

Town of Many, Louisiana

June 30, 2021

**Town of Many, Louisiana
June 30, 2021**

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-3
Required Supplemental Information - Part I		4
Management's Discussion and Analysis		5-8
Basic Financial Statements		9
Government-Wide Financial Statements		10
Statement of Net Position	A	11
Statement of Activities	B	12
Fund Financial Statements		13
Balance Sheet - Governmental Funds	C	14
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	D	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	16
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	17
Statement of Net Position - Proprietary Fund	G	18
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	H	19
Statement of Cash Flows - Proprietary Fund	I	20-21
Notes to Basic Financial Statements		22-46
	<u>Schedule</u>	
Required Supplemental Information - Part II		47
Budgetary Comparison Schedules		
General Fund	1	48
Street Special Revenue Fund	2	49
Municipal Police Employees' Retirement System (MPERS)		
Schedule of Employer's Share of Net Pension Liability	3	50
Schedule of Employer Contributions	4	51
Notes to Required Supplemental Information	5	52
Municipal Employees' Retirement System (MERS)		
Schedule of Employer's Share of Net Pension Liability	6	53
Schedule of Employer Contributions	7	54
Notes to Required Supplemental Information	8	55

**Town of Many, Louisiana
June 30, 2021**

Table of Contents

	<u>Schedule</u>	<u>Page</u>
Other Information		56
Schedule of Compensation, Benefits, and Other Payments to the Agency Head.....	9	57
Unaudited Summary of Utility Service Customers.....	10	58
Unaudited Schedule of Insurance in Force.....	11	59-60
Unaudited List of Governing Body - Positions and Terms.....	12	61
Schedule of Justice System Funding – Collecting/Disbursing Entity.....	13	62
Schedule of Expenditures of Federal Awards.....	14	63
Other Report Required by <i>Government Auditing Standards</i>		64
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		65-67
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....		68-70
Schedule of Findings and Questioned Costs		71-75
Management’s Corrective Action Plan		76-79
Management’s Summary Schedule of Prior Audit Findings		80-81



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Many, Louisiana (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Many, Louisiana, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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



PAYNE, MOORE & HERRINGTON, LLP

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

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to the agency head, the schedule of justice system funding – collecting/disbursing entity, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head, the schedule of justice system funding – collecting/disbursing entity, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Many's internal control over financial reporting and compliance.

Certified Public Accountants
Alexandria, Louisiana

February 22, 2022

Required Supplemental Information – Part I

Management's Discussion and Analysis

Town of Many, Louisiana
June 30, 2021

Management's Discussion and Analysis

This section of the Town's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The Town's net position amounted to \$18,048,168, an increase of \$724,898.
- Program and general revenues amounted to \$5,571,545, an increase of \$316,012.
- Expenses for the year amounted to \$4,846,647, an increase of \$342,025.

Overview of Financial Statements

This annual report consists of three parts:

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

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

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

Financial Analysis of The Town as a Whole

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Current and other assets	\$ 2,061,427	\$ 1,687,745	\$ 638,063	\$ 985,138
Internal balances	869,087	840,305	(869,087)	(840,305)
Capital assets, net	<u>6,554,114</u>	<u>6,093,150</u>	<u>11,147,770</u>	<u>11,118,212</u>
Total assets	9,484,628	8,621,200	10,916,746	11,263,045
Deferred outflow of pension resources	340,325	311,059	208,154	163,514
Current and other liabilities	220,171	104,237	55,422	582,077
Long-term debt and net pension liability	<u>1,195,883</u>	<u>1,125,580</u>	<u>1,321,705</u>	<u>1,097,041</u>
Total liabilities	1,416,054	1,229,817	1,377,127	1,679,118
Deferred inflow of pension resources	<u>98,093</u>	<u>105,469</u>	<u>10,411</u>	<u>21,145</u>
Net Position:				
Invested in capital assets	6,464,114	5,975,150	10,476,989	10,447,430
Restricted	1,649,568	1,728,147	-	-
Unrestricted	<u>197,124</u>	<u>(106,324)</u>	<u>(739,627)</u>	<u>(721,134)</u>
Total net position	<u>\$ 8,310,806</u>	<u>\$ 7,596,973</u>	<u>\$ 9,737,362</u>	<u>\$ 9,726,296</u>

**Town of Many, Louisiana
June 30, 2021**

Management's Discussion and Analysis

Condensed Statement of Activities

	Governmental Activities		Business-type Activities	
	Year ended		Year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Expenses:				
Governmental activities:				
General government	\$ 1,090,486	\$ 568,356	\$	\$
Public safety	762,636	857,997		
Public works	740,461	617,220		
Sanitation	147,493	473,208		
Cultural and recreation	38,422	103,238		
Interest expense	4,616	7,869		
Total Governmental activities	<u>2,784,114</u>	<u>2,627,888</u>		
Business-type activities			2,062,533	1,876,734
Program revenues:				
Charges for services	759,010	745,214	1,718,433	1,643,410
Grants and contributions	745,443	1,093,529	353,909	425,284
Total program revenues	<u>1,504,453</u>	<u>1,838,743</u>	<u>2,072,342</u>	<u>2,068,694</u>
General revenues:				
Taxes	1,988,877	1,873,832	-	-
Investment earnings	4,618	4,649	1,255	1,639
Total general revenues	<u>1,993,495</u>	<u>1,878,481</u>	<u>1,255</u>	<u>1,639</u>
Change in net position	<u>\$ 713,834</u>	<u>\$ 1,089,336</u>	<u>\$ 11,064</u>	<u>\$ 193,599</u>

Overall government revenues decreased by \$216,012 to \$5,571,545 in 2021, primarily due to decreases in grant revenues. Expenses increased by \$342,025 (8%) to \$4,846,647 in 2021, primarily due to hurricane and ice storm expenses in 2021 and added maintenance expenses in the Utility Fund to catch up on deferred maintenance and regulatory requirements.

Financial Analysis of the Funds

Fund balances for the Town's governmental funds, comprised of general fund and street fund, increased \$293,239 during the year, primarily due to increased sales tax and grant revenues and proceeds of financing for a sanitation truck, offset by increased street overlay and airport runway reconstruction expenditures. Revenues decreased \$229,839 (6%) during the year to \$3,462,052, primarily due to drop in airport grant improvements in 2021. Expenses decreased \$1,331,285 to \$3,175,364, primarily due to decreased street overlays and capital expenditures relating to the airport grants.

General government and public safety expenditures continue to represent the largest portion of the general fund budget, amounting to \$740,994 and \$686,085, respectively, in 2021, or approximately 66% of all general fund expenditures. Capital outlay expenditures of \$467,123, primarily related to airport improvement projects, amounted to approximately 22% of the general fund expenditures.

Town of Many, Louisiana
June 30, 2021

Management's Discussion and Analysis

The Town's utility fund net position increased by \$11,064 in 2021 primarily due to capital grants of \$338,467 relating mainly to sewer plant improvements offset by an operating loss of \$344,100. Operating revenues increased by 5% to \$1,718,433, and operating expenses amounted to \$2,062,533 in 2021, an increase of \$185,799 from 2020, primarily due to added maintenance expenses in the Utility Fund to catch up on deferred maintenance and regulatory requirements

General and Street Fund Budget Highlights

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

Capital Assets

During 2021, the Town invested approximately \$47,022 in water and sewer system equipment, along with \$875,304 in water and sewer plant improvements. In addition, capital investments were made in other additions of \$1,015,994, primarily relating to equipment, airport improvements and street overlays. Capital assets of \$8,866 were removed from asset inventory due to sale or obsolescence.

