,067</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	18,295	(20,895)
Fund balance, beginning of year	<u>423,944</u>	<u>444,839</u>
Fund balance, end of year	<u>\$442,239</u>	<u>\$423,944</u>

The accompanying notes are an integral part of these statements

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998
	BUDGET	ACTUAL		ACTUAL
Revenues:				
Taxes:				
Ad valorem	\$90,000	\$88,437	(\$1,563)	\$85,563
Franchise:				
Cleco	77,000	81,134	4,134	78,852
Transla Gas Company	19,000	14,250	(4,750)	14,328
Bell South	23,000	25,725	2,725	23,668
Valley Electric	5,500	5,334	(166)	4,955
Cable TV	9,000	9,605	605	9,028
Total taxes	223,500	224,485	985	216,394
Licenses and permits:				
Occupational licenses	170,000	167,443	(2,557)	165,808
Electrical, building and other permits	4,100	6,352	2,252	5,475
Zoning compliance fees	300	640	340	846
Total licenses and permits	174,400	174,435	35	172,129
Intergovernmental:				
Federal grants	41,081	96,299	55,218	23,073
Sabine Parish Housing Authority	7,500	7,850	350	7,863
State of Louisiana:				
Other	10,000	18,829	8,829	2,300
Video poker tax	18,000	25,305	7,305	24,096
Tobacco tax	16,000	15,876	(124)	15,900
Alcoholic beverage tax	13,000	14,226	1,226	13,971
Total intergovernmental	105,581	178,385	72,804	87,203
Charges for services:				
Grass cutting	1,400	460	(940)	3,064
Garbage fees	102,000	110,809	8,809	103,005
Total charges for services	103,400	111,269	7,869	106,069

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998
	BUDGET	ACTUAL		ACTUAL
Revenues: (continued)				
Fines	\$35,000	\$35,780	\$780	\$35,162
Interest	8,000	7,125	(875)	9,003
Miscellaneous revenues:				
Airport revenue	9,000	12,206	3,206	13,966
Miscellaneous	4,500	7,122	2,622	32,995
Sale of assets	0	3,094	3,094	0
Sale of material	0	0	0	0
Total miscellaneous revenues	13,500	22,422	8,922	46,961
Total revenues	663,381	753,901	90,520	672,921
Expenditures:				
Current:				
General government:				
Advertising	2,500	1,719	781	3,442
Audit fee	5,000	5,000	0	5,000
Annexation	5,000	0	5,000	113
City attorney	0	0	0	460
Election expense	0	0	0	348
Dues and subscriptions	4,000	1,436	2,564	3,795
Insurance	15,600	14,427	1,173	13,524
Legal and accounting	10,000	5,337	4,663	8,285
Miscellaneous	2,000	8,290	(6,290)	12,863

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Current:				
General government:				
Office supplies and postage	\$6,000	\$6,402	(\$402)	\$6,491
Reapportionment	0	0	0	0
Rent of equipment	2,000	1,715	285	1,762
Repairs and maintenance	3,500	7,665	(4,165)	3,218
Mayor & aldermen's salaries	33,060	33,060	0	31,550
Other salaries	54,800	64,385	(9,585)	65,267
Supplies	2,000	1,320	680	1,749
Payroll taxes	6,721	7,276	(555)	6,693
Retirement	2,130	2,172	(42)	1,667
Tax roll preparation cost	2,200	2,115	85	2,125
Telephone	6,000	6,018	(18)	5,708
Travel and seminars	8,500	10,605	(2,105)	11,852
Utilities	2,500	2,558	(58)	2,522
Ordinance expenses	650	1,205	(555)	2,172
Workmen's compensation	659	760	(101)	727
Capital outlay	3,000	10,242	(7,242)	13,168
Total general government	177,820	193,707	(15,887)	204,501
Highways and streets:				
Street lights	54,000	53,296	704	54,126
Miscellaneous	500	20	480	57
Total highways and streets	54,500	53,316	1,184	54,183
Public safety:				
Police:				
Dues and subscriptions	300	104	196	260
Miscellaneous	19,744	17,320	2,424	4,021
Office supplies & postage	1,200	1,858	(658)	1,550
Equipment costs	500	0	500	760
Legal costs	5,000	250	4,750	0
Prisoner expense	1,000	227	773	1,361

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Current:				
Public safety:				
Police:				
Car expense	\$8,000	\$6,304	\$1,696	\$6,513
Workmen's compensation insurance	16,689	20,048	(3,359)	14,456
Repairs & maintenance	10,000	12,793	(2,793)	14,997
Salaries	251,800	242,396	9,404	224,288
Supplies	3,500	4,466	(966)	3,063
Payroll taxes	19,263	19,785	(522)	19,145
Retirement	18,000	10,070	7,930	14,313
Informant fees	300	0	300	200
Insurance	27,600	20,843	6,757	22,357
Insurance - medical	27,000	28,690	(1,690)	25,110
Telephone	1,500	1,838	(338)	1,808
Travel and training	4,000	6,742	(2,742)	2,608
Uniforms and laundry	3,000	2,656	344	4,229
Utilities	2,500	2,559	(59)	2,522
Capital outlay	7,000	33,725	(26,725)	26,766
Total police	427,896	432,674	(4,778)	390,327
Garbage and trash:				
Miscellaneous	0	0	0	0
Salaries	0	0	0	0
Payroll taxes	0	0	0	0
Retirement	0	0	0	0
Repairs and maintenance	0	0	0	0
Insurance	0	0	0	0
Truck expenses	0	0	0	0
Legal	0	591	(591)	0
Subcontract	107,400	97,688	9,712	106,503
Supplies	0	0	0	0
Unemployment expense	0	0	0	11
Workmen's compensation insurance	0	0	0	0
Total garbage and trash	107,400	98,279	9,121	106,514

