

**Town of Many**  
Many, Louisiana

Annual Financial Statements  
with Independent Auditor's Report

As of and For the Year Ended  
June 30, 2022  
with Supplemental Information Schedules

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**Independent Auditor's Report**

Town of Many  
Many, Louisiana

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Many, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Many's basic financial statements as listed in the table of contents.

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, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibility of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Many's basic financial statements. The accompanying schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer, schedule of Justice System Funding and schedule of expenditures of federal awards, as required by Title 23 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer, Justice System Funding schedule 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2023, on our consideration of the Town of Many's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

## **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of Louisiana Legislative Auditor, we have issued our report dated September 22, 2023, on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of our testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
September 22, 2023

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



Town of Many  
Many, Louisiana

Statement of Net Position  
As of June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and equivalents	\$ 1,706,146	\$ 696,343	\$ 2,402,489
Accounts receivable	302,905	287,558	590,463
Prepaid expenses	4,772	-	4,772
Due from other funds	1,029,332	64,943	1,094,275
Cash and equivalents - restricted	-	202,433	202,433
Capital assets (net of accumulated depreciation)	6,785,132	10,869,686	17,654,818
<b>Total Assets</b>	<u>9,828,287</u>	<u>12,120,963</u>	<u>21,949,250</u>
<b>Deferred Outflows of Resources</b>			
Pension	400,159	63,885	464,044
<b>Total Deferred Outflows of Resources</b>	<u>400,159</u>	<u>63,885</u>	<u>464,044</u>
<b>Liabilities</b>			
Accounts payable	111,950	91,458	203,408
Payroll liabilities	95,856	-	95,856
Due to other funds	-	1,094,276	1,094,276
Customer meter deposits	-	127,168	127,168
Long-term liabilities			
Due within one year	30,000	-	30,000
Interest payable	2,113	-	2,113
Due in more than one year	962,238	862,101	1,824,339
<b>Total Liabilities</b>	<u>1,202,157</u>	<u>2,175,003</u>	<u>3,377,160</u>
<b>Deferred Inflows of Resources</b>			
Pension	406,874	53,459	460,333
<b>Total Deferred Inflows of Resources</b>	<u>406,874</u>	<u>53,459</u>	<u>460,333</u>
<b>Net Position</b>			
Net investment in capital assets	6,754,132	10,896,676	17,650,808
Restricted	1,846,181	-	1,846,181
Unrestricted	19,099	(940,290)	(921,191)
<b>Total Net Position</b>	<u>\$ 8,619,412</u>	<u>\$ 9,956,386</u>	<u>\$ 18,575,798</u>

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

Town of Many  
Many, Louisiana

Statement of Activities  
For the Year Ended June 30, 2022

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<u>Functions/Programs</u>							
Primary government							
Governmental activities							
General government	\$ 1,662,427	\$ 331,731	\$ 31,309	\$ 681,560	\$ (617,827)	\$ -	(617,827)
Police	715,259	173,986	-	-	(541,273)	-	(541,273)
Sanitation	246,373	262,375	-	-	16,002	-	16,002
Highways and streets	641,483	10,214	-	45,000	(586,269)	-	(586,269)
Parks and recreation	-	-	32,925	-	32,925	-	32,925
Total governmental activities	<u>3,265,542</u>	<u>778,306</u>	<u>64,234</u>	<u>726,560</u>	<u>(1,696,442)</u>		<u>(1,696,442)</u>
Business-type activities							
Water and sewer	<u>2,307,993</u>	<u>1,783,989</u>	<u>508,260</u>	<u>31,063</u>	<u>-</u>	<u>15,319</u>	<u>15,319</u>
Total primary government	<u>\$ 5,573,535</u>	<u>\$ 2,562,295</u>	<u>\$ 572,494</u>	<u>\$ 757,623</u>	<u>(1,696,442)</u>	<u>15,319</u>	<u>(1,681,123)</u>
<u>General Revenues</u>							
Taxes:							
Property taxes, levied for general purposes				152,399	-		152,399
Sales taxes				1,740,264	-		1,740,264
Franchise taxes				220,132	-		220,132
Intergovernmental				27,879	-		27,879
Investment earnings				7,010	3,618		10,628
Other revenue				43,982	7,341		51,323
Gain (loss) on sale of fixed assets				6,127	-		6,127
Operating transfers				(192,744)	192,744		-
Total general revenues and transfers				<u>2,005,049</u>	<u>203,703</u>		<u>2,208,752</u>
Change in net position				308,607	219,022		527,629
Net position - June 30, 2021				<u>8,310,806</u>	<u>9,737,363</u>		<u>18,048,169</u>
Net position - June 30, 2022				<u>\$ 8,619,413</u>	<u>\$ 9,956,385</u>		<u>\$ 18,575,798</u>

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

# **FUND FINANCIAL STATEMENTS**

Town of Many  
Many, Louisiana

Balance Sheet - Governmental Funds  
As of June 30, 2022

	Major Funds		
	General Fund	Street Fund	Total
<b>Assets</b>			
Cash and equivalents	\$ 687,594	\$ 1,018,552	\$ 1,706,146
Accounts receivable	227,921	74,984	302,905
Prepaid expenses	4,772	-	4,772
Due from other funds	1,028,070	811,461	1,839,531
<b>Total Assets</b>	<u>\$ 1,948,357</u>	<u>\$ 1,904,997</u>	<u>\$ 3,853,354</u>
<b>Liabilities &amp; Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 53,135	\$ 58,815	\$ 111,950
Payroll liabilities	95,856	-	95,856
Due to other funds	810,199	-	810,199
Long-Term Liabilities:			
Due within one year	30,000	-\$	30,000
Interest payable	2,113	-	2,113
<b>Total Liabilities</b>	<u>991,303</u>	<u>58,815</u>	<u>1,050,118</u>
Fund balances:			
Nonspendable, reported in:			
General fund	4,772	-	4,772
Restricted, reported in:			
General fund	-	1,846,181	1,846,181
Unassigned	952,281	-	952,281
<b>Total Fund Balances</b>	<u>957,053</u>	<u>1,846,181</u>	<u>2,803,234</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,948,356</u>	<u>\$ 1,904,996</u>	<u>\$ 3,853,352</u>

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

Town of Many  
Many, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
As of June 30, 2022

Total Fund Balances at June 30, 2022 - Governmental Funds (Statement C)	\$	2,803,235
Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.		6,785,132
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability \$913,823		
Compensated absences \$17,415		
Notes payable \$31,000		(962,238)
Deferred outflows of resources		400,159
Deferred inflows of resources		(406,874)
Net Position at June 30, 2022	\$	<u>8,619,414</u>

