

VILLAGE OF MCNARY

**FINANCIAL REPORT
JUNE 30, 2024**

**SHANNA JONES, CPA
WINNFIELD, LOUISIANA**

VILLAGE OF MCNARY
FINANCIAL REPORT
JUNE 30, 2024

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Shanna Jones, CPA

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Honorable Donald Parker II, Mayor
and Members of the Board of Aldermen
Village of McNary
53 W Cady Avenue
McNary, Louisiana 71433

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of Village of McNary, Louisiana as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of the Village of McNary, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

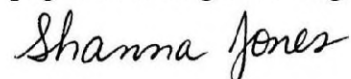
Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules on pages 36 and 38 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require 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 financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. The results of my review of the basic financial statements are not affected by this missing information.

Other Supplementary Information

Act 706 of the Louisiana 2014 Legislative Session as amended by Act 462 of the 2015 session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. Act 87 of the 2020 Louisiana Legislative Session requires a Justice System Funding Schedule—Collecting/Disbursing Entities. These schedules are presented on pages 42 and 43 respectively for purposes of additional analysis and they are not required parts of the basic financial statements. The supplementary information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for Act 706's Schedule to be in accordance with accounting principles generally accepted in the United States of America and Act 87's Schedule to be in accordance with cash basis presentation, which is a basis of accounting other than US GAAP and the reporting framework prescribed by Louisiana Revised Statute 24:515.2. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated November 1, 2024, on the results of our agreed-upon procedures on pages 44 through 47. Pages 48 through 50 present the Louisiana Attestation Questionnaire.



Shanna Jones, CPA
Winnfield, Louisiana
November 1, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

VILLAGE OF MCNARY
STATEMENT OF NET POSITION
JUNE 30, 2024

Assets.	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current Assets.			
Cash & Cash Equivalents	\$ 267,254	\$ 27,602	\$ 294,856
Investments	29,108	18,061	47,169
Receivables, Net	6,782	9,578	16,360
Prepaid Expenses	<u>3,099</u>	<u>751</u>	<u>3,850</u>
Total Current Assets	<u>306,243</u>	<u>55,992</u>	<u>362,235</u>
Non-Current Assets.			
Restricted:			
Cash & Cash Equivalents	-	44,598	44,598
Investments	-	34,577	34,577
Capital Assets			
Non-Depreciable	38,009	-	38,009
Depreciable (Net of Depreciation)	282,747	413,810	696,557
Right of Use Assets-Lease (Net)	<u>9,710</u>	<u>-</u>	<u>9,710</u>
Total Non-Current Assets	<u>330,466</u>	<u>492,985</u>	<u>823,451</u>
Total Assets	<u>636,709</u>	<u>548,977</u>	<u>1,185,686</u>
Deferred Outflows:			
Pension Related	<u>135,901</u>	<u>-</u>	<u>135,901</u>
Total Assets & Deferred Outflows	772,610	548,977	1,321,587
Liabilities:			
Current Liabilities:			
Accounts Payable	8,762	3,295	12,057
Accrued Liabilities	9,280	1,415	10,695
Customer Deposits	-	17,900	17,900
RUA—Lease Liabilities, current	3,158	-	3,158
Bonds Payable-Current Portion	<u>-</u>	<u>6,079</u>	<u>6,079</u>
Total Current Liabilities	<u>21,200</u>	<u>28,689</u>	<u>49,889</u>
Long-Term Liabilities:			
RUA—Lease Liabilities, net of current	6,774	-	6,774
Bonds Payable-Net of Current	-	123,988	123,988
Net Pension Liability	<u>156,182</u>	<u>-</u>	<u>156,182</u>
Total Non-Current Liabilities	<u>162,956</u>	<u>123,988</u>	<u>286,944</u>
Total Liabilities	<u>184,156</u>	<u>152,677</u>	<u>336,833</u>

VILLAGE OF MCNARY
STATEMENT OF NET POSITION (continued)
JUNE 30, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deferred Inflows:			
Pension Related	93	-	93
Net Position.			
Net Investment in Capital Assets	330,466	283,744	614,210
Restricted	-	31,252	31,252
Unrestricted	<u>257,895</u>	<u>81,304</u>	<u>339,199</u>
Total Net Position	<u>\$ 588,361</u>	<u>\$ 396,300</u>	<u>\$ 984,661</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MCNARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue & Changes in Net Position</u>		
		<u>Fines, Fees, Commissions & Charges for Services</u>	<u>Grants & Contributions</u>		<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
			<u>Operating</u>	<u>Capital</u>			
Governmental Activities.							
General & Admin	\$ 89,495	\$ 16,500		\$ -	\$ (72,995)		\$ (72,995)
Public Safety:							
Police	230,236	182,392	\$ 14,400		(33,444)		(33,444)
Fire	4,200				(4,200)		(4,200)
Public Works:							
Sanitation	12,848	10,421			(2,427)		(2,427)
Streets	22,823				(22,823)		(22,823)
Culture & Rec	4,832				(4,832)		(4,832)
Total Governmental	364,434	209,313	14,400		(140,721)		(140,721)
Business-type Activities:							
Water	121,771	115,336	-	-		\$ (6,435)	(6,435)
Total Business-type	\$ 121,771	\$ 115,336	\$ -	\$ -		(6,435)	(6,435)
General Revenues.							
Taxes:							
Franchise					5,949		5,949
Sales					58,624		58,624
Licenses & Permits					5,413		5,413
Non-employer Pension Cont.					3,409		3,409
Interest Earnings					739	204	943
Miscellaneous					1,912		1,912
Transfers In/Out					(640)	640	-
Total General Revenues and Transfers					75,406	844	76,250
Change in Net Position					(65,315)	(5,591)	(70,906)
Net Position July 1, 2023					653,676	401,891	1,055,567
Net Position June 30, 2024					<u>\$ 588,361</u>	<u>\$ 396,300</u>	<u>\$ 984,661</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

VILLAGE OF MCNARY
BALANCE SHEET—GOVERNMENTAL FUND
JUNE 30, 2024

Assets:

Current Assets:

Cash & Cash Equivalents	\$	267,254
Investments		29,108
Receivables, Net		
Occupational/Franchise		1,104
Garbage		684
Sales & Use Taxes		4,994
Prepaid Expenses		<u>3,099</u>
 Total Assets		 <u><u>306,243</u></u>

Liabilities:

Current Liabilities:

Accounts Payable		8,762
Accrued Liabilities		<u>9,280</u>
 Total Liabilities		 <u>18,042</u>

Fund Balance:

Nonspendable		3,099
Unassigned		<u>285,102</u>
 Total Fund Balance		 <u>288,201</u>

Total Liabilities & Fund Balance	\$	<u><u>306,243</u></u>
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See accompanying notes and independent accountant's review report.