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
<i>Expenditures: (continued)</i>				
<i>Current:</i>				
<i>Clean up:</i>				
Chemicals	\$5,000	\$8,427	(\$3,427)	\$4,729
Fogging expense	0	4,344	(4,344)	3,088
Miscellaneous	150	2,486	(2,336)	2,513
Salaries	76,480	64,371	12,109	69,099
Payroll taxes	5,850	4,612	1,238	5,292
Retirement	2,868	1,220	1,648	657
Repairs and maintenance	5,000	5,525	(525)	5,525
Insurance	9,516	9,959	(443)	6,957
Truck expenses	2,000	1,145	855	2,795
Supplies	6,000	3,557	2,443	4,743
Unemployment expense	500	207	293	100
Workmen's compensation insurance	10,394	11,064	(670)	9,337
Capital outlay	3,500	3,700	(200)	1,771
Total clean up	127,258	120,617	6,641	116,606
Total sanitation	234,658	218,896	15,762	223,120
<i>Hart airport:</i>				
Insurance	3,500	3,896	(396)	3,840
Salaries	9,000	4,183	4,817	9,214
Utilities	5,500	4,478	1,022	5,423
Supplies	7,500	8,520	(1,020)	12,957
Miscellaneous	100	11,462	(11,362)	735
Payroll taxes	689	322	367	705
Repairs and maintenance	5,000	2,144	2,856	2,097
Workmen's compensation insurance	383	106	277	320
Telephone	750	1,029	(279)	743
Capital outlay	78,000	9,922	68,078	50
Total airport	110,422	46,062	64,360	36,084

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Current:				
Recreation and other:				
Insurance	\$1,000	\$2,436	(\$1,436)	\$1,088
Utilities	2,500	5,693	(3,193)	4,162
Repairs	5,000	2,142	2,858	1,105
Salaries	5,320	9,048	(3,728)	8,336
Payroll taxes	407	878	(471)	638
Miscellaneous	7,828	18,460	(10,632)	17,591
Supplies	500	2,574	(2,074)	5,558
Grants	0	61,922	(61,922)	9,093
Capital outlay	26,000	32,201	(6,201)	32,973
Total recreation	48,555	135,354	(86,799)	80,544
Maintenance:				
Miscellaneous	400	607	(207)	96
Repairs	0	0	0	16
Supplies	0	205	(205)	1,288
Capital outlay	0	0	0	290
Personnel expense	0	0	0	7,890
Utilities	200	143	57	115
Total maintenance	600	955	(355)	9,695
Public relations:				
Festival	10,000	1,300	8,700	12,841
Christmas parade	1,000	636	364	489
Office supplies & postage	1,200	513	687	904
Promotion	10,000	12,768	(2,768)	10,255
Salaries	16,848	17,251	(403)	17,652
Payroll taxes	1,289	1,248	41	1,350
Supplies	5,000	9,439	(4,439)	8,346
Retirement	0	543	(543)	429
Telephone	500	344	156	577
Travel & seminars	1,200	1,842	(642)	1,579
Miscellaneous	9,798	4,551	5,247	3,108
Total public relations	56,835	50,435	6,400	57,530
Total current expenditures	1,111,286	1,131,399	(20,113)	1,055,984

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998
	BUDGET	ACTUAL		ACTUAL
Airport construction costs:				
Construction costs	\$0	\$0	\$0	\$0
Total airport construction costs	0	0	0	0
Debt service:				
Certificates of indebtedness-				
Principal	0	0	0	0
Interest	0	0	0	0
Total debt service-certificates	0	0	0	0
Theatre debt-				
Principal	0	0	0	6,701
Interest	0	0	0	198
Total debt service-theatre debt	0	0	0	6,899
Total debt service	0	0	0	6,899
Total expenditures	1,111,286	1,131,399	(20,113)	1,062,883
Excess (deficiency) of revenues over expenditures	(447,905)	(377,498)	70,407	(389,962)
Other financing sources (uses):				
Operating transfers from (to):				
Sales tax fund	363,958	395,793	31,835	369,067
Total other financing sources (uses)	363,958	395,793	31,835	369,067
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(83,947)	18,295	102,242	(20,895)
Fund balance, beginning of year	423,944	423,944	0	444,839
Fund balance, end of year	\$339,997	\$442,239	\$102,242	\$423,944

The accompanying notes are an integral part of these statements.