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

Town of Many  
Many, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2022

	Major Funds		Total
	General Fund	Street Fund	
<b>Revenues</b>			
Taxes:			
Ad valorem tax	\$ 152,399	\$ -	\$ 152,399
Franchise tax	210,582	-	210,582
Sales tax	870,132	870,132	1,740,264
Licenses and permits	280,334	-	280,334
Operating grant	17,035	-	17,035
Intergovernmental	84,628	10,000	94,628
Fines, forfeitures, and court costs	173,986	-	173,986
Charges for services	287,804	-	287,804
Miscellaneous	31,079	214	31,293
<b>Total revenues</b>	<u>2,107,979</u>	<u>880,346</u>	<u>2,988,325</u>
<b>Expenditures</b>			
Current:			
General government	1,112,818	-	1,112,818
Public safety			
Police	715,259	-	715,259
Streets	-	641,483	641,483
Sanitation	246,373	-	246,373
Capital outlay	744,548	90,605	835,153
<b>Total expenditures</b>	<u>2,818,998</u>	<u>732,088</u>	<u>3,551,086</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(711,019)</u>	<u>148,258</u>	<u>(562,761)</u>
<b>Other financing sources (uses)</b>			
Capital grant	681,560	45,000	726,560
Bond payable expenditures	(59,000)	-	(59,000)
Bond interest expenditures	(3,457)	-	(3,457)
Interest earnings	3,656	3,355	7,011
Proceeds from the sale of fixed assets	6,127	-	6,127
Operating transfers	(192,744)	-	(192,744)
<b>Total other financing sources (uses)</b>	<u>436,142</u>	<u>48,355</u>	<u>484,497</u>
<b>Net changes in fund balances</b>	(274,877)	196,613	(78,264)
<b>Prior period adjustment</b>	140,814	-	140,814
<b>Fund balances - June 30, 2021</b>	<u>1,091,118</u>	<u>1,649,568</u>	<u>2,740,686</u>
<b>Fund balances - June 30, 2022</b>	<u>\$ 957,055</u>	<u>\$ 1,846,181</u>	<u>\$ 2,803,236</u>

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

Town of Many  
Many, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Funds Balances to the Statement of Activities  
For the Year Ended June 30, 2022

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	(78,266)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(604,136)
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Capital outlay		835,153
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Bond principal and interest expense, which is considered an other financing use on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is a reduction of bonds payable on the Government-Wide Statements. Bond proceeds, which is considered an other financing source on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is an increase in long-term liabilities on the Government- Wide Statements.

Bond principle expense		59,000
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Bond interest expense		3,457
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Compensated absence expense decrease (increase)		-
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Net pension liability decrease (increase)		93,397
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Change in net position of governmental activities (Statement B)	\$	308,605
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Town of Many  
Many, Louisiana

Statement of Net Position - Proprietary Fund  
As of June 30, 2022

		Utility System - Enterprise Funds
<b>Assets</b>		
Current Assets:		
Cash and equivalents	\$	696,343
Accounts receivable		287,558
Due from other funds		64,943
Total Current Assets		1,048,844
Noncurrent Assets:		
Cash and equivalents - restricted		202,433
Capital assets (net of accumulated depreciation)		10,869,686
Total Noncurrent Assets		11,072,119
<b>Total Assets</b>		12,120,963
<b>Deferred Outflows of Resources</b>		
Pension		63,885
<b>Total Deferred Outflows of Resources</b>		63,885
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable		91,458
Due to other funds		1,094,276
Total Current Liabilities		1,185,734
Current liabilities payable from restricted assets:		
Customer meter deposits		127,168
Long-Term Liabilities:		
Long-Term Liabilities - Noncurrent		862,101
<b>Total Liabilities</b>		2,175,003
<b>Deferred Inflows of Resources</b>		
Pension		53,459
<b>Total Deferred Inflows of Resources</b>		53,459
<b>Net Position</b>		
Net investment in capital assets		10,896,676
Unrestricted		(940,290)
<b>Total Net Position</b>	\$	9,956,386

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



Town of Many  
Many, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund  
For the Year Ended June 30, 2022

	Utility System - Enterprise Funds
<b>Operating Revenues</b>	
Charges for services	\$ 1,725,806
Miscellaneous income	65,524
Total operating revenues	1,791,330
<b>Operating Expenses</b>	
Personnel services	746,751
Supplies	269,558
Utilities	212,673
Repairs and maintenance	218,811
Contractual services	85,043
Miscellaneous	338,417
Depreciation	436,739
Total operating expenses	2,307,992
<b>Operating Income (Loss)</b>	(516,662)
<b>Non-operating Revenues (Expenses)</b>	
Interest earnings	3,618
Grant income	539,323
Total non-operating revenues (expenses)	542,941
<b>Income (loss) before transfers</b>	26,279
<b>Transfers in (out)</b>	192,744
Total transfers	192,744
<b>Change in net position</b>	219,023
<b>Total Net Position - June 30, 2021</b>	9,737,363
<b>Total Net Position - June 30, 2022</b>	\$ 9,956,386

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

Town of Many  
Many, Louisiana

Statement of Cash Flows - Proprietary Fund  
For the Year Ended June 30, 2022

	Utility System - Enterprise Funds
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 1,787,514
Cash payments to suppliers for goods and services	(932,097)
Cash payments to employees for services	(746,461)
Net cash provided by (used for) operating activities	108,956
<b>Cash flows from non-capital financing</b>	
Transfers (to) from other funds	192,744
Equity transfers to (from) other funds	(138,700)
Net cash provided by (used for) non-capital financing activities	54,044
<b>Cash flows from capital and related financing activities</b>	
Capital grant	539,323
Acquisition of capital assets	(158,654)
Net cash provided by (used for) capital and related financing activities	380,669
<b>Cash flows from investing activities</b>	
Interest earnings	3,618
Other income (expense)	-
Net cash provided by (used for) investing activities	3,618
<b>Net increase (decrease) in cash and cash equivalents</b>	547,287
<b>Cash and cash equivalents - June 30, 2021</b>	351,486
<b>Cash and cash equivalents - June 30, 2022</b>	\$ 898,773

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

Town of Many  
Many, Louisiana

Statement of Cash Flows - Proprietary Fund  
For the Year Ended June 30, 2022

**Reconciliation of operating income to net provided by operating activities**

Operating income	\$	(516,663)
Adjustments		
Depreciation		436,739
Net changes in assets and liabilities		
Accounts receivable		(981)
Due from other funds		39
Customers' security deposits		631
Accounts payable		36,035
Due to other funds		160,207
Current increase (decrease) in pension liability		(7,051)
Net cash provided for (used for) operating activities	\$	<u>108,956</u>

**Reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts in the statement of cash flows**

Cash and cash equivalents - unrestricted	\$	696,343
Cash and cash equivalents - restricted		<u>202,433</u>
Total cash and restricted cash	\$	<u>898,776</u>

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

**NOTES TO THE  
FINANCIAL STATEMENTS**

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

**INTRODUCTION**

The Town of Many, Louisiana (Town), 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town applies all relevant GASB pronouncements, as applicable to governmental entities. Also, the Town's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

**B. Reporting Entity**

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a general purpose local government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Town for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
  - i. The ability of the government to impose its will on that organization and/or
  - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

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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, Recreation District - Wards 2 & 3 is considered a component unit of the Town and is reported in the Town of Many's financial statements as a blended entity.

