

# **VILLAGE OF MCNARY**

**FINANCIAL REPORT  
JUNE 30, 2021**

**SHANNA JONES, CPA  
WINNFIELD, LOUISIANA**

**VILLAGE OF MCNARY**  
**FINANCIAL REPORT**  
**JUNE 30, 2021**

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**VILLAGE OF MCNARY**  
**FINANCIAL REPORT**  
JUNE 30, 2021

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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  
Glenmora, Louisiana

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, Glenmora, Louisiana as of and for the year ended June 30, 2021, 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.

### **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**

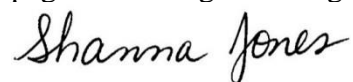
Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules on pages 30 and 32 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental 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 34 and 35 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. 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 24, 2021, on the results of our agreed-upon procedures on pages 36 through 39. Pages 40 through 42 present the Louisiana Attestation Questionnaire.



Shanna Jones, CPA  
Winnfield, Louisiana  
November 24, 2021

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

**VILLAGE OF MCNARY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 168,685	\$ 18,995	\$ 187,680
Investments	28,475	17,953	46,428
Receivables, Net	16,959	4,550	21,509
Prepaid Expenses	<u>2,745</u>	<u>114</u>	<u>2,859</u>
Total Current Assets	<u>216,864</u>	<u>41,612</u>	<u>258,476</u>
Non-Current Assets:			
Restricted:			
Cash & Cash Equivalents	-	35,631	35,631
Investments	-	34,370	34,370
Capital Assets			
Depreciable (Net of Depreciation)	392,408	478,201	870,609
Non-Depreciable	<u>38,009</u>	<u>3,100</u>	<u>41,109</u>
Total Non-Current Assets	<u>430,417</u>	<u>551,302</u>	<u>981,719</u>
Total Assets	<u>647,281</u>	<u>592,914</u>	<u>1,240,195</u>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	13,428	4,664	18,092
Accrued Liabilities	2,535	1,679	4,214
Customer Deposits	-	14,150	14,150
Bonds Payable-Current Portion	<u>-</u>	<u>5,273</u>	<u>5,273</u>
Total Current Liabilities	<u>15,963</u>	<u>25,766</u>	<u>41,729</u>
Long-Term Liabilities:			
Bonds Payable-Net of Current	<u>-</u>	<u>141,394</u>	<u>141,394</u>
Total Liabilities	<u>15,963</u>	<u>167,160</u>	<u>183,123</u>
<b>Net Position:</b>			
Invested in Capital Assets, Net of Related Debt	430,417	334,633	765,050
Restricted	-	28,109	28,109
Unrestricted	<u>200,901</u>	<u>63,012</u>	<u>263,913</u>
Total Net Position	<u>\$ 631,318</u>	<u>\$ 425,754</u>	<u>\$ 1,057,072</u>

See accompanying notes and independent accountant's review report.



**VILLAGE OF MCNARY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Program Activities	Expenses	Program Revenue			Net (Expense) Revenue & Changes in Net Position		
		Fines, Fees, Commissions & Charges for Services	Grants & Contributions		Governmental Activities	Business-type Activities	Total
			Operating	Capital			
Governmental Activities:							
General & Admin	\$ 54,286		\$ 16,411	\$ -	\$ ( 37,875)		\$ ( 37,875)
Public Safety:							
Police	161,629	\$ 207,303	6,000		51,674		51,674
Fire	4,200				( 4,200)		( 4,200)
Public Works:							
Sanitation	10,473	9,226			( 1,247)		( 1,247)
Streets	21,521				( 21,521)		( 21,521)
Culture & Rec	<u>15,615</u>				<u>( 15,615)</u>		<u>( 15,615)</u>
Total Governmental	<u>267,724</u>	<u>216,529</u>	<u>22,411</u>		( 28,784)		( 28,784)
Business-type Activities:							
Water	<u>123,473</u>	<u>76,486</u>	<u>3,978</u>	<u>3,100</u>		<u>\$ ( 39,909)</u>	<u>( 39,909)</u>
Total Business-type	<u>\$ 123,473</u>	<u>\$ 76,486</u>	<u>\$ 3,978</u>	<u>\$ 3,100</u>		(39,909)	( 39,909)
General Revenues:							
Gain on Sale of Asset					2,666	760	3,426
Taxes:							
Franchise					4,725		4,725
Sales					61,388		61,388
Licenses & Permits					4,150		4,150
Interest Earnings					53	147	200
Miscellaneous					1,810		1,810
Insurance Claim Proceeds					4,802		4,802
Transfers In/Out					<u>( 5,522)</u>	<u>5,522</u>	<u>-</u>
Total General Revenues					<u>74,072</u>	<u>6,429</u>	<u>80,501</u>
Change in Net Position					45,288	( 33,480)	11,808
Net Position July 1, 2020					<u>586,030</u>	<u>459,234</u>	<u>1,045,264</u>
Net Position June 30, 2021					<u>\$ 631,318</u>	<u>\$ 425,754</u>	<u>\$ 1,057,072</u>