VILLAGE OF MCNARY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION—GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

Total Fund Balance for the Governmental Fund at June 30, 2024	\$	288,201
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Deferred Outflows		
Pension Related		135,901
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Non-Depreciable	38,009	
Depreciable	704,770	
Less: Accumulated Depreciation	<u>(422,023)</u>	320,756
Right of Use Assets:		
Lease	\$ 12,947	
Less: Accumulated Amortization	<u>(3,237)</u>	9,710
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:		
Net Pension (Liability)/Asset		(156,182)
Right of Use Liability		(9,932)
Deferred Inflows:		
Pension Related		<u>(93)</u>
Total Net Position of Governmental Activities at June 30, 2024	\$	<u>588,361</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MCNARY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Revenues:		
Taxes:		
Franchise	\$	5,949
Sales		58,624
Licenses & Permits		5,413
Fines, Fees, Commissions & Charges for Services:		
Fines		182,392
Sanitation Fees		10,421
Admin Fee (Police to Gen)		16,500
Intergovernmental:		
Supplemental Pay		14,400
Miscellaneous:		
Interest Earned		739
Other		<u>1,912</u>
Total Revenues		<u>296,350</u>
Expenditures:		
Current:		
General & Administrative		86,123
Public Safety:		
Police		208,171
Fire Protection		4,200
Public Works:		
Sanitation		12,848
Streets		8,015
Culture & Recreation		<u>895</u>
Total Expenditures		<u>320,252</u>
Excess of Revenues over Expenditures	(23,902)
Other Financing Sources/(Uses):		
Right of Use Asset		12,947
Transfers In/Out		<u>(640)</u>
Total Other Financing Sources/(Uses)		12,307

(Continued)

VILLAGE OF MCNARY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND (continued)
FOR THE YEAR ENDED JUNE 30, 2024

Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(11,595)
Fund Balance—Beginning of Year	<u>299,796</u>
Fund Balance—End of Year	<u>\$ 288,201</u>

See accompanying notes and independent accountant's review report.

(Concluded)

VILLAGE OF MCNARY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES—GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balance—Governmental Fund	\$ (11,595)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays and Right of Use Asset expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	
The cost of Right of Use Asset is	- 12,947
Governmental Funds report the entire amount received from the Sales of Assets as Revenues, but the undepreciated cost of the assets reduces the gain from the sale in the Statement of Activities.	
	(-)
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements.	
Current year depreciation expense is	(33,123)
Current year amortization expense is	(3,237)
Principal Reduction on Right of Use Liability	3,015
Other Financing Sources-Right of Use Asset	(12,947)
Non-employer Contributions to Cost-sharing Pension Plan	3,409
Pension Expense	<u>(23,784)</u>
Net Change in Net Position per Statement of Activities— Governmental Activities	<u>\$ (65,315)</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MCNARY
STATEMENT OF NET POSITION—PROPRIETARY FUND
JUNE 30, 2024

Assets:

Current Assets:

Cash & Cash Equivalents	\$ 27,602
Investments	18,061
Receivables, Net	9,578
Prepaid Insurance	<u>751</u>
Total Current Assets	<u>55,992</u>

Non-Current Assets:

Restricted:

Cash & Cash Equivalents	44,598
Investments	34,577

Capital Assets

Depreciable (Net of Depreciation)	413,810
Non-Depreciable	<u>-</u>

Total Non-Current Assets	<u>492,985</u>
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Total Assets	<u>548,977</u>
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Liabilities:

Current Liabilities:

Accounts Payable	3,295
Accrued Liabilities	1,415
Customer Deposits	17,900
Bonds Payable-Current Portion	<u>6,079</u>
Total Current Liabilities	<u>28,689</u>

Long-Term Liabilities:

Bonds Payable-Net of Current	<u>123,988</u>
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Total Liabilities	<u>152,677</u>
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Net Position:

Net Invested in Capital Assets	283,744
Restricted	31,252
Unrestricted	<u>81,304</u>

Total Net Position	<u>\$ 396,300</u>
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See accompanying notes and independent accountant's review report.

VILLAGE OF MCNARY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

Operating Revenues:	
Charges for Services	\$ <u>115,336</u>
Total Operating Revenues	<u>115,336</u>
Operating Expenses:	
Salaries & Related Expenses	41,592
Office Supplies	2,961
Professional Fees	5,761
Repairs & Maintenance	16,781
Travel/Education	520
Utilities	6,161
Depreciation	30,350
Water Chlorination	2,199
Insurance	<u>9,132</u>
Total Operating Expenses	<u>115,457</u>
Net Operating Income (Loss)	<u>(121)</u>
Non-Operating Revenues (Expenses):	
Investment Interest	204
Investment Expenses	<u>(6,314)</u>
Total Non-Operating Revenues (Expenses)	(6,110)
Net Income/(Loss) before Transfers and Other Source/Uses	(6,231)
Other Financing Sources/(Uses):	
Transfers In/(Out)	<u>640</u>
Total Other Financing Sources/(Uses)	640
Change in Net Position	(5,591)
Net Position—Beginning of Year	<u>401,891</u>
Net Position—End of Year	<u>\$ 396,300</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MCNARY
STATEMENT OF CASH FLOWS—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:

Receipts from Customers	\$ 113,832
Payments to Suppliers	(43,382)
Payments to Employees	(41,885)
Other Receipts (Payments)	<u>1,250</u>

Net Cash Provided by Operating Activities 29,815

Cash Flows from NonCapital & Related Financing Activities:

Transfers from General Fund	<u>640</u>
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Net Cash Provided by NonCapital & Related Financing Activities 640

Cash Flows from Capital & Related Financing Activities:

Principal Paid on Bonds	(5,798)
Interest Paid on Bonds	(6,314)
Purchase of Equipment	<u>(675)</u>

Net Cash (Used) by Capital & Related Financing Activities (12,787)

Cash Flows from Investing Activities:

Interest Earned on Operating Accounts	<u>98</u>
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Net Cash Provided by Investing Activities 98

Net Increase (Decrease) in Cash & Cash Equivalents 17,766

Cash & Cash Equivalents—Beginning of Year 54,434

Cash & Cash Equivalents—End of Year \$ 72,200

Reconciliation of Cash & Cash Equivalents:

Per the Statement of Net Position:	
Unrestricted—Cash & Cash Equivalents	\$ 27,602
Restricted—Cash & Cash Equivalents	<u>44,598</u>

Total Cash & Cash Equivalents—End of Year \$ 72,200

Per the prior year Statement of Net Position:

Unrestricted—Cash & Cash Equivalents	\$ 12,791
Restricted—Cash & Cash Equivalents	<u>41,643</u>

Total Cash & Cash Equivalents—Beginning of Year \$ 54,434

(Continued)

VILLAGE OF MCNARY
STATEMENT OF CASH FLOWS—PROPRIETARY FUND (continued)
FOR THE YEAR ENDED JUNE 30, 2024

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:

Operating Activities:

Operating Income/(Loss)	\$ (121)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	30,350
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	(1,504)
(Increase)/Decrease in Prepaid Expenses	(113)
Increase/(Decrease) in Accounts Payable	246
Increase/(Decrease) in Accrued Liabilities	(293)
Increase/(Decrease) in Customer Deposits	<u>1,250</u>
 Net Cash Provided by Operating Activities	 <u><u>\$ 29,815</u></u>

See accompanying notes and independent accountant's review report.

(Concluded)

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF McNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1—INTRODUCTION

The Village of McNary in Louisiana (hereafter referred to as the Village) was incorporated August 6, 1913, under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321. The Village operates under a Mayor-Board of Aldermen form of government.

The Mayor is elected for a four-year term. The three Aldermen are elected every four years from the Village at large. They are compensated for their services.

The Village provides the following services: public safety, streets, drainage, utilities (water), sanitation, public improvements, planning and zoning and general and administrative services.

The Village is located in the south part of Rapides Parish. It has a population of approximately 200 people. It is currently servicing the Village water and garbage customers. The Village employs approximately 10-15 people.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Village of McNary, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to guides set forth in the *Louisiana Governmental Audit Guide*.

Reporting Entity

Governmental Accounting Standard Board (GASB) Statement No. 61 amended No 14's established the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under these provisions, the Village of McNary is considered a primary government, since the Village is an independently elected parish official and is not fiscally dependent on any other governmental entity. The primary government is required to consider all entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The accompanying financial statements present information only on the funds that comprise the Village of McNary, the primary government.

Basis of Presentation

Government-Wide Financial Statements (GWFS):

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Government-Wide statements distinguish between governmental-type and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Policies specific to the government-wide statements are as follows.

Eliminating Internal Activity—Interfund receivables and payables are eliminated in the Statement of Net Position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

Application of FASB Statements and Interpretations—Reporting on governmental-type and business-type activities are based on FASB Statements and the Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalized Assets—Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position. Depreciation of contributed assets of the proprietary fund is charged against contributed capital as opposed to unrestricted net position.

Under the requirements of GASB Statement No. 34, the Village is considered a Phase 3 government as its total annual revenues is less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. Therefore, the Village has opted not to retroactively report these types of capital assets.

Right of Use Asset—Leases—The Village purchased body cameras and tasers which will payout over 4 additional years. Under GASB No. 87 these are recorded as right of use assets and liabilities on the GWFS and as expenditures and other financing sources on the FFS. See Notes 5 and 6.

Program Revenues—The Statement of Activities presents three categories of program revenues - (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Village. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for specific use.

Indirect Expenses—Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Village has chosen not to do so.

Operating Revenues—Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Village's operation of providing water services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Restricted Net Position—Restricted net position are those for which a constraint has been imposed either externally or by law. The Village recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position are used.

Fund Financial Statements (FFS):

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. 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 various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village. The funds of the Village are described as follows:

Governmental Funds:

General Fund—The General Fund accounts for the Village’s general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. It is the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.

Proprietary Funds:

The Proprietary Fund accounts for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Proprietary fund differs from the governmental fund in that its focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made.

Accrual Basis—Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements in the GWFS along with Proprietary Funds found

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

in the FFS are prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the exchange.

Modified Accrual Basis—Fund Financial Statements (FFS)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected 60 days after year end. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Assets Liabilities and Equity

Cash and Cash Equivalents—The Village’s cash is considered to be cash in demand deposits and interest bearing deposits. Cash equivalents include all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

Investments—Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Village are certificates of deposits held at a bank in Glenmora, Louisiana and the fair value is determined by the face value of the certificate.

Bad Debts/Allowance for Doubtful Accounts for the Proprietary Fund - Water Receivable accounts are based on the collectability of outstanding receivables. Uncollected amounts due for customers’ utility receivables are recognized as bad debts at the time information becomes available which would indicate the collectability of the particular receivable. At June 30, 2024, \$629 of accounts were considered uncollectible and therefore a provision for these uncollectible accounts was made at this time.