**C. Government-Wide Financial Statements**

The Town's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Town. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town of Many's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Town's taxpayers or citizenry, including (a) fees and charges paid by the recipient 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; program revenues reduce the cost of the function to be financed from the Town's general revenues.

Direct Expenses - The Town reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Town reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

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**D. Fund Financial Statements**

The accounts of the Town of Many are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the Town are classified into two categories: governmental and proprietary.

*Governmental Funds*

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Town has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an other financing use. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Town of Many reports the following major governmental funds:

General Fund - The primary operating fund of the Town, the General Fund, accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Town policy.

Major Special Revenue Funds - Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the Town to be accounted for separately.

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Revenues

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are property taxes, franchise taxes, sales taxes, charges for services, and fines. Permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

*Proprietary Funds*

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into three components-net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary funds use the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.



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The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis are financed through user charges: or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

The Enterprise Fund of the Town of Many is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Town for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues and Expenses

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**E. Equity Classifications**

The Town of Many has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

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The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town had \$4,772 of nonspendable funds for the year ended June 30, 2022.

**Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has restricted funds of \$1,846,181 for the year ended June 30, 2022.

**Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town Council typically establishes commitments through the adoption and amendment of the budget. The Town did not have any committed funds for the year ended June 30, 2022.

**Assigned:** This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Town did not have any assigned funds for year ended June 30, 2022.

**Unassigned:** This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The General Fund amount of \$952,281 is designated as unassigned.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

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**F. Budgets**

The Mayor prepares a proposed budget and submits it to the Town Council no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Town Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The Town utilizes formal budgetary integration as a management control device for all funds.

The 2021-2022 general fund budget and special fund budgets were published in the official journal and made available for public inspection. A public hearing for the proposed budgets was held on June 15, 2021, and the budgets were adopted by the Mayor and Town Council. A public hearing was held for the budgets to be amended on June 14, 2022, and was adopted by the Mayor and Town Council.

**G. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town of Many may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Town may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Town reports restricted assets on the Statement of Net Position (Statement A), which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

**H. Investments**

The Town of Many's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Town may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for the following, which are permitted under GASB Statement No. 31:

Investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

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The Town reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**I. Interfund Receivables and Payables**

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements balance sheets, as well as all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**J. Inventories**

Inventories of supplies in the Proprietary Fund are not material and are charged to operations as purchased.

**K. Capital Assets**

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

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

General Fund	Years	Enterprise Fund	Years
Buildings	10-40 years	Equipment	4-15 years
Equipment	5-25 years	Utility Plant and Distribution System	10-60 years
Infrastructure - Asphalt Streets	40 years		

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

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**L. Deferred Outflows of Resources**

The Town reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town reported \$464,044 in deferred outflows of resources due to the net pension liability.

**M. Compensated Absences**

Compensated absences computed by the Town is as follows:

Vacation is limited to five days after one continuous year of service, ten days after two continuous years of service, and thereafter. Vacation days must be used in the calendar year of entitlement. Unused days at December 31 of each year do not accrue.

Sick leave is limited to thirty days at full pay and thirty days at half-pay. Days must be used within the calendar year and do not accrue.

The cost of leave privileges, computed in accordance with the GASB Statement No. 16, Accounting for Compensated Absences, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death.

At June 30, 2022, employees of the Town have accumulated and vested \$38,581 of employee leave benefits, computed in accordance with GASB Statement No. 16. The entire compensated absence liability is reported on the government-wide financial statements.

**N. Deferred Inflows of Resources**

The Town reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town will not recognize the related revenues until a future event occurs. The Town reported \$460,333 of deferred inflows of resources due to the net pension liability.

**O. Interfund Transactions**

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet (Statement C), as well as all other outstanding balances between funds.

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In the process of aggregating data for the Statement of Net Position (Statement A) and the Statement of Activities (Statement B), some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**P. Estimates**

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

**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.

This millage was approved by the Town Council on August 27, 2021. For the current year, property taxes were levied for 5.34 mills on property with assessed valuations totaling \$25,548,353 and were dedicated for general alimony purposes. Total taxes levied were \$136,428.

**3. Sales Tax**

The Town is authorized to levy and collect a tax of one percent (1%) for an unlimited period upon the sale at retail, the use, and lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in said Town, as defined in R.S. 47:301 to 47:317, inclusive, with the revenues derived from said sales and use tax to be deposited in a special fund and dedicated and used for the purposes of industrial construction, inducement and/or procurement, opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges, constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, and waterworks.

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 and (b) one half to the General Fund for general operating expenditures or any other use as designated by the Council.

**4. Cash, Cash Equivalents, and Investments**

At June 30, 2022, the Town had cash and cash equivalents (book balances) totaling \$2,604,921, of which \$2,567,501 was in demand deposits and \$37,420 was in petty cash. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

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At June 30, 2022, the Town had \$2,576,494 in deposits (collected bank balances). These deposits are secured from risk by \$254,086 of federal deposit insurance, and \$2,324,981 of pledged securities held in a Federal Reserve pledge account. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Town of Many has complied with these requirements of state law.

Cash and investments are categorized to give an indication of the level of risk assumed by the Town at June 30, 2022. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Town of Many has cash and cash equivalents that are covered by federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution.

At June 30, 2022, the Town had no investments.

**5. Receivables**

The receivables of \$594,463 at June 30, 2022, are as follows:

	Fund		Total
	General	Enterprise	
Ad valorem taxes	\$ 14,303	\$ -	\$ 14,303
Licenses and fees	12,378	-	12,378
Sales taxes	149,954	-	149,954
Franchise and other taxes	50,001	-	50,001
Services	74,984	287,558	362,542
Other	1,285	-	1,285
<b>Total</b>	<b>\$ 302,905</b>	<b>\$ 287,558</b>	<b>\$ 590,463</b>

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Notes to the Financial Statements  
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**6. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2022, is as follows.

