

VILLAGE OF MCNARY

**FINANCIAL REPORT
JUNE 30, 2025**

**SHANNA JONES, CPA
WINNFIELD, LOUISIANA**

VILLAGE OF MCNARY
FINANCIAL REPORT
JUNE 30, 2025

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Village of McNary

53 W. Cady Ave.

McNary, LA 71433

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis of the Village of McNary's (the Village) financial performance presents a narrative overview and analysis of Village of McNary's financial activities for the years ended June 30, 2025 and 2024. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. It is important to note that while the current fiscal year ended June 30, 2025 was audited, the year ended June 30, 2024 was reviewed and not audited.

FINANCIAL HIGHLIGHTS

The Village's net position on June 30, 2025 was \$1,003,898 and \$984,661 on June 30, 2024. The net position is made up largely of Capital Assets. The Village has \$966,010 in Net Capital Assets as of June 30, 2025 with \$130,753 in debt associated (Bond and Lease Liability). Major assets added during the year included water line extensions/improvements, two police vehicles (which replaced two older police vehicles sold to other governmental entities), an excavator, a bushhog, and a trailer. The majority of these purchases were funded with ARPA lost revenues, Act 776 Appropriations funds and savings.

During fiscal year ended June 30, 2025 an increase of \$6,505 from prior year expenses was noted in Governmental Expenditures, the majority being in the public safety functions. Personnel and Related Benefits continue to be the highest costs of the General Government and Public Safety. In the Business-type activities Operating Expenses increased from the prior year by \$14,919. Payments continue to be made on the USDA Bonds Payable. The Village continues to make the required transfers to restricted accounts necessary to comply with the debt covenants associated with the bonds.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village of McNary's financial position and results of operations from differing perspectives which are described as follows:

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS—This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

FUND FINANCIAL STATEMENTS—A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Village uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year.

Village of McNary
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

As the Government-wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact as short-term financing decreases. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the difference between these two views.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village's Governmental Fund consist of a major fund: General and one Proprietary Fund: Utilities-Water. In the current fiscal year, the General fund decreased \$154,215 and Proprietary fund increased \$45,040. The decrease in General was mainly the result of higher expenses particularly in capital outlay, followed by payroll and related and insurance. The increase in Proprietary fund was mainly the result of Act 776 Appropriations Grant and transfers from the general fund. As of June 30, 2025, the fund balance and net position, respectively are as follows: General \$133,986 and Proprietary \$441,340.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole.

Village of McNary
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

Activities:	2025 (audited)		2024 (reviewed)	
	Governmental	Business-type	Governmental	Business-type
Assets:				
Current	\$ 153,180	\$ 49,339	\$ 306,243	\$ 55,992
Non-Current:				
Restricted Cash & Invest	-	80,981	-	79,175
RUA-Lease Receivable, net	29,255	-	-	-
Capital Assets (Net)	480,978	485,032	330,466	413,810
Total Assets	663,413	615,352	636,709	548,977
Deferred Outflows	85,861	-	135,901	-
Total Assets & Deferred Outflows	749,274	615,352	772,610	548,977
Liabilities:				
Current:				
Unrestricted	21,851	32,183	21,200	4,710
Restricted	-	24,224	-	23,979
Non-Current	117,377	117,605	162,956	123,988
Total Liabilities	139,228	174,012	184,156	152,677
Deferred Inflows	47,488	-	93	-
Net Position:				
Net Invested in Capital Assets	474,204	361,053	330,466	283,744
Restricted	-	32,380	-	31,252
Unrestricted	88,354	47,907	257,895	81,304
Total Net Position	\$ 562,558	\$ 441,340	\$ 588,361	\$ 396,300

Village of McNary
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

Rather than present the Statement of Net Activities, this comparative data shows a Summary of Changes in of Net Position:

Activities:	<u>2025 (audited)</u>		<u>2024 (reviewed)</u>	
	Governmental	Business-type	Governmental	Business-type
Revenues:				
Program Revenues—				
Charges for Services,				
Fines, Commissions	\$ 228,954	\$ 105,738	\$ 209,313	\$ 115,336
Operating Grants &				
Contributions	14,400	-	14,400	-
Capital Grants &				
Contributions	-	50,000	-	-
General Revenues—				
Franchise Taxes	6,289	-	5,949	-
Sales Taxes	64,009	-	58,624	-
Licenses & Permits	5,128	-	5,413	-
ROA Lease/Rental Income	2,134	-	-	-
Nonemployer Pension Cont.	3,270	-	3,409	-
Interest & Miscellaneous	<u>2,735</u>	<u>209</u>	<u>2,651</u>	<u>204</u>
Total Revenues	326,919	155,947	299,759	115,540
Expenditures:				
General Government	82,792	-	89,495	-
Public Safety	248,415	-	234,436	-
Public Works	39,732	-	40,503	-
Operating	<u>-</u>	<u>136,690</u>	<u>-</u>	<u>121,771</u>
Total Expenditures	370,939	136,690	364,434	121,771
Excess (Deficiency) of				
Revenues over (under)				
Expenditures	<u>(44,020)</u>	<u>19,257</u>	<u>(64,675)</u>	<u>(6,231)</u>
Other Financing Sources Uses:				
Sale of Asset	44,000	-	-	-
Transfers from Other Fund		25,783	-	640
Transfers to Other Funds	<u>(25,783)</u>	<u>-</u>	<u>(640)</u>	<u>-</u>
Total Other Financing Sources				
(Uses)	<u>18,217</u>	<u>25,783</u>	<u>(640)</u>	<u>640</u>
Changes in Net Position	\$ (25,803)	\$ 45,040	\$ (65,315)	\$ (5,591)

Village of McNary
MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

FUNCTIONS OF EXPENSES

The total functions of the Village include general governmental activities, public safety and public works. In the business-type activities water and sewer services are provided.