Restricted Assets—Certain proceeds of proprietary fund are classified as restricted assets on the balance sheet because their use is limited. The Village collects deposits from their water customers. These collections are not kept in a separate account. All transactions are collected and paid out of the regular checking account for the convenience of the Village employees.

Over the years the Restricted Bond Funds have been over restricted. Since the Village does not maintain a separate account for utility deposits, the over restriction of the bond funds are applied to the amount that should be restricted for utility deposits.

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Inventories—The Village does not maintain inventories. Supplies are purchased on an as needed basis and are used normally within the year purchased.

Capital Assets—The Village’s assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment and Furniture	3 - 10 Years	Buildings	39 - 40 Years
Utility Plant/Water system	5 - 50 Years	Infrastructure	40 - 60 Years
Vehicles	5 - 10 Years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Village has elected to not report its governmental infrastructure retroactively. The infrastructure currently being depreciated over a period of 50 years is the water system that is reported in the business-type activities of the Village. From this point forward, the Village will use the basic approach to infrastructure reporting for its governmental activities.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. Also the Village’s FFS expense assets as capital outlays in the year occurring. As noted earlier Right of Use Assets are recorded as an expense and Other Financing Source under FFS. See Notes 5 and 6.

Compensated Absences—Employees are not allowed to carry leave forward from year to year, therefore, there is no entry made for compensated absences.

Pension—In May 2022 an employee went full time and became required to participate in MPERS. See Note 8.

Long-Term Obligations—In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Equity Classifications—In the Government-Wide Financial Statements, equity is classified as net assets and displayed in three components as applicable. The components are as follows:

Net Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

VILLAGE OF McNARY
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Restricted Net Position—Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position—All other net position that do not meet the definition of “restricted” or “invested in capital assets.”

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2012, the Village implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance - amounts constrained to specific purposes by a government itself using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Village’s only major governmental fund, has a nonspendable fund balance of \$3,099 which represents prepaid expenses. The remaining general fund balance of \$285,102 is classified as unassigned.

Sales Taxes—The Village receives a percent of the Rapides parish wide one cent sales tax which is based on a formula developed in 1967. The Village also receives a portion of the half cent parish wide sales tax for road maintenance. The road maintenance sales tax receipt is based on the percent of McNary’s population as it relates to the total population of Rapides parish. The police jury collects and distributes both parish wide sales taxes. The road maintenance sales taxes are restricted to road maintenance at the parish level but are not restricted at the Village level. Any funding needed for road maintenance in the Village will be financed through the parish police jury’s portion of the half cent parish wide sales tax fund.

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The road maintenance sales taxes are restricted to road maintenance at the parish level but are not restricted at the Village level. Any funding needed for road maintenance in the Village will be financed through the parish police jury's portion of the half cent parish wide sales tax fund.

Budget—The Village adopts an annual budget for the General Fund and Proprietary Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the Board of Aldermen. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on an as-needed basis.

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.

NOTE 3—CASH AND CASH EQUIVALENTS

At June 30, 2024, the carrying amount of the Village's cash and cash equivalents and investments of governmental and proprietary funds (collected bank balances) totaled \$421,989. This was comprised of \$333,280 in restricted and unrestricted cash along with \$88,708 in investments restricted and unrestricted. Custodial risk for deposits is the risk that in the event of failure of a depository financial institution, the Village's deposits may not be recovered, they may not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2024, the Village's deposits were secured from risk by federal deposit insurance of \$250,000; the remainder by pledged securities in the name entity by the fiscal agent bank with a market value greater than the remaining amount. The Village does not have a policy for custodial credit risk.

Even though the pledged securities are considered uncollateralized, the Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

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NOTE 4—REVENUES RECEIVABLE

The following is a summary of receivables as of June 30, 2024.

Receivables, Net:	
General Fund:	
Occupational/Franchise	\$ 1,104
Garbage	684
Sales & Use Taxes	4,994
Proprietary Fund:	
Water Accounts Receivable, net	<u>9,578</u>
Total	<u>\$ 16,360</u>

The water accounts receivable is net of \$629 allowance for doubtful accounts.

NOTE 5—CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 are as follows:

	<u>Balance</u> <u>07/01/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/24</u>
Governmental Activities:				
Capital Assets—Not Depreciated:				
Land	\$ 38,009	\$ -	\$ -	\$ 38,009
Capital Assets—Depreciated:				
Furniture, Equipment & Vehicles	261,594	-	16,636	244,958
Improvements & Infrastructure	403,410	-	-	403,410
Buildings	<u>56,402</u>	<u>-</u>	<u>-</u>	<u>56,402</u>
Total Depreciated Assets	<u>721,406</u>	<u>-</u>	<u>16,636</u>	<u>704,770</u>
Right of Use Assets—Amortized	<u>-</u>	<u>12,947</u>	<u>-</u>	<u>12,947</u>
Total Assets	<u>759,415</u>	<u>12,947</u>	<u>16,636</u>	<u>755,726</u>
Less Accumulated Depreciation:				
Furniture, Equipment & Vehicles	197,843	18,782	16,636	199,989
Improvements & Infrastructure	173,662	12,032	-	185,694
Buildings	<u>34,031</u>	<u>2,309</u>	<u>-</u>	<u>36,340</u>
Total Accum. Depreciation	<u>405,536</u>	<u>33,123</u>	<u>16,636</u>	<u>422,023</u>
Less Accumulated Amortization	<u>-</u>	<u>3,237</u>	<u>-</u>	<u>3,237</u>
Net Capital Assets, Governmental	<u>\$ 353,879</u>			<u>\$ 330,466</u>

Governmental Activities depreciation expense for the year ended June 30, 2024 of \$33,123 is charged as follows: \$3,372 to General & Administrative, \$14,808 to Streets, \$11,006 to Public

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
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Safety and \$3,937 to Culture & Recreation expenditures. The new assets purchased over time are recorded as lease right of use assets. See Note 7 details. They included tasers and body camera for Public Safety. An additional \$3,237 was charged to Public Safety for their amortization.