*A. Capital Assets - Governmental Activities*

	Balance, July 01, 2021	Additions	Deletions	Balance, June 30, 2022
Capital assets not depreciated				
Land	\$ 454,717	\$ -	\$ -	\$ 454,717
Construction in progress	94,510	-	-	94,510
Total capital assets not being depreciated	<u>549,227</u>	<u>-</u>	<u>-</u>	<u>549,227</u>
Capital assets being depreciated				
Automobiles and trucks	639,860	-	-	639,860
Buildings and improvements	5,359,432	781,649	-	6,141,081
Machinery and equipment	916,611	15,510	-	932,121
Infrastructure	3,455,745	37,994	-	3,493,739
Total capital assets being depreciated	<u>\$ 10,371,648</u>	<u>\$ 835,153</u>	<u>\$ -</u>	<u>\$ 11,206,801</u>
Less accumulated depreciation				
Automobiles and trucks	\$ 397,564	\$ 66,320	\$ -	\$ 463,884
Buildings and improvements	1,982,479	240,969	-	2,223,448
Equipment and furniture	616,441	59,005	-	675,446
Infrastructure	1,370,277	237,842	-	1,608,119
Total accumulated depreciation	<u>4,366,761</u>	<u>604,136</u>	<u>-</u>	<u>4,970,897</u>
Capital assets, net	<u>\$ 6,004,887</u>	<u>\$ 231,017</u>	<u>\$ -</u>	<u>\$ 6,235,904</u>
Governmental capital assets - net	<u>\$ 6,554,114</u>	<u>\$ 231,017</u>	<u>\$ -</u>	<u>\$ 6,785,131</u>



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*B. Capital Assets - Business-Type Activities*

	Balance, July 01, 2021	Additions	Deletions	Balance, June 30, 2022
Capital assets not depreciated				
Land	\$ 38,999	\$	\$	\$ 38,999
Construction in progress				
Total capital assets not being depreciated	<u>38,999</u>	<u>-</u>	<u>-</u>	<u>38,999</u>
Capital assets being depreciated				
Water system	\$ 13,668,228	\$ 112,939	\$ 103,874	\$ 13,677,293
Sewer System	5,283,918	34,415	-	5,318,333
Furniture and fixtures	73,527	74,836	-	148,363
Trucks and equipment	209,594	-	-	209,594
Total capital assets being depreciated	<u>\$ 19,235,267</u>	<u>\$ 222,190</u>	<u>\$ 103,874</u>	<u>\$ 19,353,583</u>
Less accumulated depreciation				
Water system	\$ 5,002,135	\$ 214,027	\$ 39,338	\$ 5,176,824
Sewer System	2,909,214	133,038	-	3,042,252
Furniture and fixtures	22,471	73,755	-	96,226
Trucks and equipment	192,675	14,920	-	207,595
Total accumulated depreciation	<u>\$ 8,126,495</u>	<u>\$ 435,739</u>	<u>\$ 39,338</u>	<u>\$ 8,522,897</u>
Capital assets, net	<u>\$ 11,108,772</u>	<u>\$ (213,549)</u>	<u>\$ 64,536</u>	<u>\$ 10,830,686</u>
Business-type capital assets - net	<u>\$ 11,147,771</u>	<u>\$ (213,549)</u>	<u>\$ 64,536</u>	<u>\$ 10,869,685</u>

**7. Payables**

The payables of \$299,264 at June 30, 2022, are as follows:

	Fund		Total
	General	Enterprise	
Accounts	\$ 111,950	\$ 91,458	\$ 203,408
Payroll liabilities	95,856	-	95,856
Total	<u>\$ 207,806</u>	<u>\$ 91,458</u>	<u>\$ 299,264</u>

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

**8. Retirement Systems**

**A. Municipal Employees' Retirement System of Louisiana (System)**

*Plan Description*

The Town of Many contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

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 a parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty 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 he meets one of the following criteria:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty 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. The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2022, the Town of Many's total payroll for all employees was \$1,622,985 and total covered payroll was \$922,392. Covered payroll refers to all compensation paid by the Town of Many to active employees covered by the Plan.

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

*Contributions*

Contributions for all members are established by statute. For the year ended June 30, 2021, member contributions were at 10.00% of earnable compensation for Plan A and 5.00% of earnable compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating municipality.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2021, the employer contribution rate was 29.50% of member's earnings for Plan A and employer contribution rate was 15.50% of member's earnings for Plan B.

According to state statute, the System also receives one-fourth (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. Tax monies received from East Baton Rouge Parish are apportioned between the System and the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The System 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.

Administrative costs of the System are financed through employer contributions.

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

At June 30, 2022, the Employer reported a liability of \$630,197 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Many's proportion of the Net Pension Liability was based on a projection of the Town of Many's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Town of Many's proportion was 1.087843%, which was an increase of 0.06821% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town of Many recognized pension expense of \$93,783 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and contributions made after the measurement date, which was (\$92,709). Total pension expense was \$1,074.

Town of Many  
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Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

At June 30, 2022, the Town of Many reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 26,007
Changes in assumption	25,502	-
Net difference between projected and actual earnings on pension plan	-	170,305
Changes in employer's proportion of beginning net pension liability	68,139	-
Differences between employer and proportionate share of contributions	-	1,683
Contributions after the measurement period	<u>142,970</u>	<u>-</u>
Total	<u>\$ 236,611</u>	<u>\$ 197,995</u>

The \$142,970 reported as deferred outflows of resources related to pensions resulting from Town of Many contributions subsequent to the measurement date will be recognized as an increase of Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2023	\$ 19,012
2024	(19,346)
2025	(44,171)
2026	(59,846)

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021, are as follows:

Valuation Date	06/30/21
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.85%
Inflation Rate	2.5%
Salary increases, including inflation and merit increases:	
- 1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B
- More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
Annuitant and beneficiary 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.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected arithmetic nominal return		6.95%

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

*Discount Rate*

The discount rate used to measure the total pension liability was 6.85% for the year ended 06/30/21. 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 the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town of Many's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current discount rate (assuming all other assumptions remain unchanged):

Changes in net pension liability from changes in the discount rate as of 06/30/21 for Plan B are as follows:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 966,853	\$ 630,197	\$ 345,449

*Plan Fiduciary Net Position*

The System has issued a stand-alone audit report on its financial statements for the year ended 06/30/21. Access to the report can be found on the System's website, [www.mersla.com](http://www.mersla.com), or on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

**B. Municipal Police Employees' Retirement System of Louisiana (System)**

*Plan Description*

The Town of Many contributes to the Municipal Police Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System 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 the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Town of Many  
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Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

Membership Prior to January 1, 2013:

A member is eligible for regular retirement after he has been a member of the System 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 System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3½% 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 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013:

Member eligibility for regular retirement, early retirement, disability and survivor benefits are 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 the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System 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% (generally) and 2½%, 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 system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2022, the Town of Many's total payroll for all employees was \$1,622,985. Total covered payroll was \$335,501. Covered payroll refers to all compensation paid by the Town of Many to active employees covered by the Plan.

Town of Many  
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Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

*Contributions*

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2021, total contributions due from employers and employees were as follows:

	Contribution Rates		
	Employee	Employer	Total
Members hired prior to 1/1/2013	10.00%	33.75%	43.75%
Hazardous Duty Members hired after 1/1/2013	10.0000%	33.75%	43.75%
Non Hazardous Duty Members hired after 1/1/2013	8.00%	33.75%	41.75%
Members whose earnable compensation is less than the poverty guidelines	7.50%	36.25%	43.75%

The System 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. Non-employer contributions were recognized as revenue during the year ended June 30, 2021, and excluded from pension expense. The Town of Many's contributions to the System for the year ended June 30, 2022 were \$99,812.