Debt

Debt payments of \$28,000 were made in 2021 relating to the \$146,000 bond issue.

Economic Factors and Next Year's Budgets and Rates

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

Contacting The Town's Financial Management

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

Basic Financial Statements

**Government-Wide
Financial Statements**

**Town of Many, Louisiana
Many, Louisiana
Statement of Net Position
June 30, 2021**

Exhibit A

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,706,210	\$ 351,486	\$ 2,057,696
Receivables, net	350,447	286,577	637,024
Internal balances	869,087	(869,087)	-
Prepaid expenses	4,770	-	4,770
Capital assets			
Nondepreciable			
Land	454,717	38,999	493,716
Construction in progress	94,510	-	94,510
Depreciable			
Other capital assets, net of depreciation	6,004,887	11,108,771	17,113,658
Total Assets	9,484,628	10,916,746	20,401,374
Deferred Outflows of Resources			
Deferred outflows of pension resources	340,325	208,154	548,479
Liabilities			
Accounts and contracts payable	96,508	55,422	151,930
Accrued expenses	94,663	-	94,663
Long-term liabilities			
Due within one year			
Notes and bonds payable	29,000	-	29,000
Due in more than one year			
Notes and bonds payable	61,000	670,782	731,782
Meter deposits payable	-	126,537	126,537
Compensated absences	17,415	21,166	38,581
Other noncurrent liabilities			
Net pension liability	1,117,468	503,220	1,620,688
Total Liabilities	1,416,054	1,377,127	2,793,181
Deferred Inflows of Resources			
Deferred inflows of pension resources	98,093	10,411	108,504
Net Position			
Net investment in capital assets	6,464,114	10,476,989	16,941,103
Restricted for			
Streets and sidewalks	1,649,568	-	1,649,568
Unrestricted	197,124	(739,627)	(542,503)
Total Net Position	\$ 8,310,806	\$ 9,737,362	\$ 18,048,168

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

Town of Many, Louisiana
Many, Louisiana
Statement of Activities
For the Year Ended June 30, 2021

Exhibit B

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 1,090,486	\$ 374,488	\$ 4,627	\$ 419,154	\$ (292,217)	\$ -	\$ (292,217)
Public safety	762,636	114,108	52,275	-	(596,253)	-	(596,253)
Public works	740,461	10,000	107,898	-	(622,563)	-	(622,563)
Sanitation	147,493	260,414	4,693	-	117,614	-	117,614
Culture and recreation	38,422	-	156,796	-	118,374	-	118,374
Interest expense	4,616	-	-	-	(4,616)	-	(4,616)
Total Governmental Activities	2,784,114	759,010	326,289	419,154	(1,279,661)	-	(1,279,661)
Business-type activities							
Utility system	2,062,533	1,718,433	15,442	338,467	-	9,809	9,809
Total Business-type Activities	2,062,533	1,718,433	15,442	338,467	-	9,809	9,809
Total Primary Government	\$ 4,846,647	\$ 2,477,443	\$ 341,731	\$ 757,621	(1,279,661)	9,809	(1,269,852)
General Revenues							
Taxes							
Property taxes levied for general purposes					141,379	-	141,379
Sales tax authorized for general purposes					840,564	-	840,564
Sales tax authorized for specific purposes					840,564	-	840,564
Franchise and miscellaneous taxes					166,370	-	166,370
Investment earnings					4,618	1,255	5,873
Total General Revenues					1,993,495	1,255	1,994,750
Change in Net Position					713,834	11,064	724,898
Net Position, Beginning of the Year					7,596,972	9,726,298	17,323,270
Net Position, End of Year					\$ 8,310,806	\$ 9,737,362	\$ 18,048,168

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

Fund Financial Statements

**Town of Many, Louisiana
Balance Sheet
Governmental Funds
June 30, 2021**

Exhibit C

	General Fund	Street Special Revenue Fund	Total Governmental
Assets			
Cash and cash equivalents	\$ 1,160,391	\$ 545,819	\$ 1,706,210
Receivables, net	267,784	82,663	350,447
Due from other funds	867,824	1,037,675	1,905,499
Prepaid expenses	4,770	-	4,770
Total Assets	\$ 2,300,769	\$ 1,666,157	\$ 3,966,926
Liabilities and Fund Balances			
Liabilities			
Accounts and contracts payable	\$ 79,919	\$ 16,589	\$ 96,508
Due to other funds	1,036,413	-	1,036,413
Accrued expenses	93,319	-	93,319
Total Liabilities	1,209,651	16,589	1,226,240
Fund balances			
Nonspendable - prepaid expenses	4,770	-	4,770
Spendable:			
Restricted - streets and sidewalks	-	1,649,568	1,649,568
Unassigned	1,086,348	-	1,086,348
Total Fund Balances	1,091,118	1,649,568	2,740,686
Total Liabilities and Fund Balances	\$ 2,300,769	\$ 1,666,157	\$ 3,966,926

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

**Town of Many, Louisiana
 Reconciliation of Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2021**

Exhibit D

Total Fund Balance, Governmental Funds	\$ 2,740,686
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Pension related deferred outflows of resources and deferred inflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities of the Statement of Net Position.	
Deferred outflows of pension resources	340,325
Deferred inflows of pension resources	(98,093)
 Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities of the Statement of Net Position.	
	6,554,114
 Some liabilities are not due and payable in the current period and, therefore, are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.	
Notes and loans payable	(90,000)
Compensated absences	(17,415)
Net pension liability	(1,117,468)
 Interest on long-term debt is accrued in the Statement of Net Position but not in the governmental funds.	
	(1,343)
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 8,310,806</u>

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

Town of Many, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

Exhibit E

	<u>General Fund</u>	<u>Street Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes			
Ad valorem taxes	\$ 141,379	\$ -	\$ 141,379
Franchise taxes	156,078	-	156,078
Sales taxes	840,564	840,564	1,681,128
Intergovernmental	636,017	93,823	729,840
Fines	114,108	-	114,108
Licenses and permits	297,172	-	297,172
Charges for services	274,877	-	274,877
Investment earnings	2,835	1,783	4,618
Miscellaneous	61,249	1,603	62,852
Total Revenues	<u>2,524,279</u>	<u>937,773</u>	<u>3,462,052</u>
Expenditures			
Current			
General government	740,994	-	740,994
Public safety	686,085	-	686,085
Public works	-	462,241	462,241
Sanitation	217,157	-	217,157
Culture and recreation	15,037	-	15,037
Capital outlay	467,123	554,111	1,021,234
Debt service			
Principal	28,000	-	28,000
Interest and other charges	4,616	-	4,616
Total Expenditures	<u>2,159,012</u>	<u>1,016,352</u>	<u>3,175,364</u>
Excess (Deficiency) of Revenues over Expenditures	365,267	(78,579)	286,688
Other Financing Sources (Uses)			
Sale of Assets	6,551	-	6,551
Net Change in Fund Balances	371,818	(78,579)	293,239
Fund Balances, Beginning of Year	719,300	1,728,147	2,447,447
Fund Balances, End of Year	<u>\$ 1,091,118</u>	<u>\$ 1,649,568</u>	<u>\$ 2,740,686</u>