	<u>Balance</u> <u>07/01/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/24</u>
Business-type Activities:				
Capital Assets—Depreciated:				
Equipment & Vehicles	81,070	675	(6,893)	74,852
Water System	950,587	-	-	950,587
Buildings	17,319	-	-	17,319
Total Depreciated Assets	<u>1,048,976</u>	<u>675</u>	<u>(6,893)</u>	<u>1,042,758</u>
Less Accumulated Depreciation:				
Equipment & Vehicles	56,799	8,732	(6,893)	58,638
Water System	531,373	21,618	-	552,991
Buildings	17,319	-	-	17,319
Total Accum. Depreciation	<u>605,491</u>	<u>30,350</u>	<u>(6,893)</u>	<u>628,948</u>
Net Capital Assets, Business-type	<u>\$ 443,485</u>			<u>\$ 413,810</u>

Business-type Activities depreciation expense for the year ended June 30, 2024 of \$30,350 is charged to Water expenditures. Net investment in business type activities on the Statement of Net Position shows the above net capital assets less bonds payable of \$130,067, See Note 9. Certain assets and related depreciation have been reclassified as of 7/1/23 between equipment and water system.

NOTE 6—LEASES/RIGHT OF USE ASSETS

Under GASB 87, non-cancellable leases lasting more than 12 months are recorded as right of use assets at net present value and amortized over the life of the lease on government wide financial statements. On the fund financials they are recorded as expenditures-right of use asset and other financing source-right of use asset then expensed over the life of the lease/asset.

During the review it was noted that the Village had 2 such purchases in the police department: one for body cameras and another for tasers. The Village is required to pay \$1,940 per year over four remaining years for the body cameras and \$1,690 per year over four remaining years for the tasers. The terms did not include interest; however, the Village has bonds outstanding at 4.75% the rate which was utilized for calculation of net present value. These right of use assets have been included in Note 5 Capital Assets as Right of Use Assets.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
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The following is the activity for the current fiscal year end:

	<u>Tasers</u>	<u>Body Cameras</u>	<u>Total</u>
RUA lease receivable, July 1, 2023	\$ 6,027	\$ 6,920	\$ 12,947
Principal Pymts Rec during fye	(1,403)	(1,612)	(3,015)
RUA lease receivable, June 30, 2024	<u>\$ 4,624</u>	<u>\$ 5,308</u>	<u>\$ 9,932</u>
Less Current portion	<u>1,470</u>	<u>1,688</u>	<u>3,158</u>
Long Term Portion RUA Lease Receivable	\$ 3,154	\$ 3,620	\$ 6,774

Interest Expense of \$286 and 329 was recorded related to payments on these leases as a separate expenditure on the fund financials and in general government expenses on the government-wide financial statements. The remaining payments, including their principal and interest are as follows:

Year	Tasers			Body Cameras			Total		
	Principal	Interest	Payment	Principal	Interest	Payment	Principal	Interest	Payment
6/30/2025	\$ 1,470	\$ 220	\$ 1,690	\$ 1,688	\$ 252	\$ 1,940	\$ 3,158	\$ 472	\$ 3,630
6/30/2026	1,540	150	1,690	1,768	172	1,940	3,308	322	3,630
6/30/2027	1,614	76	1,690	1,852	88	1,940	3,466	164	3,630
	<u>\$ 4,624</u>	<u>\$ 446</u>	<u>\$ 5,070</u>	<u>\$ 5,308</u>	<u>\$ 512</u>	<u>\$ 5,820</u>	<u>\$ 9,932</u>	<u>\$ 958</u>	<u>\$ 10,890</u>

NOTE 7—COOPERATIVE ENDEAVORS/SERVICE LEASE/FRANCHISE AGREEMENTS

Operating Lease-Service Agreement

The Village of McNary has a contract with Progressive Waste/Waste Connections to provide garbage pickup for Village residents. This contract is for five years ending March 31, 2022. The contract terms state the contract will automatically renew unless written notice is given. The contract for services costs \$11.75 plus taxes and other applicable adjustments per month per customer. The Village has the customer paying \$11.50 of this cost. The General Fund pays the difference plus a monthly fuel charge and the cost of a cart identifying Village customers.

Cooperative Endeavor Agreements

The Village of McNary and the Spring Creek Community Volunteer Fire Department, and the Rapides Parish Fire Protection District No. 11 entered into an agreement effective July 26, 2000 to provide the Village of McNary with fire and medical emergency services. The Village agreed to pay \$4,200 per year for these services. The payments are to be paid per quarter beginning July 26 each year. There are additional monthly costs for emergency and structure response. The term of this agreement is for a two year period commencing upon the effective date of the agreement. This contract has been renewed every two years since 2000 with the current cycle ending March 2023. In addition the Village of McNary entered into an agreement effective December 29, 2017 with the Rapides Parish Fire Protection District No. 11 to provide the District with building rental for fire and medical emergency equipment. This agreement is cancellable by either party upon sixty day written notice.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
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Franchise Agreement

The Village of McNary entered into a franchise agreement with Cleco effective July 14, 2016 and for thirty years thereafter. The agreement allows Cleco (the “Company”) to provide residential and commercial electric utilities for customers within the Village. The terms require the Company to pay 4% of these sales quarterly to the Village with certain exclusions.

NOTE 8—PENSION

All employees of the Village of McNary are covered by the Social Security System with the exception of the appointed Chief of Police who is required to be included in Municipal Police Employees Retirement System (MPERS). Employees contribute 6.2 percent of their total salary to the System, while the Village also contributes 6.2 percent. For the year ended June 30, 2024, the Village’s portion contributed was approximately \$8,890. Any future deficit in this System will be financed by the United States Government.

The Village of McNary began paying contributions to the Municipal Police Employees’ Retirement System (MPERS) in July of 2023 for their police chief who went full-time in May of that year. MPERS is the administrator of a cost-sharing multiple-employer, statewide retirement system which is administered by a board of trustees. 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 contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

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. The System also provides death and disability benefits. Benefits are established by state statute.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
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The System issues an annual publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Louisiana Municipal Police Employees' Retirement System, 7722 Office Park Blvd, Ste. 200, Baton Rouge, Louisiana, 70809, or by calling (225) 929-7411 or in the web at www.lampers.org/general/page/gasb-68 or www.lla.la.gov.