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

At June 30, 2022, the Employer reported a liability of \$453,779 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Many's proportion of the Net Pension Liability was based on a projection of the Town of Many's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Town of Many's proportion was 0.085128%, which was an increase of 0.00975% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town of Many recognized pension expense of \$24,907 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, contributions made after the measurement date, which was (\$79,480). Total pension expense was (\$54,573).



Town of Many  
Many, Louisiana

Notes to the Financial Statements  
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At June 30, 2022, the Town of Many reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	13,975
Changes in assumptions	50,254	12,944
Net difference between projected and actual earnings on pension plan	-	211,879
Changes in employer's proportion of beginning net pension liability	77,367	23,426
Differences between employer and proportionate share of contributions	-	114
Contributions after the measurement period	<u>99,812</u>	<u>-</u>
Total	<u>\$ 227,433</u>	<u>\$ 262,338</u>

The \$99,812 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2023	\$ (29,569)
2024	(12,439)
2025	(19,710)
2026	(72,999)

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021, are as follows:

Valuation Date	06/30/21	
Actuarial Cost Method	Entry Age Normal Cost	
Actuarial Assumptions:		
Investment Rate of Return	6.750%, net of investment expense	
Expected Remaining Service Lives	2021 - 4 years 2020 - 4 years 2019 - 4 years 2018 - 4 years	
Inflation Rate	2.50%	
Salary increases, including inflation and merit	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%
Mortality	<p>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.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>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.</p>	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System 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 mortality rate assumption used was set based upon an experience study for the period of July 1, 2014 through June 30, 2019. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	56%	3.47%
Fixed income	31%	0.59%
Alternatives	14%	1.01%
Totals	100%	5.08%
Inflation		2.22%
Expected arithmetic nominal return		7.30%

*Discount Rate*

The discount rate used to measure the total pension liability was 6.750%. 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 PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town of Many's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 5.750%, or one percentage point higher, 7.750%, than the current rate as of 06/30/21.

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 790,865	\$ 453,779	\$ 172,426

*Plan Fiduciary Net Position*

The Municipal Police Employees' Retirement System issued a stand-alone audit report on its financial statements for the year ended 06/30/21. Access to the audit report can be found on the System's website: [www.lampers.org](http://www.lampers.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

Town of Many  
Many, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

**9. Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2022:

Long-term obligation	Balance, July 01, 2021	Additions	Deletions	Balance, June 30, 2022
<b>Governmental activities</b>				
Direct borrowing and placement: Limited Tax Bond Obligation Series 2019	\$ 90,000	-	\$ 29,000	\$ 61,000
Net pension liability	1,117,468	-	203,645	913,823
Compensated absences	17,415	-	-	17,415
<b>Business-type activities</b>				
DOTD Note Payable	670,782	-	-	670,782
Net pension liability	503,220	-	333,067	170,153
Compensated absences	21,166	-	-	21,166
Total	<u>\$ 2,420,051</u>	<u>\$ -</u>	<u>\$ 565,712</u>	<u>\$ 1,854,339</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2022:

Long-term obligation	Current portion	Long-term portion	Total
<b>Governmental activities</b>			
Direct borrowing and placement: Limited Tax Bond Obligation Series 2019	\$ 30,000	\$ 31,000	\$ 61,000
Net pension liability	-	913,823	913,823
Compensated absences	-	17,415	17,415
<b>Business-type activities</b>			
DOTD Note Payable	-	670,782	670,782
Net pension liability	-	170,153	170,153
Compensated absences	-	21,166	21,166
Total	<u>\$ 30,000</u>	<u>\$ 1,824,339</u>	<u>\$ 1,854,339</u>

The limited tax bonds, Series 2019, are payable from an irrevocable pledge and dedication of funds derived by the Town from ad valorem tax revenue levied and collected annually. In accordance with Louisiana Revised Statute 39:562, the Town is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of property in the Town. At June 30, 2022, the statutory limit was \$2,554,835.

Town of Many  
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Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

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 for additional longitudinal facilities within any state-owned right of way is contingent upon repayment of this funding. As of the year ended June 30, 2022, 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:

Year ended June 30:	Principal Payments	Interest Payments	Total
2023	\$ 30,000	\$ 2,113	\$ 32,113
2024	31,000	1,066	32,066
Total	<u>\$ 61,000</u>	<u>\$ 3,179</u>	<u>\$ 64,179</u>

**10. Grants**

A summary of grant revenues for the year ended June 30, 2022, is as follows.

Entity	Department	Operating Amount	Capital Amount	Description of Use
Contributions from the public	General	17,035		Various projects
Northeast Law Enforcement Planning Agency	Police	1,077		Digital camera for investigations and nine trauma kits for units
LA Highway Safety Commission	Police	3,901		Click or Ticket Special Wave program
LA Commission on Law Enforcement	Police	9,296		Reimbursement grant
Pomeroy Foundation	Culture-Recreation	2,280		Historical marker for Sabine High School and KCS Depot Museum
Central LA Community Foundation	Culture-Recreation	1,500		Music in Many program
Act 119 of 2021 Regular Legislative Session	Culture-Recreation	25,000		Museum repairs and acquisitions
Louisiana Program Grant	Culture-Recreation	4,145		Music in Many program
American Rescue Plan	Utility	497,451		Utility system repairs
LA Government Assistance Program	Utility		31,063	Fire hydrant replacements
FEMA - Winter Storm Grant	Utility	10,809		Winter storm debris clean up
Act 119 of 2021 Regular Legislative Session	Streets		45,000	Chipper machine
Federal Aviation Administration	Airport		681,560	Runway rehabilitation
Total		<u>\$ 572,494</u>	<u>\$ 757,623</u>	

Town of Many  
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Notes to the Financial Statements  
As of and For the Year Ended June 30, 2022

**11. Risk Management**

The Town is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Town maintains commercial insurance policies covering automobile liability and uninsured motorist, surety bond coverage, flood insurance, and property insurance. In addition to the above policies, the Town maintains a general liability policy and an errors and omissions policy. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

**12. Litigation and Claims**

At June 30, 2022, the Town was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

**13. Deficit Net Position**

At June 30, 2022, a net position deficit of \$940,290 exists in the Utility Fund (Enterprise Fund) resulting from the net pension liability that was accounted for according to GASB Statement 68. The liability is an estimate of the Town's proportionate share of the cost-sharing retirement plan for municipal employees and municipal police employees. Please refer to Note 8 for a detailed explanation on the retirement plan.

**14. Prior Period Adjustment**

In the year ended June 30, 2021, there was an error in the calculation of the net changes in fund balances in the General Fund. A prior period adjustment of \$140,814 has been accounted for and presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds. This amount affects only the current year beginning fund balance for the General Fund.