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

Town of Many, Louisiana
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Exhibit F

Net Change in Fund Balances - Total Governmental Funds **\$ 293,239**

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

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

Capital outlays included in governmental funds	1,021,234
Depreciation included in the Statement of Activities	(560,270)

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures. Deferred outflows and deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Increase (decrease) in deferred outflows of pension resources	29,266
Decrease (increase) in deferred inflows of pension resources	7,376

Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.	28,000
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Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

Compensated absences	4,874
On-behalf payments through pension plans	29,343
Pension expense	(139,228)

Change in Net Position of Governmental Activities in the Statement of Activities **\$ 713,834**

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

**Town of Many, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2021**

Exhibit G

**Utility System
Enterprise Fund**

Assets	
Current Assets	
Cash and cash equivalents	\$ 351,486
Receivables, net	286,577
Total Current Assets	638,063
Noncurrent Assets	
Capital assets	
Nondepreciable	
Land	38,999
Depreciable	
Property, plant and equipment	19,235,261
Less accumulated depreciation	(8,126,490)
Total Noncurrent Assets	11,147,770
Total Assets	11,785,833
Deferred Outflows of Resources	
Deferred outflows of pension resources	208,154
Liabilities	
Current Liabilities	
Accounts and contracts payable	55,422
Noncurrent Liabilities	
Notes and bonds payable	670,782
Meter deposits payable	126,537
Compensated absences	21,166
Due to other funds	869,087
Net pension liability	503,220
Total Noncurrent Liabilities	2,190,792
Total Liabilities	2,246,214
Deferred Inflows of Resources	
Deferred inflows of pension resources	10,411
Net Position	
Net investment in capital assets	10,476,989
Unrestricted	(739,627)
Total Net Position	\$ 9,737,362

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

Town of Many, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021

Exhibit H

Utility System
Enterprise Fund

Operating Revenues	
Charges for services	\$ 1,718,433
Operating Expenses	
Salaries	549,330
Insurance	112,972
Supplies	191,610
Contracted services	66,166
Professional services	8,057
Repairs and maintenance	169,924
Truck expense	17,874
Telephone	79,652
Office supplies and postage	11,336
Retirement	108,626
Payroll taxes	44,271
Utilities	110,750
Miscellaneous	46,607
Testing fees	21,825
Sewer plant supplies	61,610
Water purchased	43,382
Depreciation	413,021
Travel and seminars	5,520
Total Operating Expenses	<u>2,062,533</u>
Operating Income (Loss)	(344,100)
Nonoperating Revenue (Expenses)	
Operating grants and contributions	15,442
Investment earnings	1,255
Total Nonoperating Revenue (Expenses)	<u>16,697</u>
Income (Loss) Before Contributions	(327,403)
Capital contributions	<u>338,467</u>
Change in Net Position	11,064
Net Position, Beginning of the Year	<u>9,726,298</u>
Total Net Position, End of Year	<u>\$ 9,737,362</u>

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

**Town of Many, Louisiana
Many, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021**

**Exhibit I
(Continued)**

	<u>Utility System Enterprise Fund</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 1,711,034
Payments to employees	(549,453)
Payments to vendors and others	(1,432,470)
Net Cash Provided by (Used in) Operating Activities	<u>(270,889)</u>
Cash Flows from Noncapital Financing Activities	
Change in due to other funds	<u>28,783</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	28,783
Cash Flows from Capital and Related Financing Activities	
Capital grants and contributions	706,136
Acquisition or construction of capital assets	(437,933)
Proceeds from sale of capital assets	(4,647)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>263,556</u>
Cash Flows from Investing Activities	
Interest received	<u>1,256</u>
Net Cash Provided by (Used in) Investing Activities	<u>1,256</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,706
Cash and Cash Equivalents, Beginning of Year	<u>328,780</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 351,486</u></u>

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

**Town of Many, Louisiana
Many, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021**

**Exhibit I
(Concluded)**

**Utility System
Enterprise Fund**

**Reconciliation of Operating Income (Loss) to
Net Cash Provided by (Used in) Operating Activities**

Operating income (loss)	\$	(344,100)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Depreciation		413,021
Change in deferred outflows of pension resources		(44,640)
Change in deferred inflows of pension resources		(10,734)
On-behalf payments through pension plan		15,442
Changes in assets and liabilities		
Receivables		(12,536)
Prepaid expenses		14,649
Accounts and contracts payable		(380,519)
Meter deposits payable		1,690
Compensated absences		(123)
Net pension liability		76,961

Net Cash Provided by (Used in) Operating Activities

\$ (270,889)

Additional required disclosures:

There were no material noncash operating, noncapital financing, capital and related financing, or investing activities for the year ended June 30, 2021.

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

1. Organization and Significant Accounting Policies

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

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

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

A. The Financial Reporting Entity

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

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

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

B. Basis of Presentation and Accounting

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

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

Government-Wide Financial Statements

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

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

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

Fund Financial Statements

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

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

Governmental Funds

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

The major governmental funds are:

General Fund

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

Special Revenue Funds

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

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

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

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

Proprietary Funds

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

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

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

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

C. Budgets and Budgetary Accounting

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

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

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

D. Cash, Cash Equivalents, and Investments

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

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

E. Receivables and Bad Debts

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

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

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

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

G. Inventories

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

H. Prepaid Items

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

I. Capital Assets and Depreciation

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

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

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

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

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

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

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

J. Deferred Outflows/Inflows of Resources

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

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

K. Short-Term Liabilities

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

L. Long-Term Liabilities

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

M. Compensated Absences

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

N. Interfund Transactions

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

O. Supplemental Wages

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

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Impact of Recently Issued Pronouncements

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

2. Ad Valorem Taxes

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

For the current year, property taxes were levied for 5.34 mills on property with assessed valuations totaling \$23,672,031 and were dedicated for general alimony purposes. Total taxes levied were \$126,408.

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

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

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

4. Cash and Cash Equivalents

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

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

5. Receivables

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

	Governmental Funds	Proprietary Funds	Total
Taxes			
Sales taxes	\$ 165,327	\$ -	\$ 165,327
Franchise taxes	28,378	-	28,378
Ad valorem taxes	16,325	-	16,325
Intergovernmental	127,145	-	127,145

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Customers			
Uncollected cycle billings	-	447,231	447,231
Estimated unbilled services	-	81,011	81,011
Other	<u>13,272</u>	<u>39,335</u>	<u>52,607</u>
Gross receivables	350,447	567,577	918,024
Allowance for estimated uncollectible	-	(281,000)	(281,000)
	<u>\$ 350,447</u>	<u>\$ 286,577</u>	<u>\$ 637,024</u>

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utility System Enterprise Fund	\$ 867,824
Street Special Revenue Fund	General Fund	1,036,413
Street Special Revenue Fund	Utility System Enterprise Fund	<u>1,262</u>
		<u>\$ 1,905,499</u>