Funding—For the year ended June 30, 2024, the Village's required contributions were \$15,036 in employer and \$4,432 in employee contributions as the contribution rates were 10% for the employee and 33.925% for the employer.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2024, the Village reported a liability of \$105,185 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Village's proportion was 0.015%. For the year ended June 30, 2024, the Village recognized pension expense/(benefit) of \$23,784 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At June 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Flows of Resources</u>	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 11,001	\$ 65
Changes of assumptions	2,606	-
Net difference between projected and actual earnings on pension plan investments	16,861	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	90,397	28
Employer contributions subsequent to the measurement date	<u>15,036</u>	<u>-</u>
Totals	\$ 135,901	\$ 93

The Village reported a total of \$15,036 as deferred outflow of resources related to pension contributions made subsequent to the plan's measurement period of June 30, 2023 which will be recognized as a reduction in net pension liability in the Village's fiscal year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources, including remaining plan's amortization, related to pensions will be recognized in pension expense/(benefit) as follows:

VILLAGE OF MCNARY
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Year	Amount
2024	\$ 40,165
2025	34,511
2026	46,939
2027	<u>(836)</u>
Total	<u>\$ 120,779</u>

Actuarial Methods and Assumptions—A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75% Net of Investment Expense
Inflation Rate	2.5%
Projected Salary Increases (including Inflation & Merit)	12.3% 1-2 years service 4.7% above 2 years service
Mortality Rates	<p>Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females for active members, each with full generational projection using the appropriate MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females for annuitants and beneficiaries, each with full generational projection using the appropriate MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females each with full generational projection using the appropriate MP2019 scale, for disabled lives.</p>
Expected Remaining Service Lives	2023-2020: 4 years
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.

Mortality Rate—The mortality rate assumptions were set after reviewing an experience study performed over the period 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

VILLAGE OF MCNARY
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assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The forecasted long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate 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 resulting forecasted long-term rate of return is 7.9% for the year ended June 30, 2023.

The best estimates of arithmetic rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	52%	3.29%
Fixed Income	34%	1.12%
Alternative Investments	<u>14%</u>	<u>0.95%</u>
Totals	<u>100%</u>	5.36%
Inflation		<u>2.54%</u>
Expected Arithmetic Return		<u>7.90%</u>

Discount Rate—The discount rate used to measure the total pension liability was 6.70%. 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 Employer's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate—The following presents the Village's proportionate share of the net pension liability (NPL) using the discount rate of 6.75%, as well as what the Village's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2023:

<u>1.0% Decrease</u>	<u>Current Discount Rate</u>		<u>1.0% Increase</u>	
Municipal Police Employees' Retirement System Rates	5.75%		6.75%	7.75%
Village of McNary's Share	\$ 219,760	\$	156,182	\$ 103,071

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NOTE 9—LONG TERM DEBT

Bonds payable in the Proprietary Fund at June 30, 2024 are comprised of the following:

Two Water Revenue Bonds, Series 1999 issued and dated July 13, 2000 with interest at 4.75% and due in monthly installments over 40 years.
 Bond R-1 for \$201,000 due in monthly installments of \$944.70
 Bond R-2 for \$ 14,000 due in monthly installments of \$ 65.80

The annual requirements to amortize 2001 non-major debt outstanding as of June 30, 2024, including interest payments of \$51,823 are as follows:

YEAR ENDING JUNE 30	PRINCIPLE	INTEREST	TOTAL PAYMENTS
2025	\$ 6,079	\$ 6,047	\$ 12,126
2026	6,374	5,752	12,126
2027	6,684	5,442	12,126
2028	7,008	5,118	12,126
2029	7,348	4,778	12,126
2030 - 2034	42,452	18,178	60,630
2035 - 2039	54,122	6,508	60,630
TOTALS	\$ 130,067	\$ 51,823	\$ 181,890

Bonds payable as of 7/1/23	\$135,865
Principal paydown during the year	<u>(5,798)</u>
Bonds payable as of 6/30/24	<u>\$130,067</u>

NOTE 10—PROPRIETARY FUND: NET POSITION, RESTRICTED

The Proprietary Fund has Restricted Net Position which are comprised of the following as of June 30, 2024:

Bond Reserve/Retirement Net Position	\$ 12,126
Renewal & Replacement Net Position	<u>19,126</u>
Total Restricted Net Position	<u>\$ 31,252</u>

BOND RESERVE NET POSITION —Under the terms of the Series 1999 bond indenture a sum equal to 5% of the monthly payment must be deposited monthly into a fund until the moneys equal the highest combined annual debt service in any future year on the outstanding bonds. The highest payment total is \$ 12,126.

RENEWAL AND REPLACEMENT NET POSITION—A sum of approximately \$86 is to be paid monthly into the Replacement Net Position over the life of the Bond.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Subject to the foregoing, which are cumulative, any balance in the Water Revenue Fund shall be used for the purpose of acquiring for cancellation, the outstanding Water Revenue Bonds or for redeeming the outstanding Water Revenue Bonds in inverse numerical order, at par and accrued interest to the call date, or any other lawful purpose whether or not connected with the System.

NOTE 11—MAYOR & ALDERMEN COMPENSATION

Donald Parker, II—Mayor	\$ 9,970
Aldermen:	
Danita Davis	4,731
Billy Billings	4,731
Lee Book	4,731

The current aldermen terms of service expire December 31, 2026.

NOTE 12—ARPA FUNDS

Congress passed the American Rescue Plan Act (ARPA) which allowed governmental entities to file for and receive funds related to a loss of revenues as a result of COVID. These entities could calculate the lost revenues based on a formula from US Treasury or elect to receive a standard allowance calculated by the US Treasury. The Village elected the standard amount and was approved and has received funds allocated in the amount of \$77,796. As of June 30, 2024, none of the funds had been expended. There are restrictions on the uses available and timing requirements for these funds which appear to be subject to ALN 21.027.