**15. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 22, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

Town of Many  
Many, Louisiana

Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2022

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes:				
Ad valorem tax	\$ 141,000	\$ 141,000	\$ 152,399	\$ 11,399
Franchise tax	239,500	239,500	210,582	(28,918)
Sales tax	-	748,272	870,132	121,860
Licenses and permits	231,700	231,700	280,334	48,634
Operating grant	-	-	17,035	17,035
Intergovernmental	61,000	61,000	84,628	23,628
Fines, forfeitures, and court costs	150,000	150,000	173,986	23,986
Charges for services	276,400	276,400	287,804	11,404
Miscellaneous	15,050	15,050	31,079	16,029
<b>Total revenues</b>	<u>1,114,650</u>	<u>1,862,922</u>	<u>2,107,979</u>	<u>245,057</u>
<b>Expenditures</b>				
Current:				
General government	835,431	2,341,707	1,112,818	1,228,889
Public safety				
Police	775,887	783,387	715,259	68,128
Sanitation	158,500	158,500	246,373	(87,873)
Capital outlay	43,600	43,600	744,548	(700,948)
<b>Total expenditures</b>	<u>1,813,418</u>	<u>3,327,194</u>	<u>2,818,998</u>	<u>508,196</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(698,768)</u>	<u>(1,464,272)</u>	<u>(711,019)</u>	<u>753,253</u>
<b>Other financing sources (uses)</b>				
Capital grant	-	-	681,560	681,560
Bond payable expenditures	-	-	(59,000)	(59,000)
Bond interest expenditures	-	-	(3,457)	(3,457)
Interest earnings	300	300	3,656	3,356
Proceeds from the sale of fixed assets	-	-	6,127	6,127
Operating transfers	-	-	(192,744)	(192,744)
<b>Total other financing sources (uses)</b>	<u>300</u>	<u>300</u>	<u>436,142</u>	<u>435,842</u>
<b>Net changes in fund balances</b>	(698,468)	(1,463,972)	(274,877)	1,189,095
<b>Prior period adjustment</b>	-	-	140,814	140,814
<b>Fund balances - June 30, 2021</b>	<u>1,091,118</u>	<u>1,091,118</u>	<u>1,091,118</u>	<u>-</u>
<b>Fund balances - June 30, 2022</b>	<u>\$ 392,650</u>	<u>\$ (372,854)</u>	<u>\$ 957,055</u>	<u>\$ 1,329,909</u>

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



Town of Many  
Many, Louisiana

Budgetary Comparison Schedule - Streets Fund  
For the Year Ended June 30, 2022

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes:				
Sales tax	1,496,543	748,272	870,132	121,860
Intergovernmental	10,000	10,000	10,000	-
Miscellaneous	-	-	214	214
<b>Total revenues</b>	<u>1,506,543</u>	<u>758,272</u>	<u>880,346</u>	<u>122,074</u>
<b>Expenditures</b>				
Current:				
Streets	421,000	440,624	641,483	(200,859)
Capital outlay	<u>365,000</u>	<u>365,000</u>	<u>90,605</u>	<u>274,395</u>
<b>Total expenditures</b>	<u>786,000</u>	<u>805,624</u>	<u>732,088</u>	<u>73,536</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>720,543</u>	<u>(47,352)</u>	<u>148,258</u>	<u>195,610</u>
<b>Other financing sources (uses)</b>				
Capital grant	-	-	45,000	45,000
Interest earnings	<u>300</u>	<u>300</u>	<u>3,355</u>	<u>3,055</u>
<b>Total other financing sources (uses)</b>	<u>300</u>	<u>300</u>	<u>48,355</u>	<u>48,055</u>
<b>Net changes in fund balances</b>	720,843	(47,052)	196,613	243,665
<b>Fund balances - June 30, 2021</b>	1,649,568	1,649,568	1,649,568	-
<b>Fund balances - June 30, 2022</b>	<u>\$ 2,370,411</u>	<u>\$ 1,602,516</u>	<u>\$ 1,846,181</u>	<u>\$ 243,665</u>

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

Town of Many  
Many, Louisiana

Schedule of Employer's Share of Net Pension Liability  
Municipal Employees Retirement System  
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	1.087843 %	1.019632 %	0.894706 %	0.889485 %	0.893223 %	0.877156 %	0.709270 %	0.808662 %
Employer's proportionate share of the net pension liability (asset)	\$ 630,197	\$ 924,017	\$ 782,701	\$ 752,355	\$ 772,846	\$ 727,082	\$ 482,053	\$ 379,664
Employer's covered employee payroll	\$ 829,306	\$ 790,190	\$ 683,973	\$ 659,173	\$ 661,871	\$ 645,287	\$ 491,615	\$ 509,887
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	75.99 %	116.94 %	114.43 %	114.14 %	116.77 %	112.68 %	98.05 %	74.46 %
Employer's proportion of the net pension liability (asset)	79.14 %	66.26 %	66.14 %	65.60 %	63.49 %	63.34 %	66.18 %	73.99 %

The amounts presented have a measurement date of the previous fiscal year end.

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

Town of Many  
Many, Louisiana

Schedule of Employer's Share of Net Pension Liability  
Municipal Police Employees Retirement System  
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.085128 %	0.075378 %	0.071698 %	0.083574 %	0.075435 %	0.053591 %	0.074980 %	0.090198 %
Employer's proportionate share of the net pension liability (asset)	\$ 453,779	\$ 696,668	\$ 651,138	\$ 706,540	\$ 658,579	\$ 502,299	\$ 587,390	\$ 564,286
Employer's covered employee payroll	\$ 259,709	\$ 232,822	\$ 223,904	\$ 243,412	\$ 225,196	\$ 213,367	\$ 200,566	\$ 272,169
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	174.73 %	299.23 %	290.81 %	290.27 %	292.45 %	235.42 %	292.87 %	207.33 %
Employer's proportion of the net pension liability (asset)	84.09 %	70.94 %	71.01 %	71.89 %	70.08 %	66.04 %	70.73 %	75.10 %

The amounts presented have a measurement date of the previous fiscal year end.

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

Town of Many  
Many, Louisiana

Schedule of Employer Contributions  
Municipal Employees Retirement System  
For the Year Ended June 30, 2022

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 142,970	\$ 128,542	\$ 110,627	\$ 95,756	\$ 87,340	\$ 72,806	\$ 61,302	\$ 46,703
Contributions in relation to contractually required contribution	142,970	128,542	110,627	95,756	87,340	72,806	61,302	46,703
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 922,392	\$ 829,306	\$ 790,190	\$ 683,973	\$ 659,173	\$ 661,871	\$ 645,287	\$ 491,615
Contributions as a percentage of covered employee payroll	15.50 %	15.50 %	14.00 %	14.00 %	13.25 %	11.00 %	9.50 %	9.50 %

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

Town of Many  
Many, Louisiana

Schedule of Employer Contributions  
Municipal Police Employees Retirement System  
For the Year Ended June 30, 2022

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 99,812	\$ 87,652	\$ 75,667	\$ 72,209	\$ 74,972	\$ 71,500	\$ 62,943	\$ 63,178
Contributions in relation to contractually required contribution	99,812	87,652	75,667	72,209	74,972	71,500	62,943	63,178
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 259,709	\$ 232,822	\$ 223,904	\$ 243,412	\$ 225,196	\$ 213,367	\$ 200,566	\$ 272,169
Contributions as a percentage of covered employee payroll	38.43 %	37.65 %	33.79 %	29.67 %	33.29 %	33.51 %	31.38 %	23.21 %

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



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**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**

Town of Many  
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, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Many's basic financial statements and have issued our report thereon dated September 22, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Many'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 of Many's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Many's internal control.