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

7. Capital Assets and Depreciation

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 454,717	\$ -	\$ -	\$ 454,717
Construction in progress	<u>89,270</u>	<u>94,510</u>	<u>(89,270)</u>	<u>94,510</u>
Total capital assets not being depreciated	543,987	94,510	(89,270)	549,227
Other capital assets				
Buildings and improvements	5,008,937	350,496	-	5,359,433
Infrastructure	2,962,935	492,809	-	3,455,744
Machinery and equipment	873,027	52,450	(8,866)	916,611
Automobiles and trucks	<u>519,621</u>	<u>120,239</u>	<u>-</u>	<u>639,860</u>
Total other capital assets	9,364,520	1,015,994	(8,866)	10,371,648
Accumulated depreciation				
Buildings and improvements	(1,759,013)	(223,466)	-	(1,982,479)
Infrastructure	(1,159,565)	(210,712)	-	(1,370,277)
Machinery and equipment	(568,871)	(56,436)	8,866	(616,441)
Automobiles and trucks	<u>(327,908)</u>	<u>(69,656)</u>	<u>-</u>	<u>(397,564)</u>
Total accumulated depreciation	<u>(3,815,357)</u>	<u>(560,270)</u>	<u>8,866</u>	<u>(4,366,761)</u>
Other capital assets, net	<u>5,549,163</u>	<u>455,724</u>	<u>-</u>	<u>6,004,887</u>
Net Capital Assets	\$ 6,093,150	\$ 550,234	\$ (89,270)	\$ 6,554,114

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

Depreciation was charged to Governmental Activities as follows:

General government	\$ 225,601
Public safety	803
Public works	268,838
Culture and recreation	20,605
Sanitation	44,423
	<u>\$ 560,270</u>

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 38,999	\$ -	\$ -	\$ 38,999
Construction in progress	484,393	654,028	(1,138,421)	-
Total capital assets not being depreciated	523,392	654,028	(1,138,421)	38,999
Other capital assets				
Water system	13,530,161	73,530	-	13,603,691
Sewer system	4,482,143	801,774	-	5,283,917
Furniture and fixtures	91,037	47,022	-	138,059
Trucks and equipment	209,594	-	-	209,594
Total other capital assets	18,312,935	922,326	-	19,235,261
Accumulated depreciation				
Water system	(4,732,942)	(274,893)	4,647	(5,003,188)
Sewer system	(2,789,274)	(119,945)	-	(2,909,219)
Furniture and fixtures	(20,074)	(1,333)	-	(21,407)
Trucks and equipment	(175,826)	(16,850)	-	(192,676)
Total accumulated depreciation	(7,718,116)	(413,021)	-	(8,126,490)
Other capital assets, net	10,594,819	509,305	4,647	11,108,771
 Net Capital Assets	 \$ 11,118,211	 \$ 1,163,333	 \$ (1,133,774)	 \$ 11,147,770

Depreciation in the amount of \$413,021 was charged to Utility System expenses.

8. Long-Term Liabilities

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

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

	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Governmental activities				
Direct borrowing and placement:				
Limited Tax Bond Obligation Series 2019	2021-2024	1.975-3.950%	\$ 90,000	\$ -
Other long-term liabilities:				
Compensated absences			17,415	-
Business-type activities				
Direct borrowing and placement:				
LDOTD note payable - construction	Open ended	N/A	-	670,782
Other long-term liabilities:				
Meter deposits payable			-	126,537
Compensated absences			-	21,166
			<u>\$ 107,415</u>	<u>\$ 818,485</u>

For the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>	<u>Due Within One Year</u>
Governmental activities					
Direct borrowing and placement:					
Limited Tax Bond Obligation Series 2019	\$ 118,000	\$ -	\$ (28,000)	\$ 90,000	\$ 29,000
Other long-term liabilities:					
Compensated absences	22,289	-	(4,874)	17,415	-
Business-type activities					
Direct borrowing and placement:					
LDOTD notes payable	670,782	-	-	670,782	-
Other long-term liabilities:					
Meter deposits payable	124,847	1,690	-	126,537	-
Compensated absences	21,289	-	(123)	21,166	-
	<u>\$ 957,207</u>	<u>\$ 1,690</u>	<u>\$ (32,997)</u>	<u>\$ 925,900</u>	<u>\$ 29,000</u>

The limited tax bonds, Series 2019, are payable from an irrevocable pledge and dedication of funds derived by the Town from ad valorem tax revenue levied and collected annually. In accordance with LRS 39:562, the Town is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the Town. At June 30, 2021, the statutory limit was \$2,367,203.

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

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

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

<u>Year ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2022	\$ 29,000	\$ 3,120	\$ 32,120
2023	30,000	2,113	32,113
2024	31,000	1,066	32,066
	<u>\$ 90,000</u>	<u>\$ 6,299</u>	<u>\$ 96,299</u>

9. Compensation Paid to Mayor and Board of Aldermen

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following report reflects compensation paid to the Mayor and members of the Board of Aldermen of the Town of Many, Louisiana, for the fiscal year ending June 30, 2021.

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

10. Supplemental Pay

Certain employees meeting statutory qualifications in the police department receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$35,845 is recognized as intergovernmental revenue in the General Fund and as public safety expenditures.

11. Defined Benefit Pension Plans

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

	Deferred Outflows of Pension Resources	Deferred Inflows of Pension Resources	Net Pension Liability
Municipal Police Employees' Retirement System (MPERS)	\$ 226,278	\$ 91,890	\$ 696,668
Municipal Employees' Retirement System (MERS)	322,201	16,614	924,020
Total	\$ 548,479	\$ 108,504	\$ 1,620,688

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

General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

A member who has joined MPERS before January 1, 2013, is eligible for regular retirement after he has been a member of the MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to 10% percent of the member's average final compensation or \$200 per month, whichever is greater.

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month, whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

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

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

Employer Contributions

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

For the plan year ended June 30, 2020, total contributions due from employers and employees was 43.75%. The employer and employee contribution rates for all members hired prior to January 1, 2013, and Hazardous Duty members hired after January 1, 2013, were 33.75% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013, were 33.75% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 36.25% and 7.5%, respectively.

Non-Employer Contributions

MPERS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions were recognized as revenue during the plan year ended June 30, 2020, and excluded from pension expense.

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

At June 30, 2021, the Town of Many, Louisiana reported a liability of \$696,668 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2020, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The Town of Many's proportion of the NPL was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, The Town's proportion was 0.075378%, which was an increase of 0.003680% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$112,094 plus amortization of \$41,539, for a total of \$153,633.

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 27,441
Changes of assumptions	16,554	17,193
Difference between projected and actual earnings on pension plan investments	83,579	-

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,493	47,256
Employer contributions subsequent to the measurement date	87,652	-
Total	\$ 226,278	\$ 91,890

The \$87,652 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the plan year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>		
2022	\$	2,372
2023		5,321
2024		23,173
2024		15,870

Actuarial Methods and Assumptions

The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.950%, net of investment expense
Expected Remaining Service Lives	4 years
Inflation Rate	2.50%
Salary increases, including inflation and merit	

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1 – 2	12.30%
Above 2	4.70%

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

Mortality Rate Assumption

For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Cost-of-Living Adjustments

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

The discount rate used to measure the total pension liability was 6.950%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of MPERS actuary. Based on those assumptions, MPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the Employer's proportionate share of the NPL using the discount rate of 6.950%, as well as what the employers' proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage point lower (5.950%) or one percentage point higher (7.950%) than the current rate.