NOTE 13—PENDING LITIGATION

At June 30, 2024, there were no outstanding suits noted as seeking damages against the Village of McNary.

NOTE 14—CONTINGENCIES AND GOING CONCERN

Management has evaluated events through November 1, 2024, and though there are economic uncertainties in the world, does not believe that they have a going concern or contingency that requires disclosures in the financial statements.

NOTE 15—SUBSEQUENT EVENTS

Management has evaluated events through November 1, 2024, the date on which the financial statements were available for issue. There were no items to be reported as subsequent events other than the purchase of a bushhog and police vehicle.

REQUIRED
SUPPLEMENTARY INFORMATION

VILLAGE OF MCNARY
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ <u>(Unfavorable)</u>
Revenues:				
Taxes:				
Franchise	\$ 5,000	\$ 5,750	\$ 5,949	\$ 199
Sales	58,000	58,822	58,624	(198)
Licenses & Permits	5,500	5,580	5,413	(167)
Fines, Fees, Commissions, & Charges for Services:				
Fines	220,000	188,698	182,392	(6,306)
Sanitation Fees	10,500	10,539	10,421	(118)
Admin Fee (Police to Gen)	-	15,000	16,500	1,500
Intergovernmental:				
Supplemental Pay	14,400	14,400	14,400	-
Miscellaneous:				
Interest	765	1,067	739	(328)
Other	<u>4,064</u>	<u>3,443</u>	<u>1,912</u>	<u>(1,531)</u>
Total Revenues	318,229	303,299	296,350	(6,949)
Expenditures:				
Current:				
General & Administrative	63,937	80,045	86,123	(6,078)
Public Safety:				
Police	212,885	195,621	208,171	(12,550)
Fire Protection	4,200	4,200	4,200	-
Public Works:				
Sanitation	11,000	13,250	12,848	402
Streets	4,000	5,946	8,015	(2,069)
Culture & Recreation	500	840	895	(55)
Capital Outlay	<u>4,000</u>	<u>3,630</u>	<u>-</u>	<u>3,630</u>
Total Expenditures	300,522	303,532	320,252	(16,720)
Excess of Revenues over Expenditures	17,707	(233)	(23,902)	(23,669)
Other Financing Sources/(Uses):				
Right of Use Asset	-	-	12,947	12,947
Transfers In/Out	<u>-</u>	<u>(870)</u>	<u>(640)</u>	<u>230</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(870)</u>	<u>12,307</u>	<u>13,177</u>

(Continued)

VILLAGE OF MCNARY
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (continued)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ <u>(Unfavorable)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	17,707	(1,103)	(11,595)	(10,492)
Fund Balance—Beginning of Year	<u>299,796</u>	<u>299,796</u>	<u>299,796</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ 317,503</u>	<u>\$ 298,693</u>	<u>\$ 288,201</u>	<u>\$ (10,492)</u>

See independent accountant's review report.

(Concluded)

VILLAGE OF MCNARY
BUDGETARY COMPARISON SCHEDULE—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
Revenues:				
Charges for Services	\$ 121,479	\$ 117,432	\$ 115,336	\$ (2,096)
Total Revenues	121,479	117,432	115,336	(2,096)
Operating Expenses:				
Current:				
Salaries & Related Expenses	34,400	36,488	41,592	(5,104)
Office Supplies	2,400	2,521	2,961	(440)
Professional Fees	5,300	5,470	5,761	(291)
Repairs & Maintenance	15,000	15,828	16,781	(953)
Travel/Education	-	-	520	(520)
Utilities	6,344	9,935	6,161	3,774
Depreciation	30,500	33,000	30,350	2,650
Water Chlorination	2,500	2,753	2,199	554
Insurance	8,000	8,400	9,132	(732)
Total Operating Expenses	104,444	114,395	115,457	(1,062)
Net Operating Income/(Loss)	17,035	3,037	(121)	(3,158)
Non-Operating Revenues (Expenses):				
Investment Interest	155	170	204	34
Investment Expenses	(6,500)	(6,328)	(6,314)	14
Total Non-Operating Revenues/ (Expenses)	(6,345)	(6,158)	(6,110)	48
Net Income/(Loss) before Transfers	10,690	(3,121)	(6,231)	(3,110)
Other Financing Sources/(Uses):				
Transfers In/Out	-	-	640	640
Total Other Financing Sources/(Uses)	-	-	640	640
Change in Net Position	10,690	(3,121)	(5,591)	(2,470)
Net Position—Beginning of Year	401,891	401,891	401,891	-
Net Position—End of Year	\$ 412,581	\$ 398,770	\$ 396,300	\$ (2,470)

See independent accountant's review report.

VILLAGE OF MCNARY
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

Actuarial Valuation Date	Employer Portion of the Net Pension Liability/ (Asset)	Employer Proportionate Share of the Net Pension Liability/ (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.015%	\$156,182	\$46,950	332.656%	71.303%

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

VILLAGE OF MCNARY
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

Actuarial Valuation <u>Date</u>	Contractually Required <u>Contribution</u>	Contributions in relation to Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	Employer's Covered <u>Payroll</u>	Contributions as a Percentage of Covered Employee <u>Payroll</u>
06/30/23	\$15,678	\$15,650	\$ 28	\$46,950	33.33%

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

OTHER
SUPPLEMENTARY INFORMATION

VILLAGE OF MCNARY
SCHEDULE OF COMPENSATION AND BENEFITS—AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

In accordance with Act 706 of the 2014 Legislative Session as amended by Act 462 of 2015, payments to Agency Head or Chief Executive Officer must be disclosed. Included in the Disclosure Requirements are any reimbursements of travel or per diem, payments of salary, or payments to retirement or health insurance, providing of a vehicle, etc. for the Agency Head.