See accompanying notes and independent accountant's review report.

## FUND FINANCIAL STATEMENTS

**VILLAGE OF MCNARY**  
**BALANCE SHEET—GOVERNMENTAL FUND**  
**JUNE 30, 2021**

**Assets:**

Current Assets:

Cash & Cash Equivalents	\$	168,685
Investments		28,475
Receivables, Net		
Occupational/Franchise		1,041
Garbage		719
Sales & Use Taxes		4,587
Grants-FEMA		10,612
Prepaid Expenses		<u>2,745</u>
 Total Assets		 <u><u>216,864</u></u>

**Liabilities:**

Current Liabilities:

Accounts Payable		13,428
Accrued Liabilities		<u>2,535</u>
 Total Liabilities		 <u>15,963</u>

**Fund Balance:**

Nonspendable		2,745
Unassigned		<u>198,156</u>
 Total Fund Balance		 <u>200,901</u>

Total Liabilities & Fund Balance	\$	<u><u>216,864</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, 2021

Total Fund Balance for the Governmental Fund  
at June 30, 2021 \$ 200,901

Total Net Position reported for Governmental Activities  
in the Statement of Net Position is different because:

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	710,944	
Less: Accumulated Depreciation	<u>( 318,536)</u>	<u>430,417</u>

Total Net Position of Governmental Activities  
at June 30, 2021 \$ 631,318

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, 2021**

Revenues:		
Taxes:		
Franchise	\$	4,725
Sales		61,388
Licenses & Permits		4,150
Fines, Fees, Commissions & Charges for Services:		
Fines		207,303
Sanitation Fees		9,226
Intergovernmental:		
Supplemental Pay		6,000
Grants		16,411
Miscellaneous:		
Interest Earned		53
Other		<u>1,810</u>
Total Revenues		<u>311,066</u>
Expenditures:		
Current:		
General & Administrative		50,783
Public Safety:		
Police		142,243
Fire Protection		4,200
Public Works:		
Sanitation		10,473
Streets		5,731
Culture & Recreation		11,261
Capital Outlay		<u>31,734</u>
Total Expenditures		<u>256,425</u>
Excess of Revenues over Expenditures		54,641
Other Financing Sources/(Uses):		
Sale of Assets		5,791
Insurance Claims		4,802
Transfers In/Out		<u>( 5,522)</u>
Total Other Financing Sources/(Uses)		5,071

(Continued)

**VILLAGE OF MCNARY**  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND (continued)  
FOR THE YEAR ENDED JUNE 30, 2021

Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	59,712
Fund Balance—Beginning of Year	<u>141,189</u>
Fund Balance—End of Year	<u>\$ 200,901</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, 2021**

Net Change in Fund Balance—Governmental Fund	\$	59,712
<p>Amounts reported for Governmental Activities  in the Statement of Activities are different because:</p>		
<p>Governmental Funds report Capital Outlays as  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</p>		
		31,734
<p>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</p>		
	(	43,033)
<p>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.</p>		
		<u>3,125</u> )
Net Change in Net Position per Statement of Activities— Governmental Activities	\$	<u>45,288</u>

See accompanying notes and independent accountant’s review report.