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2025, while total revenues and other financing sources were within the favorable variance allowed by state law, total budgeted expenses and other financing uses failed to meet the favorable variance allowed by law. Actual Revenues and Other Financing Sources exceeded Budgeted Revenues and Other Financing Sources by \$10,066 causing a favorable variance. Actual Expenditures exceeded Budgeted Expenditures by \$26,843 causing an unfavorable variance of 5.03%.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village has prepared its fiscal year ended June 30, 2026 budget for the General Fund on the assumptions that revenues and expenditures will remain fairly consistent next year. While not legally required to prepare a budget for the Proprietary Fund, the Village expects revenues and expenditures to remain consistent for that fund as well during the next fiscal year, with the exception of the following. Additional appropriation grants from two Louisiana Acts, 776 & 461 to fund capital projects for the water system and improvements.

CONTACTING THE VILLAGE

This financial report is designed to provide a general overview of the Village's finances, compliance with governmental financial reporting laws and regulations and demonstrate the Village's commitment to public accountability. If you have additional questions about this report or would like to request additional information, contact the Village of McNary, 53 W Cady Ave., McNary, LA 71433.

Shanna Jones, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited 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, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the each major fund, and the aggregate remaining fund information of the Village of McNary, Louisiana, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Village of McNary, Louisiana (the "Village"), and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of

McNary's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the U.S. require that Management's Discussion and Analysis, the Budgetary Comparison Schedule, the Schedule of Village's Proportionate Share of the Net Pension Liability, and the Schedule of Village's Pension Contributions on pages M-1 through M-5, pages 39, 41, 42, and 43, respectively, to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the

methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

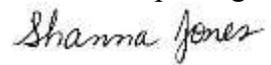
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of McNary's basic financial statements. The accompanying Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer (the "Schedule of Compensation") presented on page 45 and the Justice System Funding Schedule for Collecting/Disbursing Entity presented on page 46 while listed in the Table of Contents as Supplementary Information are presented for purposes of additional analysis and are not required parts of the basic financial statements but are required by Act 462 of 2015 which amends Act 706 of the Louisiana 2014 Legislative Session and by Act 87 of the Louisiana 2020 Legislative Session. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Note that the Justice System Funding Schedule is required to be and is prepared in accordance with cash basis, which is a basis other than auditing standards generally accepted in the U.S. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditures of Federal Awards, the Schedule of Compensation, Benefits and Other Payments and the Justice System Funding Schedule for Collecting/Disbursing Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required governmental entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Village's management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 64-67. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 52-63. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued the report dated December 12, 2025, on my consideration of the Village of McNary's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance

with *Government Auditing Standards* in considering Village of McNary's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Shanna Jones".

Shanna Jones, CPA
Winnfield, Louisiana
December 12, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

VILLAGE OF MCNARY
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash & Cash Equivalents	\$ 108,948	\$ 22,711	\$ 131,659
Investments	29,822	18,096	47,918
Receivables, Net	7,923	7,441	15,364
RUA-Lease Receivable, current portion	985	-	985
Prepaid Expenses	<u>5,502</u>	<u>1,091</u>	<u>6,593</u>
Total Current Assets	<u>153,180</u>	<u>49,339</u>	<u>202,519</u>
Non-Current Assets:			
Restricted:			
Cash & Cash Equivalents	-	46,336	46,336
Investments	-	34,645	34,645
RUA-Lease Receivable, long term	29,255	-	29,255
Capital Assets			
Non-Depreciable	38,009	-	38,009
Depreciable (Net of Depreciation)	436,496	485,032	921,528
Right of Use Assets-Lease (Net)	<u>6,473</u>	<u>-</u>	<u>6,473</u>
Total Non-Current Assets	<u>510,233</u>	<u>566,013</u>	<u>1,076,246</u>
Total Assets	<u>663,413</u>	<u>615,352</u>	<u>1,278,765</u>
Deferred Outflows:			
Pension Related	<u>85,861</u>	<u>-</u>	<u>85,861</u>
Total Assets & Deferred Outflows	749,274	615,352	1,364,626
Liabilities:			
Current Liabilities:			
Accounts Payable	8,985	30,005	38,990
Accrued Liabilities	9,558	2,178	11,736
Customer Deposits	-	17,850	17,850
RUA—Lease Liabilities, current	3,308	-	3,308
Bonds Payable-Current Portion	<u>-</u>	<u>6,374</u>	<u>6,374</u>
Total Current Liabilities	<u>21,851</u>	<u>56,407</u>	<u>78,258</u>
Long-Term Liabilities:			
RUA—Lease Liabilities, net of current	3,466	-	3,466
Bonds Payable-Net of Current	-	117,605	117,605
Net Pension Liability	<u>113,911</u>	<u>-</u>	<u>113,911</u>
Total Non-Current Liabilities	117,377	117,605	234,982

(Continued)

VILLAGE OF MCNARY
STATEMENT OF NET POSITION (continued)
JUNE 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Total Liabilities	<u>139,228</u>	<u>174,012</u>	<u>313,240</u>
Deferred Inflows:			
Pension Related	17,582	-	17,582
Right of Use Asset-Lease Receivable	<u>29,906</u>	<u>-</u>	<u>29,906</u>
Total Deferred Inflows	<u>47,488</u>	<u>-</u>	<u>47,488</u>
Net Position:			
Net Investment in Capital Assets	474,204	361,053	835,257
Restricted for Debt Service	-	32,380	32,380
Unrestricted	<u>88,354</u>	<u>47,907</u>	<u>136,261</u>
Total Net Position	<u>\$ 562,558</u>	<u>\$ 441,340</u>	<u>\$ 1,003,898</u>

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

(Concluded)