SPECIAL REVENUE FUNDS

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

Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are allocated 50% to the Streets and Sidewalks Fund for maintenance and construction of streets and sidewalks and 50% to the General Fund for general operating or any other use as designated by the Board.

Streets and Sidewalks Fund - To account for the receipt and expenditure of funds provided for the proper maintenance and construction of streets and sidewalks.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	SALES TAX	STREETS AND SIDEWALKS	TOTALS 1999	TOTALS 1998
ASSETS				
Cash and cash equivalents	\$80,520	\$93,679	\$174,199	\$157,627
Investments, at cost		200,000	200,000	50,000
Interest receivable		370	370	216
Due from State of Louisiana		3,500	3,500	2,809
Sales taxes receivable	86,353	0	86,353	65,384
Due from general fund		0	0	4,417
Due from sales tax fund		74,483	74,483	65,204
Due from utility fund		46,161	46,161	12,902
Total assets	<u>\$166,873</u>	<u>\$418,193</u>	<u>\$585,066</u>	<u>\$358,559</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$0	\$5,014	\$5,014	\$6,746
Payroll and payroll taxes payable		3,844	3,844	3,610
Due to federal government		0	0	0
Due to general fund	72,534	16,248	88,782	63,255
Due to streets & sidewalks fund	74,483		74,483	65,204
Due to utility fund	19,856		19,856	0
Total liabilities	166,873	25,106	191,979	138,815
Fund balances - unreserved	0	393,087	393,087	219,744
Total liabilities and fund balances	<u>\$166,873</u>	<u>\$418,193</u>	<u>\$585,066</u>	<u>\$358,559</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1998

	SALES TAX	STREETS AND SIDEWALKS	TOTALS
	1999	1998	
Revenues:			
Taxes	\$940,107		\$940,107
Intergovernmental		7,050	7,050
Interest	658	7,603	8,261
Miscellaneous		626	626
Total revenues	<u>940,765</u>	<u>15,279</u>	<u>956,044</u>
Expenditures:			
General government	16,625	156,859	173,484
Highways and streets		175,110	175,110
Total expenditures	<u>16,625</u>	<u>331,969</u>	<u>348,594</u>
Excess (deficiency) of revenues over expenditures	924,140	(316,690)	607,450
Other financing sources (uses):			
Operating transfers in (out)	<u>(924,140)</u>	<u>395,793</u>	<u>(528,347)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	79,103	79,103
Fund balances, beginning of year	<u>0</u>	<u>313,984</u>	<u>313,984</u>
Fund balances, end of year	<u>\$0</u>	<u>\$393,087</u>	<u>\$393,087</u>

The accompanying notes are an integral part of these

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

ASSETS	1999	1998
Cash	\$80,520	\$62,866
Sales taxes receivable	86,353	68,895
 Total assets	 <u>\$166,873</u>	 <u>\$131,761</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to general fund	\$72,534	\$64,916
Due to streets and sidewalks fund	74,483	66,865
Due to utility fund	19,856	0
 Total liabilities	 166,873	 131,781
 Fund balance - unreserved	 <u>0</u>	 <u>0</u>
 Total liabilities and fund balance	 <u>\$166,873</u>	 <u>\$131,781</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
Revenues:		
Taxes:		
Sales tax	\$940,107	\$752,628
Interest	658	0
Total revenues	<u>940,765</u>	<u>752,628</u>
Expenditures:		
General government-		
Collection fee	16,625	14,494
Miscellaneous	0	0
Total expenditures	<u>16,625</u>	<u>14,494</u>
Excess of revenues over expenditures	<u>924,140</u>	<u>738,134</u>
Other financing uses:		
Operating transfers to:		
General fund	(395,793)	(369,067)
Streets and sidewalks fund	(395,793)	(369,067)
Utility fund	(132,554)	0
Total other financing uses	<u>(924,140)</u>	<u>(738,134)</u>
Excess of revenues over expenditures and other financing uses	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998
	BUDGET	ACTUAL		ACTUAL
Revenues:				
Sales tax	\$742,772	\$940,107	\$197,335	\$752,628
Interest	0	658	658	\$0
Total revenues	<u>742,772</u>	<u>940,765</u>	<u>197,993</u>	<u>752,628</u>
Expenditures:				
General government-				
Collection fee	14,856	16,625	(1,769)	14,494
Miscellaneous	0	0	0	0
Total expenditures	<u>14,856</u>	<u>16,625</u>	<u>(1,769)</u>	<u>14,494</u>
Excess of revenues over expenditures	<u>727,916</u>	<u>924,140</u>	<u>196,224</u>	<u>738,134</u>
Other financing uses:				
Operating transfers to:				
General fund	(363,958)	(395,793)	(31,835)	(369,067)
Streets and sidewalks fund	(363,958)	(395,793)	(31,835)	(369,067)
Utility fund	0	(132,554)	(132,554)	0
Total other financing uses	<u>(727,916)</u>	<u>(924,140)</u>	<u>(63,670)</u>	<u>(738,134)</u>
Excess of revenues over expenditures and other financing uses	0	0	132,554	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	<u>\$0</u>	<u>\$0</u>	<u>\$132,554</u>	<u>\$0</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