**VILLAGE OF MCNARY**  
**STATEMENT OF NET POSITION—PROPRIETARY FUND**  
**JUNE 30, 2021**

**Assets:**

Current Assets:

Cash & Cash Equivalents	\$	18,995
Investments		17,953
Receivables, Net		4,550
Prepaid Insurance		<u>114</u>
Total Current Assets		<u>41,612</u>

Non-Current Assets:

Restricted:

Cash & Cash Equivalents		35,631
Investments		34,370

Capital Assets

Depreciable (Net of Depreciation)		481,301
Non-Depreciable		<u>-</u>

Total Non-Current Assets		<u>551,302</u>
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Total Assets		<u>592,914</u>
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**Liabilities:**

Current Liabilities:

Accounts Payable		4,664
Accrued Liabilities		1,679
Customer Deposits		14,150
Bonds Payable-Current Portion		<u>5,273</u>
Total Current Liabilities		<u>25,766</u>

Long-Term Liabilities:

Bonds Payable-Net of Current		<u>141,394</u>
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Total Liabilities		<u>167,160</u>
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**Net Position:**

Invested in Capital Assets, Net of Related Debt		334,633
Restricted		28,109
Unrestricted		<u>63,012</u>

Total Net Position	\$	<u>425,754</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, 2021**

Operating Revenues:	
Charges for Services	\$ <u>76,486</u>
Total Operating Revenues	<u>76,486</u>
Operating Expenses:	
Salaries & Related Expenses	37,078
Office Supplies	4,613
Professional Fees	3,978
Repairs & Maintenance	29,245
Utilities	6,792
Depreciation	27,673
Water Chlorination	1,721
Insurance	<u>5,295</u>
Total Operating Expenses	<u>116,395</u>
Net Operating Income (Loss)	<u>( 39,909)</u>
Non-Operating Revenues (Expenses):	
Investment Interest	147
Grant Income	7,078
Investment Expenses	<u>( 7,078)</u>
Total Non-Operating Revenues (Expenses)	147
Net Income before Transfers	( 39,762)
Other Financing Sources/(Uses):	
Gain on Sale of Asset	760
Transfers In/Out	<u>5,522</u>
Total Other Financing Sources (Uses)	6,282
Change in Net Position	( 33,480)
Net Position—Beginning of Year	<u>459,234</u>
Net Position—End of Year	<u>\$ 425,754</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, 2021**

**Cash Flows from Operating Activities:**

Receipts from Customers	\$ 77,012
Payments to Suppliers	( 48,273)
Payments to Employees	( 36,233)
Payments, Netted for Interfund Borrowing, General Fund	1,800
Other Receipts (Payments)	<u>25</u>

Net Cash Provided by Operating Activities ( 5,669)

**Cash Flows from NonCapital & Related Financing Activities:**

NonCapital Grant Proceeds	3,978
Transfers from General Fund	<u>5,522</u>

Net Cash Provided by NonCapital & Related Financing Activities 9,500

**Cash Flows from Capital & Related Financing Activities:**

Principal Paid on Bonds	( 5,042)
Interest Paid on Bonds	( 7,078)
Intergovernmental Capital Grant Proceeds	3,100
Proceeds from Sale of Capital Asset	1,680
Increase in Construction in Progress	( 3,100)
Purchases of Equipment	<u>( 25,647)</u>

Net Cash (Used) by Capital & Related Financing Activities ( 36,087)

**Cash Flows from Investing Activities:**

Interest Earned on Operating Accounts	<u>44</u>
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Net Cash Provided by Investing Activities 44

**Net Increase (Decrease) in Cash & Cash Equivalents** ( 32,212)

**Cash & Cash Equivalents—Beginning of Year** 86,838

**Cash & Cash Equivalents—End of Year** \$ 54,626

**Reconciliation of Cash & Cash Equivalents:**

Per the Statement of Net Position:	
Unrestricted—Cash & Cash Equivalents	\$ 18,995
Restricted—Cash & Cash Equivalents	<u>35,631</u>

Total Cash & Cash Equivalents—End of Year \$ 54,626

(Continued)

**VILLAGE OF MCNARY**  
**STATEMENT OF CASH FLOWS—PROPRIETARY FUND (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

**Operating Activities:**

Operating Income/(Loss)	\$ ( 39,909)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation	27,673
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	526
(Increase)/Decrease in Prepaid Expenses	44
(Increase)/Decrease in Due From General Fund	1,800
Increase/(Decrease) in Accounts Payable	3,327
Increase/(Decrease) in Accrued Liabilities	845
Increase/(Decrease) in Customer Deposits	25
Net Cash Provided by Operating Activities	\$ ( <u>5,669</u> )

See accompanying notes and independent accountant's review report.