VILLAGE OF MCNARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

<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	\$ 82,792	\$ 18,000		\$ -	\$ (64,792)		\$ (64,792)
Public Safety:							
Police	244,215	200,673	\$ 14,400		(29,142)		(29,142)
Fire	4,200				(4,200)		(4,200)
Public Works:							
Sanitation	13,139	10,281			(2,858)		(2,858)
Streets	22,656				(22,656)		(22,656)
Culture & Rec	<u>3,937</u>				<u>(3,937)</u>		<u>(3,937)</u>
Total Governmental	370,939	228,954	14,400		(127,585)		(127,585)
Business-type Activities:							
Water	<u>136,690</u>	<u>105,738</u>	<u>-</u>	<u>50,000</u>		<u>\$ 19,048</u>	<u>19,048</u>
Total Business-type	\$ 136,690	\$ 105,738	\$ -	\$ 50,000		19,048	19,048
 General Revenues:							
Taxes:							
Franchise					6,289		6,289
Sales					64,009		64,009
Licenses & Permits					5,128		5,128
ROA-Lease Revenue					2,134		2,134
Non-employer Pension Cont.					3,270		3,270
Interest Earnings					929	209	1,138
Miscellaneous					1,806		1,806
Gain on Sale of Assets					44,000		44,000
Transfers In/Out					<u>(25,783)</u>	<u>25,783</u>	<u>-</u>
Total General Revenues and Transfers					<u>101,782</u>	<u>25,992</u>	<u>127,774</u>
 Change in Net Position					 (25,803)	45,040	19,237
 Net Position July 1, 2024					 <u>588,361</u>	<u>396,300</u>	<u>984,661</u>
 Net Position June 30, 2025					 <u>\$ 562,558</u>	<u>\$ 441,340</u>	<u>\$ 1,003,898</u>

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

FUND FINANCIAL STATEMENTS

VILLAGE OF MCNARY
BALANCE SHEET—GOVERNMENTAL FUND
JUNE 30, 2025

Assets:

Current Assets:

Cash & Cash Equivalents	\$	108,948
Investments		29,822
Receivables, Net		
Occupational/Franchise		1,522
Garbage		739
Sales & Use Taxes		5,539
Interest Receivable		123
RUA—Lease Receivables, current portion		985
Prepaid Expenses		<u>5,502</u>

Total Current Assets 153,180

Non-Current Assets:

RUA—Lease Receivables, net of current portion 29,255

Total Assets 182,435

Liabilities:

Current Liabilities:

Accounts Payable		8,985
Accrued Liabilities		<u>9,558</u>

Total Liabilities 18,543

Deferred Inflow:

Right of Use Asset Lease Receivable 29,906

Fund Balance:

Nonspendable		5,502
Unassigned		<u>128,484</u>

Total Fund Balance 133,986

Total Liabilities & Fund Balance \$ 182,435

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

VILLAGE OF MCNARY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION—GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

Total Fund Balance for the Governmental Fund at June 30, 2025	\$	133,986
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Deferred Outflows		
Pension Related		85,861
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	816,353	
Less: Accumulated Depreciation	<u>(379,857)</u>	474,505
Right of Use Assets:		
Lease	\$ 12,947	
Less: Accumulated Amortization	<u>(6,474)</u>	6,473
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		(113,911)
Right of Use Liability		(6,774)
Deferred Inflows:		
Pension Related		<u>(17,582)</u>
Total Net Position of Governmental Activities at June 30, 2025	\$	<u>562,558</u>

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

VILLAGE OF MCNARY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Revenues:		
Taxes:		
Franchise	\$	6,289
Sales		64,009
Licenses & Permits		5,128
Fines, Fees, Commissions & Charges for Services:		
Fines		200,673
Sanitation Fees		10,281
Admin Fee (Police to Gen)		18,000
Intergovernmental:		
Supplemental Pay		14,400
ROA Lease Revenue		2,134
Miscellaneous:		
Interest Earned		929
Other		<u>1,806</u>
Total Revenues		<u>323,649</u>
Expenditures:		
Current:		
General & Administrative		79,538
Public Safety:		
Police		200,829
Fire Protection		4,200
Public Works:		
Sanitation		13,139
Streets		4,052
Capital Outlay		<u>194,323</u>
Total Expenditures		<u>496,081</u>
Excess of Revenues over Expenditures	(172,432)
Other Financing Sources/(Uses):		
Sale of Assets		44,000
Transfers In/Out	(<u>25,783)</u>
Total Other Financing Sources/(Uses)		18,217

(Continued)

VILLAGE OF MCNARY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND (continued)
FOR THE YEAR ENDED JUNE 30, 2025

Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(154,215)
Fund Balance—Beginning of Year	<u>288,201</u>
Fund Balance—End of Year	<u>\$ 133,986</u>

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

(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, 2025

Net Change in Fund Balance—Governmental Fund	\$ (154,215)
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	
	194,323
The cost of Right of Use Asset is	
	-
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	
	(40,574)
Current year amortization expense is	
	(3,237)
Principal Reduction on Right of Use Liability	3,158
Non-employer Contributions to Cost-sharing Pension Plan	3,270
Pension Expense	<u>(28,528)</u>
Net Change in Net Position per Statement of Activities— Governmental Activities	<u>\$ (25,803)</u>

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

VILLAGE OF MCNARY
STATEMENT OF NET POSITION—PROPRIETARY FUND
JUNE 30, 2025

Assets:

Current Assets:

Cash & Cash Equivalents	\$ 22,711
Investments	18,096
Receivables, Net	7,441
Prepaid Insurance	<u>1,091</u>
Total Current Assets	<u>49,339</u>

Non-Current Assets:

Restricted:

Cash & Cash Equivalents	46,336
Investments	34,645
Capital Assets	
Depreciable (Net of Depreciation)	485,032
Non-Depreciable	<u>-</u>
Total Non-Current Assets	<u>566,013</u>

Total Assets	<u>615,352</u>
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Liabilities:

Current Liabilities:

Accounts Payable	30,005
Accrued Liabilities	2,178
Customer Deposits	17,850
Bonds Payable-Current Portion	<u>6,374</u>
Total Current Liabilities	<u>56,407</u>

Long-Term Liabilities:

Bonds Payable-Net of Current	<u>117,605</u>
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Total Liabilities	<u>174,012</u>
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Net Position:

Net Invested in Capital Assets	361,053
Restricted for Debt Service	32,380
Unrestricted	<u>47,907</u>