	<u>1.0% Decrease</u> <u>(5.950%)</u>	<u>Current Discount</u> <u>Rate (6.950%)</u>	<u>1.0% Increase</u> <u>(7.950%)</u>
Employer's proportionate share of the net pension liability	\$ 978,745	\$ 696,668	\$ 460,864

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

Support of Non-employer Contributing Entities

In accordance with state statute, MPERS receives insurance premium tax monies. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. For the plan year ended June 30, 2020, the proportionate share of these monies received by the MPERS on behalf of the Town of Many, was \$16,430.

Pension Plan Fiduciary Net Position

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

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

General Information about the Pension Plan

Plan Description

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple employer defined benefit pension plan. MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. MERS provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system, and which elect to become members of the MERS. For the plan year ended June 30, 2020, there were 88 contributing municipalities in Plan A and 68 in Plan B. The Town of Many participates in Plan B.

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

Eligibility Requirements

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

Benefits Provided

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

Retirement Benefits

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

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

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

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

Survivor Benefits

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

DROP Benefits

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in MERS.

Disability Benefits

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

Cost of Living Increases

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

Deferred Benefits

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

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the plan year ending June 30, 2020, the employer contribution rate was 14.00% for Plan B.

Non-Employer Contributions

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

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

At June 30, 2021, the Town of Many, Louisiana reported a liability of \$924,020 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2020, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The Town of Many's proportion of the NPL was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, The Town's proportion was 1.019632%, which was an increase of 0.124926% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$167,635, plus amortization of \$34,775, for a total of \$202,410.

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 15,546
Changes of assumptions	28,636	-
Net difference between projected and actual earnings on pension plan investments	100,315	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	64,707	1,068
Employer contributions subsequent to the measurement date	<u>128,543</u>	<u>-</u>
Total	\$ 322,201	\$ 16,614

The \$128,543 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the plan year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2022	\$ 78,914
2023	60,899
2024	22,538
2025	14,693

**Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements**

Actuarial Methods and Assumptions

The NPL was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.95%, net of investment expense
Projected Salary Increases	1-4 years of service – 7.4% More than 4 years of service – 4.9%
Mortality Rates	
Annuitant and beneficiary	PubG-2010(B) Employee Table set equal to 120% for males and females, adjusted using their respective male and female MP2018 scales
Employee mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale
Expected Remaining Service Lives	3 years for Plan B

Discount Rate

The discount rate used to measure the total pension liability was 6.95% for June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by Public Retirement Systems Actuarial Committee (PRSAC). Based on those assumptions, MERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements**

Sensitivity to Changes in Discount Rate

The following presents the Employer's proportionate share of the NPL using the discount rate of 6.95%, as well as what the employers' proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate.

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability	\$ 1,230,039	\$ 924,020	\$ 665,080

Support of Non-employer Contributing Entities

In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. For the year ended June 30, 2021, the proportionate share of these monies received by the MERS on behalf of the Town of Many was \$28,355.

Pension Plan Fiduciary Net Position

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

12. Contingencies

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

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

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

13. Subsequent Events

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

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

Town of Many, Louisiana
June 30, 2021
Notes to Basic Financial Statements

14. Risk Management

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

Required Supplemental Information – Part II

**Town of Many, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021**

Schedule 1

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem and franchise taxes	\$ 380,500	\$ 380,500	\$ 297,457	\$ (83,043)
Sales taxes	637,268	715,851	840,564	124,713
Intergovernmental	61,000	51,000	636,017	585,017
Fines	150,000	125,000	114,108	(10,892)
Licenses and permits	231,700	231,700	297,172	65,472
Charges for services	276,450	276,450	274,877	(1,573)
Investment earnings	300	300	2,835	2,535
Miscellaneous	15,000	15,000	61,249	46,249
Total Revenues	<u>1,752,218</u>	<u>1,795,801</u>	<u>2,524,279</u>	<u>728,478</u>
Expenditures				
Current				
General government	404,350	432,850	740,994	(308,144)
Public safety	815,440	815,440	686,085	129,355
Public works	6,903	6,903	-	6,903
Sanitation	273,590	388,591	217,157	171,434
Culture and recreation	68,400	78,400	15,037	63,363
Capital outlay	105,550	135,050	467,123	(332,073)
Debt service				
Principal	21,000	26,000	28,000	(2,000)
Interest and other charges	-	-	4,616	(4,616)
Total Expenditures	<u>1,695,233</u>	<u>1,883,234</u>	<u>2,159,012</u>	<u>(275,778)</u>
Excess (Deficiency) of Revenues over Expenditures	56,985	(87,433)	365,267	452,700
Other Financing Sources (Uses)				
Sale of assets	-	-	6,551	6,551
Net Change in Fund Balances	56,985	(87,433)	371,818	459,251
Fund Balances, Beginning of Year	<u>719,300</u>	<u>719,300</u>	<u>719,300</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 776,285</u>	<u>\$ 631,867</u>	<u>\$ 1,091,118</u>	<u>\$ 459,251</u>

See Independent Auditor's Report.

**Town of Many, Louisiana
Budgetary Comparison Schedule
Street Special Revenue Fund
For the Year Ended June 30, 2021**

Schedule 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
Revenues				
Taxes				
Sales taxes	637,268	715,851	\$ 840,564	\$ 124,713
Intergovernmental	10,000	10,000	93,823	83,823
Investment earnings	300	300	1,783	1,483
Miscellaneous	-	-	1,603	1,603
Total Revenues	<u>647,568</u>	<u>726,151</u>	<u>937,773</u>	<u>211,622</u>
Expenditures				
Current				
Public works	400,230	624,230	462,241	161,989
Capital outlay	<u>370,543</u>	<u>400,543</u>	<u>554,111</u>	<u>(153,568)</u>
Total Expenditures	<u>770,773</u>	<u>1,024,773</u>	<u>1,016,352</u>	<u>8,421</u>
Net Change in Fund Balances	(123,205)	(298,622)	(78,579)	220,043
Fund Balances, Beginning of Year	<u>1,728,147</u>	<u>1,728,147</u>	<u>1,728,147</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,604,942</u>	<u>\$ 1,429,525</u>	<u>\$ 1,649,568</u>	<u>\$ 220,043</u>

See Independent Auditor's Report.

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

Schedule 3

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's Proportion of the Net Pension Liability (Asset)	0.075378%	0.071698%	0.083574%	0.075435%	0.053591%	0.07498%	0.09020%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 696,668	\$ 651,138	\$ 706,540	\$ 658,579	\$ 502,299	\$ 587,390	\$ 564,285
Employer's Covered-Employee Payroll	\$ 232,822	\$ 223,904	\$ 243,412	\$ 225,196	\$ 199,840	\$ 200,566	\$ 272,169
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	299.23%	290.81%	290.27%	292.45%	251.35%	292.87%	207.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.94%	71.01%	71.89%	70.08%	66.04%	70.73%	75.10%
The amounts presented have a measurement date of:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

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

See Independent Auditor's Report.

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

Schedule 4

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2015	\$ 63,178	\$ 63,178	\$ -	\$ 200,566	31.50%
6/30/2016	62,943	62,943	-	199,840	31.50%
6/30/2017	71,500	71,500	-	225,196	31.75%
6/30/2018	74,972	74,972	-	243,412	30.80%
6/30/2019	72,209	72,209	-	223,904	32.25%
6/30/2020	75,667	75,667	-	232,822	32.50%
6/30/2021	87,652	87,652	-	259,709	33.75%

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

See Independent Auditor's Report.