(Concluded)

## NOTES TO FINANCIAL STATEMENTS

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1—INTRODUCTION**

The Village of McNary in Glenmora, 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 only), 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 people.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Village of McNary, Glenmora, 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):

GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the Village implemented GASB Statement No. 63 as of the fiscal year ended June 30, 2013.

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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.

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.

**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.

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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.

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.

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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 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, 2021, \$549 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 collect-



**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

ed 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.

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.

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

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:

Invested in Capital Assets, Net of Related Debt—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**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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 \$2,745 which represents prepaid expenses. The remaining general fund balance of \$198,156 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 maint-

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

enance 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, 2021, the carrying amount of the Village's cash and cash equivalents and investments of governmental and proprietary funds (collected bank balances) totaled \$302,810. This was comprised of \$222,012 in restricted and unrestricted cash along with \$80,798 in investments restricted and unrestricted. 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, 2021, 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.

Even though the pledged securities are considered uncollateralized (Category #3), 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.

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4—REVENUES RECEIVABLE**

The following is a summary of receivables as of June 30, 2021:

Receivables, Net:	
General Fund:	
Occupational/Franchise	\$ 1,041
Garbage	719
Sales & Use Taxes	4,587
Intergovernmental Grant	10,612
Proprietary Fund:	
Water Accounts Receivable, net	<u>4,550</u>
Total	<u>\$ 21,509</u>

The water accounts receivable is net of \$549 allowance for doubtful accounts.

**NOTE 5—CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2021 are as follows:

	<u>Balance</u> <u>07/01/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/21</u>
Governmental Activities:				
Capital Assets—Not Depreciated:				
Land	\$ 38,009	\$ -	\$ -	\$ 38,009
Capital Assets—Depreciated:				
Furniture, Equipment & Vehicles	231,898	31,734	( 12,500)	251,132
Improvements & Infrastructure	403,410	-	-	403,410
Buildings	<u>56,402</u>	<u>-</u>	<u>-</u>	<u>56,402</u>
Total Depreciated Assets	<u>691,710</u>	<u>31,734</u>	<u>( 12,500)</u>	<u>710,944</u>
Total Assets	<u>729,719</u>	<u>31,734</u>	<u>( 12,500)</u>	<u>748,953</u>
Less Accumulated Depreciation:				
Furniture, Equipment & Vehicles	120,211	28,691	( 9,375)	139,527
Improvements & Infrastructure	137,563	12,033	-	149,596
Buildings	<u>27,104</u>	<u>2,309</u>	<u>-</u>	<u>29,413</u>
Total Accum. Depreciation	<u>284,878</u>	<u>43,033</u>	<u>( 9,375)</u>	<u>318,536</u>
Net Capital Assets, Governmental	<u>\$ 444,841</u>			<u>\$ 430,417</u>

Governmental Activities depreciation expense for the year ended June 30, 2021 of \$43,033 is charged as follows: \$3,503 to General & Administrative, \$15,790 to Streets, \$19,386 to Public Safety and \$4,354 to Culture & Recreation expenditures.

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

	<u>Balance</u> <u>07/01/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/21</u>
Business-type Activities:				
Capital Assets—Not Depreciated:				
Construction in Progress	\$ -	\$ 3,100	\$ -	\$ 3,100
Capital Assets—Depreciated:				
Equipment & Vehicles	27,147	25,647	( 2,300)	50,494
Water System	952,344	-	-	952,344
Buildings	17,319	-	-	17,319
Total Depreciated Assets	<u>996,810</u>	<u>25,647</u>	<u>-</u>	<u>1,020,157</u>
Total Assets	<u>996,810</u>	<u>28,747</u>	<u>( 2,300)</u>	<u>1,023,257</u>
Less Accumulated Depreciation:				
Equipment & Vehicles	23,759	3,292	( 1,380)	25,671
Water System	474,988	23,979	-	498,967
Buildings	16,916	402	-	17,318
Total Accum. Depreciation	<u>515,663</u>	<u>27,673</u>	<u>( 1,380)</u>	<u>541,956</u>
Net Capital Assets, Business-type	<u>\$ 481,147</u>			<u>\$ 481,301</u>

Business-type Activities depreciation expense for the year ended June 30, 2021 of \$27,673 is charged to Water expenditures.