Our consideration of internal control over financial reporting 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Many's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Town of Many's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 Town of Many's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth D. Falden & Co., CPAs, LLC*

Jonesboro, Louisiana  
September 22, 2023



KENNETH D. FOLDEN & CO.

Certified Public Accountants, LLC

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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the compliance of the Town of Many, Louisiana (the Town), with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (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, 2022. The Town's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town 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 other major federal programs identified in the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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 Governmental Auditing Standards issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Responsibility of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

***Purpose of this Report***

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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
September 22, 2023

# **SUPPLEMENTAL INFORMATION**

Town of Many  
Many, Louisiana

Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Agency or Pass- Through Number	Expenditures
<b>Department of Transportation</b>			
Airport Improvement Program	20.106	3-22-0030-014-2021	* \$ 724,975
<b>Department of Homeland Security</b>			
Federal Emergency Management Agency	97.036	PA-06-LA-4590-PW-00061	54,044
<b>Department of the Treasury</b>			
Coronavirus Aid, Relief and Economic Security Act	21.019	3R4-SWG-3-22-0030-013-2020	11,500
Coronavirus Aid, Relief and Economic Security Act	21.019	3R4-SWG-3-22-0030-015-2010	<u>13,000</u>
Total Coronavirus Aid, Relief and Economic Security Act			24,500
Coronavirus State and Local Fiscal Recovery	21.027	LA1170	<u>144,617</u>
Total Department of the Treasury			<u>169,117</u>
			<u><u>\$948,136</u></u>

\* Denotes Major Program

Town of Many  
Many, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

**Part I - Summary of Auditor's Results**

Financial Statement Audit

- i. The type of audit report was unmodified.
- ii. There were no instances of material weaknesses and one instance of significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for the major program was unmodified.
- vi. The audit disclosed no findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program was Airport Improvement Program - CFDA #20.106
- viii. The dollar threshold used to identify between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

**Part II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America**

Current Year

**Finding 2022-001 - 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: Reconciliations for the Payroll account from February 2022 through January 2023 were not completed until February 2023.

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 not approved timely.

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.

Town of Many  
Many, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

Management Response: The delay in reconciling the payroll bank account was primarily due to confusion as to how to correct numerous errors that had been made by the prior payroll clerk compounded by turnover of personnel in the office. The payroll bank account is currently being reconciled on a timely basis.

Prior Year

**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. 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. 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 Response: This finding has been resolved.

**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.

Town of Many  
Many, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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, related reports were not properly prepared, and 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.

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 Response: This finding has been resolved.

**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 Response: See Finding 2022-001.

**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.

Town of Many  
Many, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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.

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 Response: This finding has been resolved.

**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 Response: This finding has been resolved.

**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 Response: This finding has been resolved.

**Part III - Management Letter**

No management letter was issued.



Town of Many  
Many, LouisianaSchedule of Compensation Paid Councilpersons  
For the Year Ended June 30, 2022

	<b>2022</b>
Mary Brocato	\$ 9,000
Anita Darwin	9,000
Bobbie Jackson	9,300
Mary Perry	9,000
Cherry Williams	9,000
	\$ 45,300

Town of Many  
Many, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2022

Robert Hable, Jr. Mayor		
Salary	\$	30,000
Benefits - Retirement		4,263
Benefits - Insurance		5,436
Training & Conferences		102
Reimbursements		360
	\$	<u>40,161</u>

Town of Many  
Many, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
For the year ended June 30, 2022

	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 06/30/22
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 69,051	\$ 1,531
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	9,428	18,723
Criminal Fines - Contempt	-	-
Criminal Fines - Other	173,209	212,221
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	182,637	230,944
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Louisiana Commission on Law Enforcement	617	700
Ware Youth Center	1,222	2,116
North Louisiana Crime Lab	6,552	10,762
Treasurer, State of LA CMIS	516	1,020
Louisiana Supreme Court	120	186
LDH THSCI Trust Fund	270	520
Disability Affairs	25	-
Clerk of Court	107	2,520
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	-	-

Town of Many  
Many, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
For the year ended June 30, 2022

Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (To be reported as a separate line per collection type under this heading, multiple rows may be needed)

	-	-
Town of Many - Criminal Fines - Other	240,729	209,880
Town of Many - Criminal Court Costs/Fees	-	900

Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies  
(Please enter zeros if no activity within a certain line item)

Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-

Subtotal Disbursements/Retainage

250,157	228,603
---------	---------

Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)

\$ 1,531	\$ 3,872
----------	----------

Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.

\$ -	\$ -
------	------

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)

\$ -	\$ -
------	------

Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)

\$ -	\$ -
------	------



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

To the Council of the Town of Many  
Many, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2021 through June 30, 2022. The Town of Many's management is responsible for those C/C areas identified in the SAUPs.

The Town of Many has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 01, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**Written Policies and Procedures**

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

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

Exception: The Town provided their written policies and procedures. The Town has written policies and procedures for all of the above categories and subcategories excluding receipts and information technology disaster recovery/business continuity. The credit card policy excludes allowable business uses and the sexual harassment policy excludes annual employee training and annual reporting.

*Management's Response: Management will develop written policies and procedures for receipts and information technology disaster recovery/business continuity. Management will also amend the credit card policy and the sexual harassment policy to include all subcategories.*

## **Board**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Response: Council met monthly with a quorum.

- b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Response: Minutes referenced budget to actual comparisons.

c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Response: No negative ending unrestricted fund balance.

Exception: See above responses.

*Management's Response: None.*

## **Bank Reconciliations**

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Response: Reconciliations included evidence they were prepared within two months of the statement closing date.

b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Response: Reconciliations included evidence they were reviewed by a member of management who does not handle cash, post ledgers, or issue checks.

c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Response: There were no reconciling items that were outstanding for more than 12 months from the statement closing date.

Exception: See above responses.

*Management's Response: None.*

## **Collections**

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a. Employees that are responsible for cash collections do not share cash drawers/registers.

Response: Each person who is responsible for cash collections has their own drawer.

b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Response: The employees responsible for collecting cash are not responsible for preparing the bank deposit.

c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Response: The employees responsible for collecting cash is not responsible for posting entries to the general ledger.

d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Response: The Clerk does not collect cash and is responsible for the reconciliation. The reconciliations are also verified by the Mayor and the Council.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Response: Everyone who has access to cash is covered under the insurance policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

a. Observe that receipts are sequentially pre-numbered.