Total Net Position	<u>\$ 441,340</u>
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The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF MCNARY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

Operating Revenues:	
Charges for Services	\$ <u>105,738</u>
Total Operating Revenues	<u>105,738</u>
Operating Expenses:	
Salaries & Related Expenses	52,086
Office Supplies	3,773
Professional Fees	4,732
Repairs & Maintenance	18,120
Travel/Education	507
Utilities	7,568
Depreciation	30,745
Water Chlorination	2,550
Insurance	<u>10,590</u>
Total Operating Expenses	<u>130,671</u>
Net Operating Income (Loss)	<u>(24,933)</u>
Non-Operating Revenues (Expenses):	
Investment Interest	209
Investment Expenses	(6,019)
Grant Revenue	<u>50,000</u>
Total Non-Operating Revenues (Expenses)	44,190
Net Income/(Loss) before Transfers and Other Source/Uses	19,257
Other Financing Sources/(Uses):	
Transfers In/(Out)	<u>25,783</u>
Total Other Financing Sources/(Uses)	25,783
Change in Net Position	45,040
Net Position—Beginning of Year	<u>396,300</u>
Net Position—End of Year	<u>\$ 441,340</u>

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

VILLAGE OF MCNARY
STATEMENT OF CASH FLOWS—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:

Receipts from Customers	\$ 107,875
Payments to Suppliers	(21,468)
Payments to Employees	(51,323)
Other Receipts (Payments)	<u>(50)</u>
Net Cash Provided by Operating Activities	<u>35,034</u>

Cash Flows from NonCapital & Related Financing Activities:

Transfers from General Fund	<u>25,783</u>
Net Cash Provided by NonCapital & Related Financing Activities	<u>25,783</u>

Cash Flows from Capital & Related Financing Activities:

Principal Paid on Bonds	(6,088)
Interest Paid on Bonds	(6,019)
Capital Grant Revenue	50,000
Purchase of Equipment	<u>(101,967)</u>
Net Cash (Used) by Capital & Related Financing Activities	<u>(64,074)</u>

Cash Flows from Investing Activities:

Interest Earned on Operating Accounts	<u>104</u>
Net Cash Provided by Investing Activities	<u>104</u>

Net Increase (Decrease) in Cash & Cash Equivalents (3,153)

Cash & Cash Equivalents—Beginning of Year 72,200

Cash & Cash Equivalents—End of Year \$ 69,047

Reconciliation of Cash & Cash Equivalents:

Per the Statement of Net Position:	
Unrestricted—Cash & Cash Equivalents	\$ 22,711
Restricted—Cash & Cash Equivalents	<u>46,336</u>
Total Cash & Cash Equivalents—End of Year	<u><u>\$ 69,047</u></u>

Per the prior year Statement of Net Position:	
Unrestricted—Cash & Cash Equivalents	\$ 27,602
Restricted—Cash & Cash Equivalents	<u>44,598</u>
Total Cash & Cash Equivalents—Beginning of Year	<u><u>\$ 72,200</u></u>

(Continued)

VILLAGE OF MCNARY
STATEMENT OF CASH FLOWS—PROPRIETARY FUND (continued)
FOR THE YEAR ENDED JUNE 30, 2025

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

Operating Activities:

Operating Income/(Loss)	\$ (24,932)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	30,745
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	2,137
(Increase)/Decrease in Prepaid Expenses	(340)
Increase/(Decrease) in Accounts Payable	26,711
Increase/(Decrease) in Accrued Liabilities	763
Increase/(Decrease) in Customer Deposits	<u>(50)</u>
 Net Cash Provided by Operating Activities	 <u><u>\$ 35,034</u></u>

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

(Concluded)

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025

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. In addition, the Village leased out land. This asset has not been broken out of capital assets and the lease does not affect the depreciation status.

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

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 is 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 is 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, 2025

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 (as performance obligations are satisfied) 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, 2025, \$207 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 separate accounts. All transactions are collected and paid out of the regular checking account for the convenience of the Village employees.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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. 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

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

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 \$5,502 which represents prepaid expenses. The remaining general fund balance of \$128,484 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

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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.

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, 2025, the carrying amount of the Village's cash and cash equivalents and investments of governmental and proprietary funds (collected bank balances) totaled \$301,685. This was comprised of \$212,144 in restricted and unrestricted cash along with \$89,541 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, 2025, 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.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4—REVENUES RECEIVABLE

The following is a summary of receivables as of June 30, 2025:

Receivables, Net:	
General Fund:	
Occupational/Franchise	\$ 1,522
Garbage	739
Sales & Use Taxes	5,539
Proprietary Fund:	
Water Accounts Receivable, net	<u>7,441</u>
Total	<u>\$ 15,241</u>

The water accounts receivable is net of \$629 allowance for doubtful accounts. The proprietary fund revenue of \$105,738 was higher by \$9,597 than the prior year revenue of \$115,335. This water revenue is recognized as performance obligations are satisfied on a monthly basis as customers are billed for the water they used. This billing typically occurs on the last day of the month, and the payments are due by approximately the 15th of the following month.

NOTE 5—CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 are as follows:

	<u>Balance</u> <u>07/01/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/25</u>
Governmental Activities:				
Capital Assets—Not Depreciated:				
Land	\$ 38,009	\$ -	\$ -	\$ 38,009
Capital Assets—Depreciated:				
Furniture, Equipment & Vehicles	244,958	194,323	82,740	356,541
Improvements & Infrastructure	403,410	-	-	403,410
Buildings	<u>56,402</u>	<u>-</u>	<u>-</u>	<u>56,402</u>
Total Depreciated Assets	704,770	194,323	82,740	816,353
Right of Use Assets—Amortized	<u>12,947</u>	<u>-</u>	<u>-</u>	<u>12,947</u>
Total Assets	<u>755,726</u>	<u>194,323</u>	<u>82,740</u>	<u>867,309</u>
Less Accumulated Depreciation:				
Furniture, Equipment & Vehicles	199,989	26,264	82,740	143,513
Improvements & Infrastructure	185,694	12,001	-	197,695
Buildings	<u>36,340</u>	<u>2,309</u>	<u>-</u>	<u>38,649</u>
Total Accum. Depreciation	422,023	40,574	82,740	379,857
Less Accumulated Amortization	<u>3,237</u>	<u>3,237</u>	<u>-</u>	<u>6,474</u>
Net Capital Assets, Governmental	<u>\$ 330,466</u>			<u>\$ 480,978</u>