**NOTE 7—LEASES**

Operating Lease

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 cost states \$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.

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

The Village of McNary also entered a joint endeavor agreement with the Town of Glenmora which allows Glenmora to service the Village’s citizens with sewer services.

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—LONG TERM DEBT**

Bonds payable in the Proprietary Fund at June 30, 2021 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, 2021, including interest payments of \$71,601 are as follows:

YEAR ENDING JUNE 30	PRINCIPLE	INTEREST	TOTAL PAYMENTS
2022	\$ 5,273	\$ 6,853	\$ 12,126
2023	5,529	6,597	12,126
2024	5,798	6,328	12,126
2025	6,079	6,047	12,126
2026	6,374	5,752	12,126
2027 - 2031	36,824	23,806	60,630
2032 - 2036	46,674	13,956	60,630
2037 - 2039	34,116	2,262	36,378
<b>TOTALS</b>	<u>\$ 146,667</u>	<u>\$ 71,601</u>	<u>\$ 218,268</u>

GASB 88 was implemented as required for the fiscal year ended June 30, 2019. As the bonds payable are the only long term liabilities the only new additional disclosure noted as required was as follows:

Bonds payable as of 7/1/20	\$151,709
Principal paydown during the year	( 5,042)
Bonds payable as of 6/30/21	\$146,667

**VILLAGE OF MCNARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9—PROPRIETARY FUND: NET POSITION, RESTRICTED**

The Proprietary Fund has Restricted Net Position which are comprised of the following as of June 30, 2021:

Bond Reserve/Retirement Net Position	\$ 12,126
Renewal & Replacement Net Position	<u>15,983</u>
Total Restricted Net Position	<u>\$ 28,109</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.

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 10—MAYOR & ALDERMEN COMPENSATION**

Donald Parker, II—Mayor	\$ 8,767
Aldermen:	
Barbara Billings	4,175
Billy Billings	4,175
Lee Book	4,175

The current aldermen terms of service expire December 31, 2022.

**NOTE 11—PENDING LITIGATION**

At June 30, 2021, there were no outstanding suits noted as seeking damages against the management of the Village of McNary.

**NOTE 12—SUBSEQUENT EVENTS**

Management has evaluated events through November 24, 2021, the date which the financial statements were available for issue. There were no items to be reported as subsequent events, with the exception that FEMA Public assistance reimbursements were received including a nonaccrued FEMA Project 172920 for Hwy 113 water line permanent repair in the amount of \$25,397 and the related invoice paid for \$25,719.

REQUIRED  
SUPPLEMENTARY INFORMATION



**VILLAGE OF MCNARY**  
**BUDGETARY COMPARISON SCHEDULE—GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
Revenues:				
Taxes:				
Franchise	\$ 4,000	\$ 4,000	\$ 4,725	\$ 725
Sales	43,000	52,900	61,388	8,488
Licenses & Permits	4,000	4,000	4,150	150
Fines, Fees, Commissions, & Charges for Services:				
Fines	176,000	193,971	207,303	13,332
Sanitation Fees	9,000	9,000	9,226	226
Intergovernmental:				
Supplemental Pay	6,000	6,000	6,000	-
Grant-FEMA	15,000	-	16,411	16,411
Miscellaneous:				
Interest	81	52	53	1
Other	<u>1,000</u>	<u>1,800</u>	<u>1,810</u>	<u>10</u>
Total Revenues	258,081	271,723	311,066	39,343
Expenditures:				
Current:				
General & Administrative	58,010	57,895	50,783	7,112
Public Safety:				
Police	130,393	143,000	142,243	757
Fire Protection	4,200	4,200	4,200	-
Public Works:				
Sanitation	11,000	11,000	10,473	527
Streets	5,000	6,000	5,731	269
Culture & Recreation	1,000	13,000	11,261	1,739
Capital Outlay	<u>15,000</u>	<u>32,588</u>	<u>31,734</u>	<u>854</u>
Total Expenditures	224,603	267,683	256,425	11,258
Excess of Revenues over Expenditures	33,478	4,040	54,641	50,601
Other Financing Sources/(Uses):				
Sale of Assets	-	-	5,791	5,791
Insurance Claim Proceeds	-	4,800	4,802	2
Transfers In/Out	<u>-</u>	<u>( 9,600)</u>	<u>( 5,522)</u>	<u>4,078</u>
Total Other Financing Sources/(Uses)	-	( 4,800)	5,071	9,871