Response: Out of the 38 collections observed, four collections did not use sequentially pre-numbered receipts. One of the four receipts used other collection documentation and two were transfers.

b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Response: Out of the 38 collections observed, 18 collections could not be traced to a deposit slip. Seventeen of the 18 collections that could not be traced to a deposit slip were credit card deposits.

c. Trace the deposit slip total to the actual deposit per the bank statement.

Response: All collections observed were traced to the bank statement.

d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Response: Out of 38 collections observed, eight deposits did not show evidence of being made within one business day.

e. Trace the actual deposit per the bank statement to the general ledger.

Response: All collections observed were traced to the general ledger.

Exception: See above responses.

*Management's Response: Management will ensure that all receipts have collection documentation and will be made within one business day.*



## Disbursements - General

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Response: Purchases are initiated by supervisors and then approved by the mayor or mayor pro-tem.

b. At least two employees are involved in processing and approving payments to vendors.

Response: Only three employees are responsible for processing payments, then the payments are approved by the mayor.

c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Response: The employees responsible for processing payments can add vendor files, but the board reviews all disbursements.

d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Response: The employee who is responsible for processing payments is given the payment to mail.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Response: Out of 220 disbursements reviewed 41 did not match a related original invoice/billing statement. Fourteen of the 41 disbursements not matching an invoice/billing statement were transfers.

b. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Response: Out of 220 disbursements reviewed 41 did not include evidence of segregation of duties due to no invoices/billing statements. Fourteen of the 41 disbursements not including evidence of segregation of duties were transfers.

Exception: See above responses.

*Management's Response: Management will retain an original itemized invoice for each disbursement and will provide written evidence that the segregation of duties tested under #9 was followed.*

## Credit Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder.

Response: All monthly statements reviewed was reviewed and approved in writing by someone other than the authorized card holder.

b. Observe that finance charges and late fees were not assessed on the selected statements.

Response: Two of the three monthly statements reviewed had finance charges and fees assessed on the statement.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing).

a. For each transaction, observe that it is supported by:

i. An original itemized receipt that identifies precisely what was purchased,

Response: One of the three monthly statements reviewed contains an original itemized receipt. One of the two monthly statements that does not have itemized receipts for each purchase is a fuel card.

ii. Written documentation of the business/public purpose, and

Response: All monthly statements reviewed has the business/public purpose.

iii. Documentation of the individuals participating in meals (for meal charges only).

Response: The one monthly statement with meal purchases does not have documentation of the individuals participating in meals.

For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Exception: See above responses.

*Management's Response: Management will ensure that finance charges and late fees are not assessed. Management will retain itemized receipts for each purchase and will list individuals participating in meals.*

### **Travel and Expense Reimbursement**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Response: The one travel and travel related expense reviewed was for per diem. The reimbursement paid was for more than the rates established by the State of Louisiana and the one established by the U.S. General Services Administration.

b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Response: None of the reimbursements reviewed were for actual costs.

c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Response: All reimbursements reviewed were supported by documentation of the business/public purpose.

d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Response: All reimbursements reviewed were approved, in writing, by someone other than the person receiving the reimbursement.

Exception: See above responses.

*Management's Response: Management will ensure that they follow the approved rates from the State of Louisiana or the U.S. General Services Administration for the per diem reimbursements.*

## **Contracts**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Response: None of the new contracts reviewed were required to be bid according to the Louisiana Public Bid Law.

b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Response: None of the new contracts reviewed has written proof of approval from the council.

c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, was approval documented).

Response: None of the new contracts were amended.

d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Response: Out of the two new contracts only one had a payment made in the fiscal period. The one with payments made during the fiscal period agreed to the contract terms.

Exception: See above responses.

*Management's Response: Management will ensure new contracts are approved in writing by the council.*

## **Payroll and Personnel**

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

a. Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Response: Four out of five employees/officials documented their daily attendance and leave. The one employee/official reviewed that did not document their leave was an elected official.

b. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

Response: Two out of five employees reviewed had their leave reviewed by a supervisor.

c. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Response: Out of the employees reviewed, leave accrued and taken was reflected in the entity's cumulative leave records.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or official's authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Response: The two termination payments made during the fiscal period agreed to the pay rates and hours accrued.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Response: Management provided representation that payroll related amounts have been paid and associated forms have been filed, by required deadlines.

Exception: See above responses.

*Management's Response: Management will ensure that a supervisor reviews all attendance and leave.*

## **Ethics**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Response: All employees completed one hour of ethics training during the fiscal period.

b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Response: There were no changes to the entity's ethics policy.

Exception: See above responses.

*Management's Response: None.*

## **Debt Service**

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Response: No new bonds were issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Response: The bond issued does not require any other funds to be established.

*Management's Response: None.*

## **Fraud Notice**

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Response: Management has provided representation that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Response: Fraud notice was observed at the Town Hall.

*Management's Response: None.*

## **Information Technology Disaster Recovery/Business Continuity**

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

Response: We performed the procedure and discussed the results with management.

a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*Management's Response: None.*

## Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Response: All employees reviewed completed one hour of sexual harassment training.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Response: Entity does not have the sexual harassment policy posted.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Response: The entity did not complete the annual sexual harassment report by February 1st.

*Management's Response: Management will ensure that the sexual harassment policy is posted and the annual sexual harassment report is completed by February 1st.*

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

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

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
September 22, 2023

# Town of Many

*The Heart of Toledo Bend*

**MAYOR**  
Robert H. Hable, Jr.

**CHIEF OF POLICE**  
Cheryl Wooley

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**ALDERMEN**  
Anita Darwin  
Bobbie Jackson  
Mary Brocato  
Mary Perry  
CherryWilliams

September 22, 2023

Kenneth D. Folden & Co., CPAs, LLC  
302 Eighth Street  
Jonesboro, LA 71251

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 01, 2021 through June 30, 2022, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (as applicable).

Yes  No
2. For the fiscal period July 01, 2021 through June 30, 2022, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes  No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes  No
4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes  No
5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes  No
6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2022, and September 22, 2023.

Yes  No
7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

- Yes  No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes  No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes  No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes  No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes  No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes  No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes  No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes  No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes  No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes  No
17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes  No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes  No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes  No



20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes  No

21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.

Yes  No

22. We have disclosed to you any other matters as we have deemed appropriate.

Yes  No

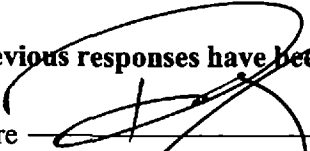
23. We have responded fully to all inquiries made by you during the engagement.

Yes  No

24. We have disclosed to you all known events that have occurred subsequent to June 30, 2022, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.

Yes  No

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

Signature  \_\_\_\_\_ Date 09/22/23 \_\_\_\_\_

Title Mayor \_\_\_\_\_

Signature Mary Brocato \_\_\_\_\_ Date 09/22/23 \_\_\_\_\_

Title Councilmember \_\_\_\_\_