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Governmental Activities depreciation expense for the year ended June 30, 2025 of \$40,574 is charged as follows: \$3,255 to General & Administrative, \$18,603 to Streets, \$14,779 to Public 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>07/01/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/25</u>
Business-type Activities:				
Capital Assets—Depreciated:				
Equipment & Vehicles	74,852	3,664	-	78,516
Water System	950,587	98,303	-	1,048,890
Buildings	<u>17,319</u>	<u>-</u>	<u>-</u>	<u>17,319</u>
Total Depreciated Assets	<u>1,042,758</u>	<u>101,967</u>	<u>-</u>	<u>1,144,725</u>
Less Accumulated Depreciation:				
Equipment & Vehicles	58,638	8,833	-	67,471
Water System	552,991	21,912	-	574,903
Buildings	<u>17,319</u>	<u>-</u>	<u>-</u>	<u>17,319</u>
Total Accum. Depreciation	<u>628,948</u>	<u>30,745</u>	<u>-</u>	<u>659,693</u>
Net Capital Assets, Business-type	<u>\$ 413,810</u>			<u>\$ 485,032</u>

Business-type Activities depreciation expense for the year ended June 30, 2025 of \$30,745 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 \$123,979, See Note 9.

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 prior year 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
JUNE 30, 2025

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, 2024	\$ 4,624	\$ 5,308	\$ 9,932
Principal Pymts Rec during fye	<u>(1,470)</u>	<u>(1,688)</u>	<u>(3,158)</u>
RUA lease receivable, June 30, 2025	<u>\$ 3,154</u>	<u>\$ 3,620</u>	<u>\$ 6,774</u>
Less Current portion	<u>1,540</u>	<u>1,768</u>	<u>3,308</u>
Long Term Portion RUA Lease Receivable	\$ 1,614	\$ 1,852	\$ 3,466

Interest Expense of \$220 and \$252 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
6/30/2026	\$ 1,540	\$ 150	\$ 1,690	\$ 1,768	\$ 172	\$ 1,940	\$ 3,308	\$ 322	\$ 3,630
6/30/2027	<u>1,614</u>	<u>76</u>	<u>1,690</u>	<u>1,852</u>	<u>88</u>	<u>1,940</u>	<u>3,466</u>	<u>164</u>	<u>3,630</u>
	<u>\$ 3,154</u>	<u>\$ 226</u>	<u>\$ 3,380</u>	<u>\$ 3,620</u>	<u>\$ 260</u>	<u>\$ 3,880</u>	<u>\$ 6,774</u>	<u>\$ 486</u>	<u>\$ 7,260</u>

During the fiscal year ended June 30, 2025, the Village began receiving payments under a lease agreement with a company for land. The company is required to pay the Village \$200 per month for twenty years. The agreement was stated to begin April 1, 2024. However, since the first payment was received in October, the lease asset receivable and deferred inflow was recorded at the net present value of \$31,071 using the 4.75% bond interest rate. The actual payments received during the fiscal year were properly recorded as reduction in lease receivable and deferred inflow with the revenue recorded at that time.

The following is the activity for the current fiscal year end:

RUA lease receivable, July 1, 2024	\$ 31,071
Principal Pymts Rec during fye	<u>(831)</u>
RUA lease receivable, June 30, 2025	<u>\$ 30,240</u>
Less Current portion	<u>985</u>
Long Term Portion RUA Lease Receivable	\$ 29,255
Interest Revenue related to the lease for the fye	\$ 969
Deferred Inflows, July 1, 2024	\$ 31,071
Amortized/Recognized Income during fye	<u>(1,165)</u>
Deferred Inflows, June 30, 2025	<u>\$ 29,906</u>

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The principal and interest amounts for future payments receivable are as follows:

		Land		
Year(s)	Principal	Interest	Payment	
6/30/2026	\$ 985	\$ 1,415	\$ 2,400	
6/30/2027	1,033	1,367	2,400	
6/30/2028	1,083	1,317	2,400	
6/30/2029	1,135	1,265	2,400	
6/30/2030	1,190	1,210	2,400	
6/30/2031 6/30/2035	✔ 6,877	✔ 5,123	12,000	
6/30/2036 6/30/2040	✔ 8,716	✔ 3,284	12,000	
6/30/2041 6/30/2045	✔ 9,221	979	10,200	
	<u>\$ 30,240</u>	<u>\$ 15,960</u>	<u>\$ 46,200</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 2027. 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.

The Village of McNary entered into an agreement with the Town of Glenmora to provide the Village residents with sewer services. It appears that the Town will bill the residents directly and work with the Village should any cutoffs be required for nonpayment.

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, the Village’s portion contributed was approximately \$9,235. 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
JUNE 30, 2025

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/gasb-68 or www.lla.la.gov.

Funding—For the year ended June 30, 2025, the Village's required contributions were \$16,262 in employer and \$4,568 in employee contributions as the contribution rates were 10% for the employee and 35.6% for the employer.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2025, the Village reported a liability of \$113,911 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2024, 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, 2024, the Village's proportion was 0.013%, which was a decrease of 0.002% from the prior year. For the year ended June 30, 2025, the Village recognized pension expense/(benefit) of \$28,528 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At June 30, 2024, 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	\$ 6,167	\$ 3,446
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	3,167	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	60,265	14,136
Employer contributions subsequent to the measurement date	<u>16,262</u>	<u>-</u>
Totals	\$ 85,861	\$ 17,582

The Village reported a total of \$16,262 as deferred outflow of resources related to pension contributions made subsequent to the plan's measurement period of June 30, 2024 which will be recognized as a reduction in net pension liability in the Village's fiscal year ended June 30, 2026.