ASSETS	1999	1998
Cash and cash equivalents	\$93,679	\$126,570
Investments, at cost	200,000	100,000
Interest receivable	370	885
Due from State of Louisiana	3,500	2,809
Due from general fund	0	1,495
Due from sales tax fund	74,483	66,865
Due from utility fund	46,161	22,161
Total assets	\$418,193	\$320,785
 LIABILITIES AND FUND BALANCE 		
Liabilities:		
Accounts payable	\$5,014	\$3,463
Due to general fund	16,248	0
Payroll & payroll taxes payable	3,844	3,338
Total liabilities	25,106	6,801
Fund balance - unreserved	393,087	313,984
Total liabilities and fund balance	\$418,193	\$320,785

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
Revenues:		
Intergovernmental revenues:		
Louisiana Department of Transportation and Development	\$7,050	\$5,618
Interest	7,603	5,693
Grants and other miscellaneous revenue	626	26,053
Total revenues	<u>15,279</u>	<u>37,364</u>
Expenditures:		
General government-		
Accounting	3,120	2,820
Equipment repair & maintenance	1,009	7,133
Engineering fees	102	0
Insurance	19,536	16,814
Miscellaneous	4,037	1,441
Salaries	63,219	71,122
Supplies & materials	23,428	22,041
Payroll taxes	4,942	6,823
Truck expense	12,384	16,034
Retirement	1,742	1,295
Contract labor and hauling	12,015	2,796
Workmen's compensation	11,325	14,247
Legal	0	0
Travel and seminars	0	321
Total general government	<u>156,859</u>	<u>162,887</u>
Highways and streets-		
Street signs	2,697	492
Equipment	1,589	42,486
Street construction	0	0
Street repair	170,824	106,326
Total highways and streets	<u>175,110</u>	<u>149,304</u>
Total expenditures	<u>331,969</u>	<u>312,191</u>
Excess (deficiency) of revenues over expenditures	<u>(316,690)</u>	<u>(274,827)</u>
Other financing sources:		
Operating transfers from:		
Sales tax fund	395,793	369,067
Total other financing sources	<u>395,793</u>	<u>369,067</u>
Excess (deficiency) of revenues over expenditures and other financing sources	79,103	94,240
Fund balance, beginning of year	<u>313,984</u>	<u>219,744</u>
Fund balance, end of year	<u>\$393,087</u>	<u>\$313,984</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Intergovernmental revenues:				
Louisiana Department of Transportation and Development	\$5,618	\$7,050	\$1,432	\$5,618
Interest	4,500	7,603	3,103	5,693
Grants and other miscellaneous revenue	0	626	626	26,053
Total revenues	10,118	15,279	5,161	37,364
Expenditures:				
General government-				
Accounting	3,200	3,120	80	2,820
Equipment repair & maintenance	10,000	1,009	8,991	7,133
Engineering fees	0	102	(102)	0
Insurance	26,688	19,536	7,152	16,814
Miscellaneous	2,050	4,037	(1,987)	1,441
Salaries	75,000	63,219	11,781	71,122
Supplies & materials	25,500	23,428	2,072	22,041
Payroll taxes	7,238	4,942	2,296	6,823
Truck expense	10,500	12,384	(1,884)	16,034
Retirement	1,582	1,742	(160)	1,295
Contract labor and hauling	500	12,015	(11,515)	2,796
Workmen's compensation	14,002	11,325	2,677	14,247
Legal	150	0	150	0
Travel and seminars	150	0	150	321
Total general government	176,560	156,859	19,701	162,887

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Highways and streets:				
Street signs	\$1,000	\$2,697	(\$1,697)	\$492
Equipment	0	1,589	(1,589)	42,486
Street construction	0	0	0	0
Street repair	175,000	170,824	4,176	106,326
Total highways and streets	176,000	175,110	890	149,304
Total expenditures	352,560	331,969	20,591	312,191
Excess (deficiency) of revenues over expenditures	(342,442)	(316,690)	25,752	(274,827)
Other financing sources:				
Operating transfers (to) from:				
Sales tax fund	363,958	395,793	31,835	369,067
Total other financing sources	363,958	395,793	31,835	369,067
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	21,516	79,103	57,587	94,240
Fund balance, beginning of year	313,984	313,984	0	219,744
Fund balance, end of year	\$335,500	\$393,087	\$57,587	\$313,984

The accompanying notes are an integral part of these statements.

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

1975 Public Improvement Bonds - To accumulate monies for payment of the 1975 \$540,000 Public Improvement Bonds, Series A and B. Of the bonds, \$180,000 remain outstanding. Debt service is financed by the levy of a specific ad valorem tax.