The Agency Head of the Village of McNary would be its Mayor, Donald Parker, II and Board of Aldermen, Bill Billings, Barbara Billings, and Lee Book. During the review of the financial statements for the Village’s fiscal year ended June 30, 2024 the following payments were compiled as required disclosures in addition to the compensation listed in Note 11.

Payee:	Donald Parker, II	Bill Billings	Barbara Billings	Lee Book	Danita Davis
Phone	\$ 225	\$ -	\$ -	\$ -	\$ -
Conference Meals	\$ 40	\$ -	\$ -	\$ -	\$ -

See independent accountant’s review report.

Justice System Funding Schedule - Collecting/Disbursing Entity		
As Required by Act 87 of the 2020 Regular Legislative Session		
Identifying Information		
Entity Name	Village of McNary	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2408	
Date that reporting period ended (mm/dd/yyyy)	Sunday, June 30, 2024	
	First Six Month Period Ended 12/31/23	Second Six Month Period Ended 6/30/24
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	3,086	1,871
Add: Collections		
Criminal Court Costs/Fees	12,757	13,598
Criminal Fines - Contempt	-	-
Criminal Fines - Other	82,546	95,804
Service/Collection Fees (e.g. credit card fees , report fees, 3rd party service fees)	8,204	11,363
Subtotal Collections	103,507	120,765
Less: Disbursements To Governments & Nonprofits:		
<i>CrimeStoppers</i>	658	622
<i>CMIS-Court Costs</i>	421	428
<i>North LA Criminalistics Lab-Court Costs</i>	10,336	10,162
<i>LA Supreme Court-Court Costs</i>	210	210
<i>LA Commission on Law Enforcement-Court Costs</i>	821	811
<i>DHH-TH/SCITF-Court Costs</i>	1,510	1,417
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	16	17
Self-Disbursed-Criminal Fines-Other	82,546	95,804
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies (credit card fees)	8,204	11,363
Subtotal Disbursements/Retainage	104,722	120,834
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	1,871	1,802
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:	12/31/23	06/30/24
Ending Balance of Total Amounts Assessed but not yet Collected (<i>i.e. receivable balance</i>)	313,484	252,814
Total Waivers During the Fiscal Period (<i>i.e. non-cash reduction of receivable balances, such as time served or community service</i>)	-	-

See independent accountant's review report.

Shanna Jones, CPA

*795 Big Creek Rd
Winnfield, LA 71483
792-8544*

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Donald Parker II, Mayor
and Board of Aldermen
Village of McNary
53 W Cady Avenue
McNary, Louisiana 71433

I have performed the procedures enumerated below on the Village of McNary's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2024, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village of McNary's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village of McNary 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 Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2024. Additionally, the Louisiana Legislative Auditor 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.

PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures found to be in violation.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided me with the requested information.

(Continued)

3. Obtain a list of all employees paid during the fiscal year.
Management provided me with the required information.
4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.
None of the employees on the list provided by management for agreed-upon procedure (3) matched any name provided by management for agreed-upon procedure (2).
5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families.
Report whether any vendors appear on both lists.
Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

BUDGETING

6. Obtained a copy of the legally adopted budget and all amendments.
Management provided me with a copy of the original and amended budget.
7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.
I traced the adoption of the budgets to the minutes of the meetings.
8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.
I compared total revenues and expenditures for the year to total budgeted revenues and expenditures. Actual revenues appeared to meet budgeted revenues within the variance allowed; actual expenditures did not appear to exceed budgeted amounts by more than the variance allowed.

ACCOUNTING AND REPORTING

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:
 - (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.
Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.
 - (b) Report whether the six disbursements were coded to the correct fund and general ledger account.
Each disbursement appeared properly coded to the correct fund and general ledger account, except one disbursement was coded to capital outlay for two multi-year purchases that were

(Continued)

required to be reclassified to comply with GASB 87 and another disbursement coded to capital outlay included some supplies which were reclassified and expensed.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting indicated approvals.

MEETINGS

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that they are only required to post a notice of each meeting. Management has asserted that such documents were properly posted.

DEBT

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I inspected copies of bank deposits for the period under review and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

I scanned payroll disbursements and read the meeting minutes for the fiscal year. There were no payments noted that appeared to be either advances or bonuses.

STATE AUDIT LAW

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village's prior year report dated November 6, 2023 was submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Village was not on the noncompliance list during the fiscal year ended June 30, 2024.

PRIOR COMMENTS AND RECOMMENDATIONS

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

(Continued)

The prior year report, dated November 6, 2023, had findings for the following issues. The Village appeared not to be in compliance with the Budget Act, with GASB 68, *Pensions*, and possible violations of LA Const. Art. VII, Section 14 (A) by having a Christmas/retirement meal and the purchase flowers. All of these issues appear to have been resolved.

I was engaged by the Village of McNary to perform this agreed-upon procedures engagement and conducted my engagement 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*, issued by the United States Comptroller General. I was 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 the Village's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Village of McNary and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to the agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.



Shanna Jones, CPA
Winnfield, Louisiana
November 1, 2024

(Concluded)

VILLAGE OF MCNARY

LOUISIANA ATTESTATION QUESTIONNAIRE

Shanna Jones, CPA
795 Big Creek Rd
Winnfield, LA 71483

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2024 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296); and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No [] N/A []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No [] N/A []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No [] N/A []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No [] N/A []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No [] N/A []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No [] N/A []

(Continued)

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No [] N/A []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [] N/A []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A []

General

We acknowledge that we are responsible for the Village's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [] N/A []

(Continued)

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [] No [] N/A []

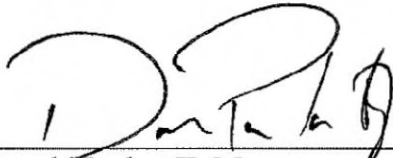
We have disclosed to you with any communications from regulatory agencies, internal auditor, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grant agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [] N/A []

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



Donald Parker II, Mayor
Village of McNary

(Concluded)