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Year	Amount
2025	\$ 26,004
2026	36,574
2027	(8,564)
2028	<u>(1,997)</u>
Total	<u>\$ 52,017</u>

Actuarial Methods and Assumptions—A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

Valuation Date June 30, 2024

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 12.3% 1-2 years service
(including Inflation & Merit) 4.7% above 2 years service

Mortality Rates 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.

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.

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.

Expected Remaining 2024-2020: 4 years
Service Lives

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 7.86% for the year ended June 30, 2024.

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, 2024, are summarized in the following table:

<u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	52%	3.14%
Fixed Income	34%	1.07%
Alternative Investments	<u>14%</u>	<u>1.03%</u>
Totals	<u>100%</u>	5.24%
Inflation		<u>2.62%</u>
Expected Arithmetic Return		<u>7.86%</u>

Discount Rate—The discount rate used to measure the total pension liability was 6.75%. 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, 2024:

<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	\$ 169,212	\$	113,911	\$ 67,745

VILLAGE OF MCNARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9—LONG TERM DEBT

Bonds payable in the Proprietary Fund at June 30, 2025 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, 2025, including interest payments of \$45,785 are as follows:

YEAR ENDING JUNE 30	PRINCIPLE	INTEREST	TOTAL PAYMENTS
2026	\$ 6,374	\$ 5,752	\$ 12,126
2027	6,684	5,442	12,126
2028	6,994	5,132	12,126
2029	7,348	4,778	12,126
2030	7,704	4,422	12,126
2031 - 2035	44,497	16,133	60,630
2036 - 2039	44,378	4,126	48,504
TOTALS	\$ 123,979	\$ 45,785	\$ 169,764

Bonds payable as of 7/1/24	\$130,067
Principal paydown during the year	<u>(6,088)</u>
Bonds payable as of 6/30/25	<u>\$123,979</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, 2025:

Bond Reserve/Retirement Net Position	\$ 12,126
Renewal & Replacement Net Position	<u>20,254</u>
Total Restricted Net Position	<u>\$ 32,380</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, 2025

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	\$ 9,819
Aldermen:	
Danita Davis	4,676
Billy Billings (deceased during year)	3,507
Kim Cloessner (replaced Mr. Billings)	1,169
Lee Book	4,676

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. In prior years the Village received funds allocated in the amount of \$77,796, which were included in Other Financing Sources as required. During the fiscal year ended June 30, 2025, these funds were expended for water related assets, however some of the assets are coded with streets as they will be used in both areas. The uses appear to not be in violation of the restrictions on the uses available and timing requirements for these funds subject to ALN 21.027.

NOTE 13—PENDING LITIGATION

At June 30, 2025, 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 December 12, 2025, 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 December 12, 2025, the date on which the financial statements were available for issue. There were no items to be reported as subsequent events other than additional state appropriation funds are available for water projects and expect to be expended in the upcoming year.

REQUIRED
SUPPLEMENTARY INFORMATION

VILLAGE OF MCNARY
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
Revenues:				
Taxes:				
Franchise	\$ 6,237	\$ 6,912	\$ 6,289	\$ (623)
Sales	64,000	64,000	64,009	9
Licenses & Permits	5,500	5,500	5,128	(372)
Fines, Fees, Commissions, & Charges for Services:				
Fines	188,898	192,271	200,673	8,402
Sanitation Fees	10,500	10,500	10,281	(219)
Admin Fee (Police to Gen)	15,000	18,000	18,000	-
Intergovernmental:				
Supplemental Pay	14,400	14,400	14,400	-
ROA Lease Revenue	-	-	2,134	2,134
Miscellaneous:				
Interest	1,000	1,000	929	(71)
Other	<u>4,000</u>	<u>1,000</u>	<u>1,806</u>	<u>806</u>
Total Revenues	309,535	313,583	323,649	10,066
Expenditures:				
Current:				
General & Administrative	81,090	71,965	79,538	(7,573)
Public Safety:				
Police	182,413	183,074	200,829	(17,755)
Fire Protection	4,200	4,200	4,200	-
Public Works:				
Sanitation	13,250	13,500	13,139	361
Streets	4,000	6,050	4,052	1,998
Culture & Recreation	500	-	-	-
Capital Outlay	<u>25,000</u>	<u>193,500</u>	<u>194,323</u>	<u>(823)</u>
Total Expenditures	310,453	472,289	496,081	(23,792)
Excess of Revenues over Expenditures	(918)	(158,706)	(172,432)	(13,726)
Other Financing Sources/(Uses):				
Sale of Assets	-	44,000	44,000	-
Transfers In/Out	<u>-</u>	<u>(21,700)</u>	<u>(25,783)</u>	<u>(4,083)</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>22,300</u>	<u>18,217</u>	<u>(4,083)</u>

(Continued)

VILLAGE OF MCNARY
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (continued)
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(918)	(136,406)	(154,215)	(17,809)
Fund Balance—Beginning of Year	<u>288,201</u>	<u>288,201</u>	<u>288,201</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ 287,283</u>	<u>\$ 151,795</u>	<u>\$ 133,986</u>	<u>\$ (17,809)</u>

See independent auditor's audit report.