1987 Certificates of Indebtedness - To accumulate monies for payment of the 1987 \$270,000 Certificates of Indebtedness. Of the certificates, \$183,000 remain outstanding. Debt service is financed from the general revenues of the Town of Many.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
COMBINING BALANCE SHEET
JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	PUBLIC IMPROVEMENT BONDS SERIES A 1975	PUBLIC IMPROVEMENT BONDS SERIES B 1975	CERTIFICATES OF INDEBTEDNESS SERIES 1987	TOTALS
	1999			1998
ASSETS				
Cash	\$0	\$0	\$0	\$18,650
Investments	4,929	3,634	0	8,563
Due from (to) other cash accounts	8,258	(8,258)	0	0
Ad valorem taxes receivable	0	0	0	120
Due from general fund	265	1,925	0	2,890
Total assets	<u>\$13,452</u>	<u>(\$2,699)</u>	<u>\$0</u>	<u>\$21,660</u>
LIABILITIES AND FUND BALANCES				
Fund balances - designated for debt service	<u>\$13,452</u>	<u>(\$2,699)</u>	<u>\$0</u>	<u>\$21,660</u>
Total liabilities and fund balances	<u>\$13,452</u>	<u>(\$2,699)</u>	<u>\$0</u>	<u>\$21,660</u>

The accompanying notes are an integral part of these statements.

EXHIBIT H-2

TOWN OF MANY, LOUISIANA
 DEBT SERVICE FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1999
 WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1998

	PUBLIC IMPROVEMENT BONDS SERIES A 1975	PUBLIC IMPROVEMENT BONDS SERIES B 1975	CERTIFICATES OF INDEBTEDNESS SERIES 1987	TOTALS
	1999	1998	1999	1998
Revenues:				
Taxes - ad valorem	\$41	\$41	\$0	\$82
Interest	224	187	0	411
Total revenues	<u>265</u>	<u>228</u>	<u>0</u>	<u>493</u>
Expenditures:				
Principal retirement	5,000	5,000	0	10,000
Interest coupons paid	700	700	0	1,400
Total expenditures	<u>5,700</u>	<u>5,700</u>	<u>0</u>	<u>11,400</u>
Excess of revenues over expenditures	(5,435)	(5,472)	0	(10,907)
Fund balances, beginning of year	<u>18,887</u>	<u>2,773</u>	<u>0</u>	<u>21,660</u>
Fund balances, end of year	<u>\$13,452</u>	<u>(\$2,699)</u>	<u>\$0</u>	<u>\$10,753</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1999

	1975 PUBLIC IMPROVEMENT BONDS-SERIES A		1975 PUBLIC IMPROVEMENT BONDS-SERIES B			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes - ad valorem	\$0	\$41	\$41	\$0	\$41	\$41
Interest	125	224	99	125	187	52
Total revenues	125	265	140	125	228	103
Expenditures:						
Principal retirement	5,000	5,000	0	5,000	5,000	0
Interest coupons paid	700	700	0	700	700	0
Total expenditures	5,700	5,700	0	5,700	5,700	0
Excess of revenues over expenditures	(5,575)	(5,435)	140	(5,575)	(5,472)	103
Fund balance, beginning of year	18,887	18,887	0	2,773	2,773	0
Fund balance, end of year	\$13,312	\$13,452	\$140	(\$2,802)	(\$2,699)	\$103

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Taxes - ad valorem	\$0	\$82	\$82	\$24,794
Interest	<u>250</u>	<u>411</u>	<u>161</u>	<u>304</u>
Total revenues	<u>250</u>	<u>493</u>	<u>243</u>	<u>25,098</u>
Expenditures:				
Principal retirement	10,000	10,000	0	10,000
Interest coupons paid	<u>1,400</u>	<u>1,400</u>	<u>0</u>	<u>2,100</u>
Total expenditures	<u>11,400</u>	<u>11,400</u>	<u>0</u>	<u>12,100</u>
Excess of revenues over expenditures	(11,150)	(10,907)	243	12,998
Fund balance, beginning of year	<u>21,660</u>	<u>21,660</u>	<u>0</u>	<u>8,662</u>
Fund balance, end of year	<u>\$10,510</u>	<u>\$10,753</u>	<u>\$243</u>	<u>\$21,660</u>

The accompanying notes are an integral part of these statements.

ENTERPRISE FUND

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

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

TOWN OF MANY, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

ASSETS	1999	1998
Current assets:		
Cash and cash equivalents	\$28,804	\$48,021
Investments, at cost	13,423	0
Receivables:		
Accrued interest and other	732	942
Utility bills	117,708	122,746
Prepaid insurance	7,298	6,524
Total current assets	<u>167,965</u>	<u>178,233</u>
Restricted assets:		
Cash and cash equivalents:		
Customers' meter deposits:		
Cash	12,499	3,622
Time certificates of deposit, at cost	64,651	74,458
Construction:		
Cash	2,205	0
Time certificates of deposit, at cost	163,547	0
Due from sales tax fund	19,856	0
Revenue bond & interest sinking fund:		
Money market account	33,060	37,369
Depreciation & contingency fund:		
Time certificate of deposit, at cost	194,216	182,495
Revenue bond reserve fund:		
Time certificate of deposit, at cost	58,000	58,000
Total restricted assets	<u>548,034</u>	<u>355,944</u>
Plant and equipment, at cost, net of accumulated depreciation (1999 - \$2,147,890; 1998 - \$2,030,605)	<u>3,882,145</u>	<u>3,642,954</u>
Total assets	<u>\$4,598,144</u>	<u>\$4,177,131</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