Town of Many, Louisiana
Notes to Required Supplemental Information
Municipal Police Employees' Retirement System (MPERS)
For the Year Ended June 30, 2021

Schedule 5

Changes in Benefit Terms

There were no changes in benefit terms for the plan year ended June 30, 2020.

Changes of Actuarial Assumptions

The net investment rate of return was decreased from 7.125% to 6.950% per the year ended June 30, 2020 actuarial report.

The inflation interest rate was unchanged from 2.50% per the year ended June 30, 2020 actuarial report.

See Independent Auditor's Report.

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

Schedule 6

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	1.019632%	0.894706%	0.889485%	0.893223%	0.877156%	0.709269%	0.80866%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 924,020	\$ 782,701	\$ 752,355	\$ 772,846	\$ 727,082	\$ 482,053	\$ 379,664
Employer's Covered-Employee Payroll	\$ 790,190	\$ 683,973	\$ 659,173	\$ 661,871	\$ 645,284	\$ 491,423	\$ 507,376
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	116.94%	114.43%	114.14%	116.77%	112.68%	98.09%	74.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.26%	66.14%	65.60%	63.49%	63.34%	68.71%	76.94%
The amounts presented have a measurement date of:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

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

See Independent Auditor's Report.

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

Schedule 7

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2015	\$ 46,685	\$ 46,703	\$ 18	\$ 491,423	9.50%
6/30/2016	61,302	61,302	-	645,284	9.50%
6/30/2017	72,806	72,806	-	661,871	11.00%
6/30/2018	87,340	87,340	-	659,173	13.25%
6/30/2019	95,756	95,756	-	683,973	14.00%
6/30/2020	110,627	110,627	-	790,190	14.00%
6/30/2021	128,543	128,543	-	829,306	15.50%

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

See Independent Auditor's Report.

Town of Many, Louisiana
Notes to Required Supplemental Information
Municipal Employee's Retirement System (MERS)
For the Year Ended June 30, 2021

Schedule 8

Changes in Benefit Terms

There were no changes in benefit terms for the plan year ended June 30, 2020.

Changes of Actuarial Assumptions

The net investment rate of return was decreased from 7.00% to 6.95% per the year ended June 30, 2020 actuarial report.

The inflation interest rate was unchanged from 2.50% per the year ended June 30, 2020 actuarial report.

See Independent Auditor's Report.

Other Information

**Town of Many, Louisiana
Schedule of Compensation, Benefits, and Other
Payments to the Agency Head
For the Year Ended June 30, 2021**

Schedule 9

Agency Head: Honorable Mayor Kenneth Freeman

	Purpose	Amount
Salary		<u>\$ 30,000</u>
Benefits - medicare		435
Benefits - retirement		4,650
Benefits - social security		<u>1,860</u>
Total		<u><u>\$ 36,945</u></u>

See Independent Auditor's Report.

Town of Many, Louisiana
Unaudited Summary of Utility Service Customers
June 30, 2021

Schedule 10

<u>Type of Customers</u>	<u>Number of Customers</u>
Residential	958
Non-Residential	<u>295</u>
	<u><u>1,253</u></u>

See Independent Auditor's Report.

Town of Many, Louisiana
Unaudited Schedule of Insurance in Force
June 30, 2021

Schedule 11
(continued)

<u>Insurer</u>	<u>Expiration Date</u>	<u>Coverage</u>	<u>Limits</u>
Louisiana Municipal Risk Management Agency	March 9, 2022	Commercial General Liability Combined Single Limit Premises Operations Per Occurrence Prodcuts Completed Operations Per Occurrence Medical Payments Per Person Per Occurrence Fire Legal Liability per Occurrence Deductible	\$ 500,000 500,000 500,000 1,000 10,000 50,000 -
Louisiana Municipal Risk Management Agency	March 9, 2022	Law Enforcement Officer Combined Single Limit Deductible	500,000 1,000
Louisiana Municipal Risk Management Agency	March 9, 2022	Errors and Omissions Combined Single Limit Deductible	500,000 1,000
Louisiana Municipal Risk Management Agency	March 9, 2022	Automobile Liability Combined Single Limit Deductible	500,000 -
Rod Prejean & Associates, Inc (Lloyd's London)	March 10, 2022	Automobile Physical Damage Deductible: Collision Deductible: Specified Perils Attached/Un-attached Equipment Emergency Vehicles Only (per item) Emergency Vehicles Only (total)	1,000 500 5,000 25,000
Phares Lites & Walsworth (Aviation Insurance Managers, Inc.)	August 5, 2021	Legal Liability: Each Occurrence - CSL, BI, PD Non-Owned Aircraft Legal Liability: Each Occurrence - CSL, BI, PD Ground Hangarkeepers Legal Liability: Any One Aircraft Ground Hangarkeepers Legal Liability: Any One Occurrence Damage to Rented Premises (Fire Legal Liability): Each Occurrence Premises Medical Payments: Each Person	2,000,000 2,000,000 2,000,000 2,000,000 100,000 1,000

Town of Many, Louisiana
Unaudited Schedule of Insurance in Force
June 30, 2021

Schedule 11
(concluded)

Insurer	Expiration Date	Coverage	Limits
		Building 1 (Community Center)	254,618
		Building 2 (City Hall/P.D.)	309,563
		BPP	85,664
		Building 3 (Airport Terminal)	134,010
		BPP	18,522
		Building 4 (Equipment Warehouse "Barn")	16,082
		Building 5 (Water Office)	49,585
		Building 9 (Train Depot)	378,000
		Inland Marine	76,000
		Welcome Signs (4)	67,580
		Deductible (\$2,500 for each PP, IM & Signs)	2,500
A.J. Gallagher (Evanston Insurance Company)	November 7, 2021	General Aggregate Limit	2,000,000
Parks and Playgrounds (115 Fairgrounds Road)		Personal/Advertising Limit	1,000,000
Parks and Playgrounds (850 Highland Avenue)		Each Occurrence Limit	1,000,000
Parks and Playgrounds (710 Martin Luther King Drive)		Damage to Premises Rented To You Limit	100,000
		Medical Expense Limit (Any one person)	5,000
Phares Lites & Walsworth (Western Surety Company)	Continuous	Public Official Position Schedule Bond (\$20,000 each) Mayor, Mayor Pro-Tempore, Clerk, Deputy Clerk	80,000

09

See Independent Auditor's Report.

**Town of Many, Louisiana
 Unaudited List of Governing Body -
 Positions and Terms
 June 30, 2021**

Schedule 12

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

See Independent Auditor's Report.