(Concluded)

VILLAGE OF MCNARY
BUDGETARY COMPARISON SCHEDULE—PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
Revenues:				
Charges for Services	\$ 118,500	\$ 109,269	\$ 105,738	\$ (3,531)
Total Revenues	118,500	109,269	105,738	(3,531)
Operating Expenses:				
Current:				
Salaries & Related Expenses	45,000	50,500	52,086	(1,586)
Office Supplies	2,543	2,598	3,773	(1,175)
Professional Fees	4,500	4,670	4,732	(62)
Repairs & Maintenance	17,000	18,000	18,120	(120)
Travel/Education	500	500	507	(7)
Utilities	6,000	6,000	7,568	(1,568)
Depreciation	30,500	30,500	30,745	(245)
Water Chlorination	2,500	2,500	2,550	(50)
Insurance	8,400	8,500	10,590	(2,090)
Total Operating Expenses	116,943	123,768	130,671	(6,903)
Net Operating Income/(Loss)	1,557	(14,499)	(24,933)	(10,434)
Non-Operating Revenues (Expenses):				
Investment Interest	210	210	209	(1)
Investment Expenses	(6,020)	(6,020)	(6,019)	1
Grant Income	-	50,000	50,000	-
Total Non-Operating Revenues/ (Expenses)	(5,810)	44,190	44,190	-
Net Income/(Loss) before Transfers	(4,253)	29,691	19,257	(10,434)
Other Financing Sources/(Uses):				
Transfers In/Out	-	-	25,783	25,783
Total Other Financing Sources/(Uses)	-	-	25,783	25,783
Change in Net Position	(4,253)	29,691	45,040	15,349
Net Position—Beginning of Year	396,300	396,300	396,300	-
Net Position—End of Year	<u>\$ 392,047</u>	<u>\$ 425,991</u>	<u>\$ 441,340</u>	<u>\$ 15,349</u>

See independent auditor's audit report.

VILLAGE OF MCNARY
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

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
06/30/24	0.013%	\$113,911	\$44,320	257.019%	75.840%
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, 2025

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>
06/30/24	\$15,061	\$15,036	\$ 25	\$44,320	33.93%
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, 2025

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 (deceased and replaced by) Kim Cloessner, Danita Davis, and Lee Book. During the audit of the financial statements for the Village’s fiscal year ended June 30, 2025 the following payments were compiled as required disclosures in addition to the compensation listed in Note 11.

Payee:	Donald Parker, II	Bill Billings	Kim Cloessner	Lee Book	Danita Davis
Phone	\$ 900	\$ -	\$ -	\$ -	\$ -
Conference Registration	\$ 300	\$ -	\$ -	\$ -	\$ -
Conference Lodging	\$ 687	\$ -	\$ -	\$ -	\$ -
Conference Other Travel	\$ 83	\$ -	\$ -	\$ -	\$ -
Conference Meals	\$ 23	\$ -	\$ -	\$ -	\$ -

See independent auditor’s audit 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)	Monday, June 30, 2025	
	First Six Month Period Ended 12/31/24	Second Six Month Period Ended 6/30/25
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	1,802	1,766
Add: Collections		
Criminal Court Costs/Fees	13,049	13,028
Criminal Fines - Contempt	-	-
Criminal Fines - Other	98,445	101,621
Service/Collection Fees (e.g. credit card fees , report fees, 3rd party service fees)	8,554	8,581
Subtotal Collections	120,048	123,230
Less: Disbursements To Governments & Nonprofits:		
<i>CrimeStoppers</i>	560	518
<i>CMIS-Court Costs</i>	405	390
<i>North LA Criminalistics Lab-Court Costs</i>	9,748	9,179
<i>LA Supreme Court-Court Costs</i>	164	233
<i>LA Commission on Law Enforcement-Court Costs</i>	806	780
<i>DHH-TH/SCITF-Court Costs</i>	1,386	1,275
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	16	16
Self-Disbursed-Criminal Fines-Other	98,445	101,621
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies (credit card fees)	8,554	8,581
Subtotal Disbursements/Retainage	120,084	122,593
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	1,766	2,403
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:	12/31/24	06/30/25
Ending Balance of Total Amounts Assessed but not yet Collected (<i>i.e. receivable balance</i>)	76,647	70,797
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 auditor's audit report.

COMPLIANCE AND OTHER MATTERS

Shanna Jones, CPA

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

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

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of Village of McNary (the "Village") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued my report thereon dated December 12, 2025. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*.

Report on Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not

(Continued)

identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that were not identified. I identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 25-01 that I consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of McNary's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as 25-01.

City of X, State Y's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village of McNary's response to the findings identified in my audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of the Louisiana Legislative Auditor, management of the Village of McNary and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA
Winnfield, Louisiana
December 12, 2025

(Concluded)

VILLAGE OF MCNARY
SCHEDULE OF AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The Independent Auditor’s Report expresses an unmodified opinion on the financial statements of the Village of McNary.
2. There was one significant deficiency identified during the audit of the financial statements.
3. One instance of noncompliance material to the financial statements of the Village of McNary was disclosed during the audit.

B. FINANCIAL STATEMENTS AUDIT

Instance of Noncompliance
Significant Deficiency

25-01 Louisiana Budget Act Compliance

Criteria—Louisiana Budget Act requires governmental entities to budget general funds and to amend the budget if there is an unfavorable variance of 5%.

Condition—The Village made and amended the required budget but failed to obtain a less than 5% unfavorable variance.

Effect—The Village appears to be in noncompliance with the related revised statute.

Cause—The cause of the condition is unknown.

Recommendation— Management needs to comply with budget laws. Timely resolutions along with monitoring both the budget and spending should assist in compliance. The Legislative Auditor recommends that Boards view monthly a budget to actual financial comparison. I recommend following his best practice to assist in monitoring and timely amending of the budget when there is a 5% or more variance between budgeted and actual revenues or expenditures, even if previously amended.

Views of Responsible Officials— We will try to be within the variance limits when amending the budget. Our efforts will include a more robust monitoring of our spending and its relation to the budget for additional amendments as necessary.

C. PRIOR YEAR FINANCIAL STATEMENT AUDIT

None.

STATEWIDE AGREED-UPON PROCEDURES

Shanna Jones, CPA

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING LOUISIANA LEGISLATIVE AUDITOR'S STATEWIDE AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Village of McNary's management is responsible for those C/C areas identified in the SAUPs.

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 C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

WRITTEN POLICIES AND PROCEDURES

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

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

While written policies could not be obtain from when the period began, the Village has provided written policies in which there were no exception noted as to addressing the issues above.