LIABILITIES AND FUND EQUITY	1999	1998
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$42,564	\$32,513
Payroll and payroll taxes payable	8,196	11,334
Sales tax payable	1,014	1,101
Due to general fund	146,374	86,067
Due to street & sidewalks fund	46,161	22,161
Total current liabilities (payable from current assets)	244,309	153,176
Current liabilities (payable from restricted assets):		
Revenue bonds payable	20,000	20,000
Accounts payable-construction	37,423	0
Interest coupons payable	16,375	16,875
Customers' meter deposits	77,150	78,080
Total current liabilities (payable from restricted assets)	150,948	114,955
Long-term liabilities:		
1977 Revenue bonds payable	635,000	655,000
Accumulated unpaid vacation	13,481	13,318
Total long-term liabilities	648,481	668,318
Total liabilities	1,043,738	936,449
Fund equity:		
Contributed capital-		
FHA grants	467,000	467,000
Municipality	540,000	540,000
HUD grants	100,000	100,000
EPA grants	1,037,682	1,037,682
LDUCA - CDB grant	1,346,161	1,208,421
State of Louisiana	11,053	11,053
Sabine Parish Police Jury	8,021	8,021
Total contributed capital	3,509,917	3,372,177
Retained earnings:		
Reserved-		
Reserved for revenue bond & interest sinking fund	33,060	37,369
Reserved for revenue bond reserve fund	58,000	58,000
Reserved for depreciation & contingency fund	194,216	182,495
Reserved for construction	148,185	0
Unreserved (deficit)	(388,972)	(409,359)
Total retained earnings (deficit)	44,489	(131,495)
Total fund equity	3,554,406	3,240,682
Total liabilities and fund equity	\$4,598,144	\$4,177,131

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)-
 UTILITY FUND
 BUDGET (GAAP BASIS) AND ACTUAL
 YEARS ENDED JUNE 30, 1999 AND 1998

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998
	BUDGET	ACTUAL		ACTUAL
Operating revenues:				
Charges for services:				
Water charges	\$603,228	\$672,159	\$68,931	\$472,167
Sewer charges	160,000	153,872	(6,128)	154,439
Water connection charges	14,000	11,765	(2,235)	15,610
Delinquent charges	9,000	9,288	288	8,715
Miscellaneous	2,500	4,009	1,509	2,119
Total operating revenues	788,728	851,093	62,365	653,050
Operating expenses:				
Salaries	191,000	217,293	(26,293)	188,822
Insurance	55,909	54,875	1,034	38,893
Supplies	36,100	33,072	3,028	30,579
Contract labor	0	6,551	(6,551)	11,154
Bad debt expense	1,500	3,086	(1,586)	1,252
Legal and accounting	5,300	10,013	(4,713)	9,860
Repairs and maintenance	41,500	15,432	26,068	15,551
Truck expense	6,250	9,611	(3,361)	13,467
Telephone	5,100	6,428	(1,328)	5,048
Rent	200	1,894	(1,694)	1,540
Office supplies and postage	5,900	5,179	721	5,729
Retirement	6,600	7,186	(586)	3,883
Payroll taxes	21,464	17,328	4,136	20,828
Utilities	110,000	107,309	2,691	107,163
Freight	1,200	257	943	944
Miscellaneous	4,950	15,876	(10,926)	8,388
Testing fees	3,000	3,560	(560)	2,640
Water treatment plant supplies	85,000	79,980	5,020	82,161
Sewer plant supplies	16,000	18,409	(2,409)	9,652
Water purchased	45,000	43,685	1,315	41,343
Depreciation	135,000	129,932	5,068	126,331
Professional fees	0	0	0	725
Travel and seminars	3,000	7,242	(4,242)	3,866
Total operating expenses	779,973	794,198	(14,225)	729,819
Operating income (loss)	8,755	56,895	48,140	(76,769)
Nonoperating revenues (expenses):				
Interest income	15,000	19,785	4,785	18,669
Transfer from sales tax fund	0	132,554	132,554	0
Interest expense	(33,250)	(33,250)	0	(34,250)
Total nonoperating revenues (expenses)	(18,250)	119,089	137,339	(15,581)
Net income (loss)	(9,495)	175,984	185,479	(92,350)
Retained earnings, beginning of year	(131,495)	(131,495)	0	(39,145)
Retained earnings (deficit), end of year	(\$140,990)	\$44,489	\$185,479	(\$131,495)

The accompanying notes are an integral part of these statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for fixed assets not used in proprietary fund operations.

TOWN OF MANY, LOUISIANA
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
 JUNE 30, 1999 AND 1998

	1999	1998
General fixed assets, at cost		
Land	\$116,366	\$116,366
Buildings and improvements	173,513	145,191
Streets and traffic equipment	2,697	0
Equipment	276,995	234,025
Automobiles and trucks	<u>175,496</u>	<u>155,409</u>
Total general fixed assets	<u>\$745,067</u>	<u>\$650,991</u>
Total investment in general fixed assets	<u>\$745,067</u>	<u>\$650,991</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED JUNE 30, 1999

	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
Land	\$116,366	\$0	\$0	\$116,366
Buildings and improvements	145,191	28,322	0	173,513
Streets and traffic control equip.	0	2,697	0	2,697
Machinery and equipment	234,025	42,970	0	276,995
Automobiles and trucks	155,409	20,087	0	175,496
Total general fixed assets	<u>\$650,991</u>	<u>\$94,076</u>	<u>\$0</u>	<u>\$745,067</u>

The accompanying notes are an integral part of these statements.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

The general long-term debt account group is used to account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds (except special assessment funds). Payment of maturing obligations, including interest, are accounted for in the debt service fund.