Town of Many, Louisiana
Schedule of Justice System Funding - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Year Ended June 30, 2021

Schedule 13

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 63,190	\$ 64,441
Add: Collections		
Bond fees	1,920	2,685
Criminal court costs/fees	35,091	61,430
Service/collection fees	495	529
Interest earnings on collected balances	124	128
Subtotal Collections	37,630	64,772
Less: Disbursements To Governments & Nonprofits:		
Town of Many, Louisiana Commission on Law Enforcement	375	667
Town of Many, Trial Court Management Information System	264	380
Town of Many, Traumatic Head & Spine Injuries Fund	105	215
Town of Many, Ware Youth Center	645	1,252
Town of Many, North LA Criminalistics Lab Commission	3,692	6,878
Town of Many, Louisiana Supreme Court (Judicial College)	49	94
Less: Amounts Retained by Collecting Agency		
Amounts "Self Disbursed" to Collecting Agency		
Town of Many - General Fund - fines	28,911	45,548
Town of Many, Many Police Vehicle Savings Account - fines	1,850	2,445
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other disbursements to individuals	-	1,950
Payment to 3rd party collection/processing agencies	488	733
Subtotal Disbursements/Retainage	36,379	60,162
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 64,441	\$ 69,051
Other Information:		
Total waiver during the fiscal period	\$ 2,400	\$ 7,315

See Independent Auditor's Report.

Town of Many, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Schedule 14

Federal Grantor/ Pass-Through Grantor Name Program Name	Federal CFDA/ Assistance Listing Number	Pass-through Grantor Number	Total Amount Expended	Amount Provided to Subrecipients
Department of Housing and Urban Development				
Passed through the State of Louisiana Division of Administration				
Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii				
	14.228	B-19-DC-22-0001	\$ 273,485	\$ -
Agency Total			<u>273,485</u>	<u>-</u>
U.S. Department of Transportation				
Federal Aviation Administration				
Direct Assistance				
Airport Improvement Program				
	20.106	3-22-0030-012-2020	298,569	-
Airport Improvement Program				
	20.106	3-22-0030-013-2020	8,500	-
Agency Total			<u>307,069</u>	<u>-</u>
Department of Treasury - LA CARES				
Passed through the State of Louisiana Office of Community Development				
Coronavirus Relief Fund				
	21.019		143,554	-
Agency Total			<u>143,554</u>	<u>-</u>
Department of Homeland Security				
Passed through Louisiana Department of Homeland Security				
Disaster Grant-Public Assistance (Presidentially-Declared Disasters)				
	97.036		195,854	-
Disaster Grant-Public Assistance (Presidentially-Declared Disasters)				
	97.036		54,044	-
Agency Total			<u>249,898</u>	<u>-</u>
Totals			<u>\$ 974,006</u>	<u>\$ -</u>

Notes:

(1) The Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the Town of Many (the Town) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

(2) All expenditures on the SEFA are reported on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Town's accounting policies.

(3) The Town did not elect to use the ten percent (10%) *de minimis* indirect cost rate as allowed under the Uniform Guidance.

See Independent Auditor's Report.

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

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Many, Louisiana (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 22, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2021-001, 2021-002, 2021-003, and 2021-004 that we consider to be material weaknesses.

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

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
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66



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PAYNE, MOORE & HERRINGTON, LLP

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as Findings 2021-005 and 2021-006.

Town of Many, Louisiana's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants
Alexandria, Louisiana

February 22, 2022



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited Town of Many's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2021. Town of Many's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Many's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Many's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Many's compliance.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
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68



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PAYNE, MOORE & HERRINGTON, LLP

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

Opinion on Each Major Federal Program

In our opinion, the Town of Many, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town of Many, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Many's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2021-001 that we consider to be a material weakness.



PAYNE, MOORE & HERRINGTON, LLP

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

The Town of Many's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Many's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants
Alexandria, Louisiana

February 22, 2022

**Town of Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No
<i>Management's Corrective Action Plan</i>		See attached
<i>Management's Summary Schedule of Prior Audit Findings</i>		See attached
<i>Other Comments and Recommendations</i>		None reported

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Type of auditor's report issued:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<u> </u> Yes	<u> X </u> No

Identification of major programs:

<u>Assistance Listing (CFDA) Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

**Town of Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

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

Finding 2021-001 Grants and Related Financial Oversight

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

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

Cause and Effect: During the period under audit, there was no specified individual responsible for summarizing and overseeing compliance with all grant provisions, including recordkeeping, determining funding sources, and ensuring compliance with all provisions. As a result, management could not affirm compliance with all provisions of grants or provide the auditors with a comprehensive list of grant awards and expenditures during the year. In addition, certain expenditures related to storm clean up were not reimbursed by FEMA because sufficient documentation was not obtained from the vendor.

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

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

Finding 2021-002 Delinquent Payment of Certain Payroll Liabilities & Improperly Paid Leave

Criteria: Effective internal controls over payroll processing and payment of all payroll liabilities is essential to ensure that the Town is adhering to statutory requirements and fiduciary responsibilities. In addition, payments to employees upon separation must be made in accordance with the Town's policies.

Conditions and Context: The Town failed to timely file reports and remit Louisiana income taxes withheld from employees' wages during the months of February 2021 through July 2021. The Town did not timely remit retirement contributions and required reports for police department employees during the months of May, June, and July 2021. The Town did not properly calculate and remit retirement payments for other municipal employees for the months of April, May, and June 2021. Premiums for Town employees' health insurance were not remitted timely during some months between November 2020 and July 2021. An employee who was ineligible for payment of vacation was paid in error upon his separation from employment with the Town.

Cause and Effect: Internal controls over payroll processes and functions were not followed. As a result, certain payroll tax withholdings, retirement contributions, and health insurance premiums were not paid timely and related reports were not properly prepared. In addition, payment for vacation was made in error to a former employee. We understand that the improper payment to the former employee has been repaid to the Town.

Town of Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Recommendation: The auditors recommend that internal control procedures related to payroll processing be followed and supervision of payroll functions be improved to ensure complete and timely filing of required reports and payment of all payroll liabilities. In addition, we recommend that payments only be made to terminated employees after review and approval by the proper level of management.

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

Finding 2021-003 – Untimely and Improperly Prepared Bank Reconciliations

Criteria: Effective internal controls over financial reporting include timely and properly reconciling bank statements to ensure that all transactions affecting the Town's bank accounts and financial statements are posted in the proper period and to the proper account. Untimely and improper posting will affect the financial statements of the Town.

Conditions and Context: June 30, 2021 reconciliations for some BOM Bank accounts (Police Special, Police Trust, Depreciation, and Street Savings) were not completed until December 7, 2021. The BOM Payroll account for the months of March 2021 through June 30, 2021 were not completed until January 2022. Additionally, twelve reconciliations for accounts with BOM Bank and Community Bank of Louisiana were completed improperly. Errors consisted of incorrect posting of transactions in QuickBooks using either the wrong date(s) or to the wrong bank account(s). Reconciled balances per the bank reconciliation did not agree to the general ledger for some accounts.

Cause and Effect: Internal controls and the Town's policies regarding reconciliation of bank statements to the Town's general ledger were not properly followed. As a result, certain bank reconciliations were not completed timely and/or properly. Completed reconciliations were either not approved timely or were approved although the reconciliations were improperly prepared.

Recommendation: The auditors recommend that internal control policies and procedures related to receiving and reconciling bank statements to the Town's general ledger be followed. In addition, completed bank reconciliations should be reviewed and approved by the appropriate level of management to help ensure that all reconciliations are prepared timely and properly.

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

Finding 2021-004 Internal Controls over Purchase Orders and Operating Disbursements

Criteria: Effective internal controls over disbursements are essential to help ensure that purchases and disbursements are properly authorized. Purchase orders approved by the department supervisor are required prior to purchase. Purchase orders and invoices require approval by the Mayor prior to payment.