BOARD OR FINANCE COMMITTEE

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

Noted monthly financial statements approval in the minutes of the meetings monthly but no specific evidence of budget to actual comparisons performed monthly. In addition, the required budgets appeared properly approved as well as amended.

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

No exception noted.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

n/a

BANK RECONCILIATIONS

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

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

No exceptions noted.

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Village currently has financial details given to board members at monthly meeting which are reviewed; however, no evidence (initialing and dating) of the bank statements by management/board member noted. Alternatively, the Village has a CPA who does not post to system but rather to QuickBooks all financial data from bank statements, water and ticket systems who does have evidence (initialed and dated bank statements) reconciled.

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

No exceptions noted.

COLLECTIONS

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

Management provided me with listing and representation.

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

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

Clerk accepts collections.

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

Clerk prepares bank deposits.

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

Clerk posts to utility and ticket software, prints receipt. CPA for Village posts to accounting software and checks utility and ticket software deposits/payments.

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

CPA reconciles bank accounts.

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

No exception noted.

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

- a) Observe that receipts are sequentially pre-numbered.

Receipts from Water and Ticket Systems have account and ticket numbers for identification.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
No exceptions noted.
- e) Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

NON-PAYROLL DISBURSEMENTS

(excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Management provided listing and representation.
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
No exception noted.
 - b) At least two employees are involved in processing and approving payments to vendors.
No exception noted.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
CPA enters data to financial software and does not process payments.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Employees signing checks also prepare checks. Supporting invoices noted.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exception noted.

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

- a) Observe that the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

While no evidence that deliverables were received, Village would not pay without received items on invoice. Check amount matched invoice amount.

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

Again, small entity feels hiring additional employees for segregation is not cost effective. Village contracts a CPA to maintain financial records, prepare bank reconciliations, and assist in accounting.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Only nonpayroll electronic disbursements noted were for automatic draft payment of USDA bond, related bond required transfers to restricted accounts and checks purchased.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

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

Obtained listing and representation.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Clerk appears to review but also authorized for purchases.

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

No exception noted.

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Only one receipt missing from selection, immaterial amount. No other exceptions noted.

15. Using the list of terminated employees obtained in Payroll and Personnel procedure #20 identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

No terminated employees noted.

TRAVEL AND EXPENSE REIMBURSEMENT (excluding card transactions)

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

No travel or related expenses noted as paid to employees, nor listed by management.

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/oa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov).

N/A

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

N/A

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

N/A

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

N/A

CONTRACTS

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

Obtained listing and representation.

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

Police vehicles purchased under state contract.

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

No exceptions noted.

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

N/A

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

No exceptions noted.

PAYROLL AND PERSONNEL

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

Obtained listing and representation.

19. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #18 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe that the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

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

No termination payments noted.

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

No exception noted.

ETHICS

- 22. Using the 5 randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions noted.

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

No exceptions noted.

- 23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

DEBT SERVICE

- 24. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Obtained management's representation, no new bonds/notes.

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

Obtained listing and representations.

No exceptions noted.

FRAUD NOTICE

26. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Obtained management's representation that no misappropriations were noted.

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

No exceptions noted.

INFORMATION TECHNOLOGY DISASTER RECOVER/BUSINESS CONTINUITY

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedure and discussed the results with management.

29. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #20. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No terminated employees noted.

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

1. Hired before June 9, 2020 - completed the training; and
2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

No exceptions noted.

SEXUAL HARASSMENT

31. Using the 5 randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

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

Discussed with management to place with at Town Hall.

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

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

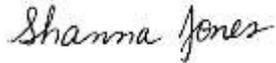
No exceptions noted.

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 Auditors and applicable standards of *Government Auditing Standards*. 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 those C/C areas identified in the SAUPs. 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 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 those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script that reads "Shanna Jones".

Shanna Jones, CPA
Winnfield, Louisiana
December 12, 2025



Village of McNary

P.O. BOX 1197
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MAYOR
DONALD PARKER II
CLERK
MECHELE JONES

CHIEF OF POLICE
STEPHEN CLOESSNER
DEPUTY
ERIC STOKES

ALDERMEN
LEE BOOK
DANITA DAVIS
KIM CLOESSNER

December 12, 2025

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

The Louisiana Legislative Auditor (LLA) is considered to be a specified party to the Statewide Agreed-Upon Procedures (AUPs) and acknowledges that the procedures performed are appropriate for their purposes by their acceptance of the standard audit engagement approval forms. In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the LLA's statewide agreed-upon procedures (AUPs), for the fiscal period July 1, 2024 through June 30, 2025, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; fraud notice; information technology disaster recovery/business continuity; and prevention of sexual harassment.

Yes No
2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.

Yes No
3. For the fiscal period July 1, 2024 through June 30, 2025, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.

Yes No

(Continued)

4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.
Yes No
5. We have provided you with access to all records that we believe are relevant to the C/C areas and the statewide AUPs.
Yes No
6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.
Yes No
7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of July 1, 2024 through June 30, 2025 and between June 30, 2025 and December 12, 2025 including any actual, suspected, or alleged fraud.
Yes No
8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2025, and December 12, 2025.
Yes No
9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
Yes No
10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
Yes No
11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
Yes No
12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
Yes No
13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
Yes No

(Continued)

14. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and purchase (P) cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes No
15. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes No
16. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes No
17. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes No
18. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes No
19. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes No
20. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes No
21. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes No
22. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.
- Yes No
23. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.
- Yes No

(Continued)

24. We are not aware of any material misstatements in the C/C areas identified in the statewide AUPs.

Yes No

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

Yes No

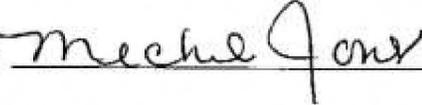
26. We have disclosed to you all known events that have occurred subsequent to June 30, 2025, that would have a material effect on the C/C areas identified in the statewide AUPs, or would require adjustment to or modification of the results of the statewide AUPs.

Yes No

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

Signature  Date 12/12/25

Title Mayor

Signature  Date 12/12/25

Title Clerk

(Concluded)