(Continued)

**VILLAGE OF MCNARY**  
**BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<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	33,478	( 760)	59,712	60,472
Fund Balance—Beginning of Year	<u>141,189</u>	<u>141,189</u>	<u>141,189</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ 174,667</u>	<u>\$ 140,429</u>	<u>\$ 200,901</u>	<u>\$ 60,472</u>

See independent accountant's review report.

(Concluded)

**VILLAGE OF MCNARY**  
**BUDGETARY COMPARISON SCHEDULE—PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
Revenues:				
Charges for Services	\$ 82,000	\$ 76,500	\$ 76,486	\$ ( 14)
Total Revenues	82,000	76,500	76,486	( 14)
Operating Expenses:				
Current:				
Salaries & Related Expenses	20,200	37,100	37,078	22
Office Supplies	3,848	4,650	4,613	37
Professional Fees	6,686	4,000	3,978	22
Repairs & Maintenance	9,100	29,200	29,245	( 45)
Utilities	4,600	6,700	6,792	( 92)
Depreciation	26,000	27,700	27,673	27
Water Chlorination	1,600	1,700	1,721	( 21)
Insurance	<u>5,670</u>	<u>5,500</u>	<u>5,295</u>	<u>205</u>
Total Operating Expenses	77,704	116,550	116,395	155
Net Operating Income/(Loss)	4,296	( 40,050)	( 39,909)	141
Non-Operating Revenues (Expenses):				
Investment Interest	155	63	147	84
Intergovernmental Grant	-	1,000	7,078	6,078
Investment Expenses	<u>( 7,098)</u>	<u>( 7,080)</u>	<u>( 7,078)</u>	<u>2</u>
Total Non-Operating Revenues/ (Expenses)	<u>( 6,943)</u>	<u>( 6,017)</u>	<u>147</u>	<u>6,164</u>
Net Income/(Loss) before Transfers	( 2,647)	( 46,067)	( 39,762)	6,305
Other Financing Sources/(Uses):				
Sale of Asset	-	-	760	760
Transfers In/Out	<u>-</u>	<u>-</u>	<u>5,522</u>	<u>5,522</u>
Total Other Financing Sources/(Uses)	-	-	6,282	6,282
Change in Net Position	( 2,647)	( 46,067)	( 33,480)	12,587
Net Position—Beginning of Year	<u>459,234</u>	<u>459,234</u>	<u>459,234</u>	<u>-</u>
Net Position—End of Year	<u>\$ 456,587</u>	<u>\$ 413,167</u>	<u>\$ 425,754</u>	<u>\$ 12,587</u>

See independent accountant's review report.

OTHER  
SUPPLEMENTARY INFORMATION

**VILLAGE OF MCNARY**  
**SCHEDULE OF COMPENSATION AND BENEFITS—AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021 the following payments were compiled as required disclosures in addition to the compensation listed in Note 10.

Payee:	Donald	Bill	Barbara	Lee
	Parker, II	Billings	Billings	Book
Phone	\$ 1,483	\$ -	\$ -	\$ -

See independent accountant’s review report.