TOWN OF MANY, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	PUBLIC IMPROVEMENT BONDS SERIES A 1975	PUBLIC IMPROVEMENT BONDS SERIES B 1975	CERTIFICATES OF INDEBTEDNESS SERIES 1987	ACCUMULATED UNPAID VACATION	TOTALS
					1999 1998
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT					
Amount available in Debt Service Fund for debt retirement	\$13,452	(\$2,698)			\$10,754 \$22,660
Amount to be provided from ad valorem taxes					0 (2,660)
Amount to be provided from general revenues	(8,452)	7,698	\$0		(754) 0
AMOUNT TO BE PROVIDED FOR ACCUMULATED UNPAID VACATION					
Amount to be provided from general revenues				\$16,218	16,218 16,177
Amount to be provided from sales tax revenues for Street Fund				1,252	1,252 4,459
Total available and to be provided	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>	<u>\$17,470</u>	<u>\$27,470</u> <u>\$40,636</u>
GENERAL LONG-TERM DEBT PAYABLE					
Bonds payable	\$5,000	\$5,000	\$0		\$10,000 \$20,000
Accumulated unpaid vacation				<u>\$17,470</u>	<u>17,470</u> <u>20,636</u>
Total general long-term debt payable	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>	<u>\$17,470</u>	<u>\$27,470</u> <u>\$40,636</u>

The accompanying notes are an integral part of these statements.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the construction of major capital facilities.

TOWN OF MANY, LOUISIANA
CAPITAL PROJECTS FUNDS
LCDBG FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

ASSETS	1999	1998
Cash	\$0	\$0
LCDBG grant revenue receivable	0	60,391
Total assets	\$0	\$60,391
LIABILITIES AND FUND BALANCE		
Liabilities:		
LCDBG grant contracts payable	\$0	\$60,391
Total liabilities	0	60,391
Fund balance - unreserved	0	0
Total liabilities and fund balance	\$0	\$60,391

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
 CAPITAL PROJECTS FUNDS
 LCDBG FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
Revenues:		
LCDBG grant	\$137,740	\$347,544
Local contributions	83,452	14,830
Total revenues	<u>221,192</u>	<u>362,374</u>
Expenditures:		
Administration	5,040	8,830
Acquisition	0	31,500
Engineering	15,793	60,682
Construction	200,359	261,362
Total expenditures	<u>221,192</u>	<u>362,374</u>
Excess of revenues over expenditures	0	0
Fund balance, beginning of year	0	0
Fund balance, end of year	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these statements.

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 1

TOWN OF MANY, LOUISIANA
 COMBINED SCHEDULE OF BONDS PAYABLE -
 GENERAL OBLIGATION BONDS
 JUNE 30, 1999

	INTEREST RATE	PAYMENT DATE	ISSUE DATE	MATURITY DATE	ANNUAL SERIAL PAYMENT AMOUNT	YEAR	BONDS			
							AUTHORIZE	ISSUED	RETIRED	OUTSTANDING
Public improvement bonds - Series A	6 - 7%	3/1;9/1	7/01/75	3/01/2000	\$5,000	(2000)	\$240,000	\$240,000	\$235,000	\$5,000
Public improvement bonds - Series B	6 - 7%	3/1;9/1	7/01/75	3/01/2000	5,000	(2000)	300,000	300,000	295,000	5,000
Total general obligation bonds							<u>\$540,000</u>	<u>\$540,000</u>	<u>\$530,000</u>	<u>\$10,000</u>

Supplementary schedule. Presented as additional analytical data.

TOWN OF MANY, LOUISIANA
 SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING
 JUNE 30, 1999

PUBLIC IMPROVEMENT BONDS - SERIES A - JULY 1, 1975

FISCAL YEAR ENDING JUNE 30,	BOND NUMBERS	INTEREST PAYMENTS		TOTAL INTEREST	PRINCIPAL DUE MARCH 1	TOTAL PAYMENTS
		SEPT. 1	MARCH 1			
2000	48	\$175	\$175	\$350	\$5,000	\$5,350

Supplementary schedule. Presented as additional analytical data.

TOWN OF MANY, LOUISIANA
 SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING
 JUNE 30, 1999

PUBLIC IMPROVEMENT BONDS - SERIES B - JULY 1, 1975

FISCAL YEAR ENDING JUNE 30,	BOND NUMBERS	INTEREST PAYMENTS		TOTAL INTEREST	PRINCIPAL DUE MARCH 1	TOTAL PAYMENTS
		SEPT. 1	MARCH 1			
2000	60	\$175	\$175	\$350	\$5,000	\$5,350

Supplementary schedule. Presented as additional analytical data.