Condition and Context: Eight of forty transactions examined did not comply with the Town of Many's procedures for disbursements. Seven transactions lacked either a timely dated purchase order or properly approved invoice. No invoice was available for one selected transaction therefore evidence of proper approval could not be provided.

Cause and Effect: Established purchasing and approval procedures were not followed. As a result, purchases were not made in accordance with the Town's policy and unauthorized disbursements could have occurred.

**Town of Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Recommendation: We recommend that established procedures for use of purchase orders and approval and payment of invoices be followed. Furthermore, we recommend that all employees be made aware of and adhere to such procedures.

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

Finding 2021-005 Submission of Audit Report

Criteria: In accordance with state statute, the Town's audit report must be submitted to the Louisiana Legislative Auditor within 180 days of the close of the entity's fiscal year.

Condition and Context: The Town's audit report was not submitted to the Louisiana Legislative Auditor within 180 days of the fiscal year end.

Cause and Effect: Delays in completing the audit for the year ended June 30, 2020, significant turn-over in personnel, absences due to employee and family illnesses/deaths, resulted in late completion and filing of the June 30, 2021 audit report. A request for extension of time to file was submitted and granted by Louisiana Legislative Auditor to March 31, 2022.

Recommendation: We recommend that the Town comply with the filing requirements and deadline established by state statute.

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

Finding 2021-006 Budget Compliance

Criteria: Louisiana Revised Statute (LRS) 39:1311 requires an amendment to the budgets of the general fund and/or special revenue funds if total revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more, or if total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Condition: Actual expenditures in the General Fund exceeded budgeted expenditures by 14.64%.

Cause and Effect: Because significant grant receivables and payables were not included in the final budgets, actual expenses exceeded final budgeted expenses by more than 5% in the General Fund. As a result, the Town did not fully comply with the provisions of LRS 39:1311.

Recommendation: We recommend that the Town comply with the provision of LRS 39:1311.

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

**Town of Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Part III - Findings and Questioned Costs for Federal Awards

See Finding 2021-001

Management's Corrective Action Plan

Town of Many

The Heart of Toledo Bend

MAYOR
Robert H. Hable, Jr.

CHIEF OF POLICE
Cheryl Wooley

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MANY, LA 71449
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(318) 256-4013 FAX

ALDERMEN
Anita Darwin
Bobbie Jackson
Mary Brocato
Mary Perry
Cherry Williams

The Town of Many respectfully submits the following corrective action plan for the year ended June 30, 2021.

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

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

Audit Period: July 1, 2020 through June 30, 2021

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

Part I – Findings Related to the Financial Statements

Finding 2021-001 Grants and Related Financial Oversight

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

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

Management's Response: Management agrees with the recommendation and will implement procedures to properly maintain the needed information on grants.

Town of Many

The Heart of Toledo Bend

MAYOR
Robert H. Hable, Jr.

CHIEF OF POLICE
Cheryl Wooley

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Finding 2021-002 Delinquent Payment of Certain Payroll Liabilities & Improperly Paid Leave

Summary: The Town failed to timely file reports and remit Louisiana income taxes withheld from employees' wages during the months of February 2021 through July 2021. The Town did not timely remit retirement contributions and required reports for police department employees during the months of May, June, and July 2021. The Town did not properly calculate and remit retirement payments for other municipal employees for the months of April, May, and June 2021. Premiums for Town employees' health insurance were not remitted timely during some months between November 2020 and July 2021. An employee who was ineligible for payment of vacation was paid in error upon his separation from employment with the Town.

Recommendation: The auditors recommend that internal control procedures related to payroll processing be followed and supervision of payroll functions be improved to ensure complete and timely filing of required reports and payment of all payroll liabilities. In addition, we recommend that payments only be made to terminated employees after review and approval by the proper level of management.

Management's Response: The previous Payroll Clerk/HR Manager was terminated and has been replaced. The lack of proper oversight of compliance was compounded by turnover of personnel in the office. The Town Clerk and Mayor will increase oversight of these procedures to ensure compliance.

Finding 2021-003 – Untimely and Improperly Prepared Bank Reconciliations

Summary: June 30, 2021 reconciliations for some BOM Bank accounts (Police Special, Police Trust, Depreciation, and Street Savings) were not completed until December 7, 2021. The BOM Payroll account for the months of March 2021 through June 30, 2021 were not completed until January 2022. Additionally, twelve reconciliations for accounts with BOM Bank and Community Bank of Louisiana were completed improperly. Errors consisted of incorrect posting of transactions in QuickBooks using either the wrong date(s) or to the wrong bank account(s). Reconciled balances per the bank reconciliation did not agree to the general ledger for some accounts.

Recommendation: The auditors recommend that internal control policies and procedures related to receiving and reconciling bank statements to the Town's general ledger be followed. In addition, completed bank reconciliations should be reviewed and approved by the appropriate level of management to help ensure that all reconciliations are prepared timely and properly.

Management's Response: The lack of proper oversight of compliance was compounded by turnover of personnel in the office. The Town Clerk and Mayor will increase oversight of these procedures to ensure compliance.

Finding 2021-004 Internal Controls over Purchase Orders and Operating Disbursements

Summary: Eight of forty transactions examined did not comply with the Town of Many's procedures for disbursements. Seven transactions lacked either a timely dated purchase order or properly approved invoice. No invoice was available for one selected transaction therefore evidence of proper approval could not be provided.

Town of Many

The Heart of Toledo Bend

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Recommendation: We recommend that established procedures for use of purchase orders and approval and payment of invoices be followed. Furthermore, we recommend that all employees be made aware of and adhere to such procedures.

Management's Response: Management agrees with recommendation to make employees aware of adhering to the policy and procedures for disbursements. Management will revise disbursement policy to state that the Chief of Police and the Mayor will approve all invoices for the police department. Furthermore, management will revise the disbursement policy to state that recurring monthly charges for services (ie: phone bills, firewall protection) will not require purchase orders. Follow-up training on policies and procedures will be done with the Supervisors annually.

Finding 2021-005 Submission of Audit Report

Summary: The Town's audit report was not submitted to the Louisiana Legislative Auditor within 180 days of the fiscal year end.

Recommendation: We recommend that the Town comply with the filing requirements and deadline established by state statute.

Management's Response: The Town understands and will comply with the filing requirements and deadline established by the state statute.

Finding 2021-006 Budget Compliance

Summary: Actual expenditures in the General Fund exceeded budgeted expenditures by 14.64%.

Recommendation: We recommend that the Town comply with the provision of LRS 39:1311.

Management's Response: We concur with the auditor's recommendation, and we will help ensure that all unbilled receivables and payables related to grants and projects are considered, to the extent practical, when amending budgets at year end.

Respectfully submitted,

Robert Hable
Mayor

Management's Summary Schedule of Prior Audit Findings

Town of Many

The Heart of Toledo Bend

MAYOR
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Management's Summary Schedule of Prior Audit Findings Year Ended June 30, 2021

Finding 2020-001 Grant and Related Financial Oversight

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

Current Status: Unresolved See Finding 2021-001

Finding 2020-002 Delinquent Payment of Certain Payroll Liabilities

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

Current Status: Unresolved. See Finding 2021-002

Respectfully submitted,

Robert Hable
Mayor