<b>Justice System Funding Schedule - Collecting/Disbursing Entity</b>		
<b>As Required by Act 87 of the 2020 Regular Legislative Session</b>		
<b>Identifying Information</b>		
<b>Entity Name</b>	Village of McNary	
<b>LLA Entity ID #</b> (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2408	
<b>Date that reporting period ended</b> (mm/dd/yyyy)	Wednesday, June 30, 2021	
	<b>First Six Month Period Ended 12/31/20</b>	<b>Second Six Month Period Ended 6/30/21</b>
<b>Cash Basis Presentation</b>		
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	487	629
<b>Add: Collections</b>		
Criminal Court Costs/Fees	3,505	4,568
Criminal Fines - Contempt	-	-
Criminal Fines - Other	77,797	120,895
Service/Collection Fees (e.g. <b>credit card fees</b> , report fees, 3rd party service fees)	5,836	9,051
<b>Subtotal Collections</b>	<b>87,138</b>	<b>134,514</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
<i>CrimeStoppers</i>	568	544
<i>CMIS-Court Costs</i>	326	440
<i>North LA Criminalistics Lab-Court Costs</i>	300	410
<i>LA Supreme Court-Court Costs</i>	162	207
<i>LA Commission on Law Enforcement-Court Costs</i>	639	973
<i>DHH-TH/SCITF-Court Costs</i>	1,355	1,675
<i>Pioneer Technology-Court Costs</i>	-	240
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	13	20
Self-Disbursed-Criminal Fines-Other	77,797	120,895
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Payments to 3rd Party Collection/Processing Agencies (credit card fees)	5,836	9,051
<b>Subtotal Disbursements/Retainage</b>	<b>86,996</b>	<b>134,455</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>629</b>	<b>688</b>
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b>	<b>-</b>	<b>-</b>
	estimated net of allowance	estimated net of allowance
<b>Other Information:</b>	12/31/20	06/30/21
Ending Balance of Total Amounts Assessed but not yet Collected ( <i>i.e. receivable</i> )	231,595	155,456
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  
Glenmora, Louisiana

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, 2021, 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, 2021. 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.

### PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, 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. According to LA RS 39:1303 only governmental funds, general fund or a special revenue fund, are subject to the Budget Act. In the Village's General Fund actual revenues and other financing sources exceeded budgeted revenues and other financing sources. Expenditures and other financing uses for the year did not exceed budgeted amounts by more than 5% variance allowable.

#### 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.

(Continued)



(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 repair and maintenance for general fund which appeared to be proprietary fund and was reclassified.

(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 and the accompanying agenda on the door of the Village's Town Hall building and an example of this was available.

#### 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 20, 2020 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, 2021.

(Continued)

## 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.

The prior year report, dated November 20, 2020, did include suggestions, exceptions, recommendations, and/or comments related to the Louisiana Budget Act. For the current fiscal year the Village appears to be in compliance.

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 our other ethical responsibilities, in accordance with the relevant ethical requirements related to our 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 24, 2021

(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, 2021 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 public bid law, R.S. Title 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

(Continued)

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

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 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 have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No [ ] N/A [ ]

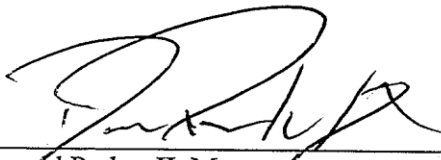
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No [ ] N/A [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

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)

## CURRENT YEAR FINDINGS AND RECOMMENDATIONS

**VILLAGE OF MCNARY**  
**FINDINGS & RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**FINDINGS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

None.

## PRIOR YEAR FINDINGS



**VILLAGE OF MCNARY**  
**PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**INSTANCES OF NONCOMPLIANCE**

**20-01 Louisiana Budget Act Compliance**

**Finding**—The Village’s amended budget exceeds the 5% variance allowed by law.

**Recommendation**—Management needs to comply with budget laws. Timely resolutions along with monitoring both the budget and spending should assist in compliance. I recommend amending the budget when there is a 5% or more variance between budgeted and actual revenues or expenditures, even if previously amended.

**Status**-Resolved.

STATE OF LOUISIANA.  
PARISH OF RAPIDES

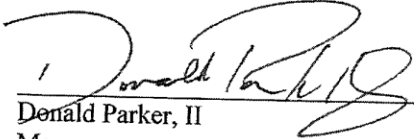
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Donald Parker II, Mayor  
Village of McNary  
Glenmora, Louisiana

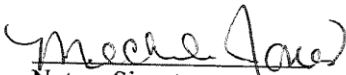
BEFORE ME, the undersigned authority, personally came and appeared.

Donald Parker II, Mayor for the Village of McNary. State of Louisiana, who after being duly sworn, deposed and said;

The financial statements herewith given present fairly the financial position of the Village of McNary as of June 30, 2021, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

  
Donald Parker, II  
Mayor  
Village of McNary

SWORN to and subscribed before me, Notary, this 24 day of November, 2021  
in my office in McNary, Louisiana

  
Notary Signature

Mechele Jones  
#134789

Notary Stamp  
(with Officer Name, Number, etc.)