TOWN OF MANY, LOUISIANA
 BOND MATURITY SCHEDULE - UTILITY FUND
 JUNE 30, 1999

UTILITY REVENUE BONDS - DECEMBER 30, 1977

FISCAL YEAR ENDING JUNE 30,	BOND NUMBERS	INTEREST PAYMENTS		TOTAL INTEREST	PRINCIPAL DUE DECEMBER 30	TOTAL PAYMENTS
		DECEMBER 30	JUNE 30			
1999	229-248		\$16,375	\$16,375		\$16,375
2000	249-268	\$16,375	15,875	32,250	\$20,000	52,250
2001	269-288	15,875	15,375	31,250	20,000	51,250
2002	289-308	15,375	14,875	30,250	20,000	50,250
2003	309-333	14,875	14,250	29,125	25,000	54,125
2004	334-358	14,250	13,625	27,875	25,000	52,875
2005	359-383	13,625	13,000	26,625	25,000	51,625
2006	384-413	13,000	12,250	25,250	30,000	55,250
2007	414-443	12,250	11,500	23,750	30,000	53,750
2008	444-478	11,500	10,625	22,125	35,000	57,125
2009	479-513	10,625	9,750	20,375	35,000	55,375
2010	514-548	9,750	8,875	18,625	35,000	53,625
2011	549-583	8,875	8,000	16,875	35,000	51,875
2012	584-623	8,000	7,000	15,000	40,000	55,000
2013	624-663	7,000	6,000	13,000	40,000	53,000
2014	664-708	6,000	4,875	10,875	45,000	55,875
2015	709-753	4,875	3,750	8,625	45,000	53,625
2016	754-798	3,750	2,625	6,375	45,000	51,375
2017	799-848	2,625	1,375	4,000	50,000	54,000
2018	849-903	1,375		1,375	55,000	56,375
Totals		\$190,000	\$190,000	\$380,000	\$655,000	\$1,035,000

Supplementary schedule. Presented as additional analytical data.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

I have audited the general purpose financial statements of the Town of Many, Louisiana, and the combining, individual fund, and account group financial statements of the Town of Many, Louisiana, for the year ended June 30, 1999, and have issued my report thereon dated December 23, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Many, Louisianas general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provision was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*:

Existing Condition

In connection with tests of financial controls and compliance with grant provisions relating to a \$25,000 grant from Louisiana Endowment for the Humanities (LEH), the following items of non-compliance were noted:

1. The first two payments from LEH under the grant were deposited into an account at Peoples State Bank entitled "Shannon R. Clements or Robert Gentry dba Many History Book Account". The account was not in the name of the Town of Many, was not authorized by the Town Council, did not have the Towns mailing address, and did not require two signatures as all other Town accounts require. In addition, the two authorized check signers, Shannon Clements (Project Director) and Robert Gentry (Assistant Project Director), were not employees of the Town.
2. The grant records were not maintained, or available, at the Towns offices. When I requested the grant records from the Town Clerk, I discovered that the only record the Town had in their files was a copy of the grant agreement, as all other grant records were in the custody of Shannon Clements.
3. The first interim report required by the grant was not timely filed and did not contain the correct financial expenditure amounts.
4. In general, expenditures were made without adequate supporting documentation. In addition, expenditures amounting to \$1,232 were made to the Project Directors fiancée for rent and typing. While these expenditures may not be in specific violation of ethic laws on related party transactions, the clear intent

of the ethics laws was to prohibit related party transactions. Also LEH has notified the Town that \$1,056 of expenditures have been disallowed under the terms of the grant, primarily since the expenditures related to rent and office supplies that were not included in the grants approved budget.

5. Adequate records of in-kind expenditures were not maintained throughout the period of the grant.

6. No cash receipts and disbursements journals were maintained during the period of the grant.

7. Purchases of supplies were not made by the Town therefore sales taxes were paid on these purchases.

As soon as the above conditions were brought to the attention of the Mayor, the Mayor took over as Project Director and began the process of correcting the above conditions. The Council was informed of the conditions and authorized a new bank account for the grant with the normal Town check signers. Additional documentation of grant expenditures and in-kind expenditures was obtained. LEH was immediately notified of the conditions which existed and has worked with the Town to assist the Town in solving some of the grant deficiencies.

Recommended action

In general, all of the above conditions could have been avoided by having the Towns accounting office administer the grant, therefore the Town Clerk should be responsible for administering, or supervising the administration of, all grants.

Management response

The Mayor and Council have adopted a policy that all grants will be administered by or through the Towns offices. In addition, the Town is reprinting the history book to correct the errors and to comply with the grant provisions relating to editing and review of the book. The Towns attorney is currently advising the Mayor and the Council on legal remedies that may be appropriate to attempt to recover the additional costs involved in complying with the provisions of the grant, and the expenditures disallowed by LEH.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Many, Louisianas internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Mayor, Board of Aldermen, Louisiana Legislative Auditor, and federal awarding agencies and pass-through

entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, appearing to read "E. W. Fremaux II".

EUGENE W. FREMAUX II, CPA
December 23, 1999