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Town of Many, Louisiana
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2002

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Release Date 7/16/03



The CPA. Never Underestimate The ValueSM

Eugene W. Fremaux II

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Many, Louisiana, and the combining, individual fund and account group financial statements of the Town of Many, Louisiana, as of June 30, 2002, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these financial statements based on my audit.

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 United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Many, Louisiana, as of June 30, 2002, the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in my opinion, the combining, individual fund, and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Many at June 30, 2002, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Many, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and in my opinion, is fairly presented in all material

respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

In accordance with Government Auditing Standards, I have also issued my report dated June 20, 2003 on my consideration of the Town of Many, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The financial statements for the year ended June 30, 2001, which are included for comparative purposes, were taken from the financial report for that year in which I expressed a unqualified opinion dated December 20, 2001, on the general purpose, combining, individual fund, and account group financial statements of the Town of Many, Louisiana.



EUGENE W. FREMAUX II, CPA

June 20, 2003

TOWN OF MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE		ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2002	2001		
ASSETS											
Cash and cash equivalents (Note 13)	\$94,389	\$203,908		\$11,269	\$13,838			\$323,404	\$268,656		
Investments, at cost (Note 13)	114,061	203,608		192,093	4,686			514,448	458,526		
Receivables:											
Utility bills	518				148,691			148,691	123,591		
Ad valorem taxes (Note 2)	38,438			802				1,320	679		
Franchise taxes								38,438	41,338		
Employees	0							0	139		
State of Louisiana (Note 10)	17,343	3,500						20,843	39,025		
Sales taxes		95,618						95,618	96,977		
Other receivables (Note 10)	8,761	833		45	2,334			11,973	27,826		
Due from utility fund	236,186	52,046						288,232	260,341		
Due from sales tax fund	82,997	84,946						167,943	160,962		
Due from street fund	0							0	0		
Due from general fund		44,527		906				45,433	21,117		
Due from debt service fund					110,778			110,778	76,778		
Prepaid insurance					11,604			11,604	10,791		
Prepaid expenses								0	0		
Utility deposits	125							125	125		
Restricted assets: (Note 3)											
Cash					657,917			657,917	194,133		
Investments, at cost					872,781			872,781	941,106		
Due from sales tax fund					24,006			24,006	21,761		
General fixed assets, at cost (Note 4)						\$1,561,008		1,561,008	1,102,215		
Plant and equipment (Note 8)					8,668,304			8,668,304	7,399,419		
Accumulated depreciation (Note 8)					(2,585,447)			(2,585,447)	(2,429,279)		
Amount available to debt service fund								205,115	132,136		
Amount to be provided for retirement of general long-term debt								302,652	245,958		
Amount to be provided for accumulated unpaid vacation								24,919	35,985		
Total assets	\$592,818	\$688,986	\$0	\$205,115	\$7,929,492	\$1,561,008	\$532,686	\$11,510,105	\$9,230,305		

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE			ACCOUNT GROUPS			TOTALS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY) JUNE 30,			
								2002	2001		
LIABILITIES AND FUND EQUITY											
Liabilities:											
Sales taxes payable					\$1,501			\$1,501	\$1,272		
Payroll and payroll taxes payable	\$25,791	\$4,380			11,285			41,456	38,897		
Accounts payable - Trade	37,007	3,660			25,987			66,654	72,251		
Payable from restricted assets:											
Accrued interest coupons payable				\$1,984	17,428			19,412	16,735		
Customers' meter deposits					84,335			84,335	78,870		
Revenue bonds payable					25,000			25,000	20,000		
DEQ bonds payable					238,000			238,000	0		
Accounts payable-construction					216,609			216,609	14,503		
Due to debt service fund	906							906	412		
Due to general fund					236,186			319,183	302,801		
Due to streets and sidewalks fund	44,527	82,997			52,046			181,519	139,207		
Due to utility fund		84,946		110,778				134,784	98,539		
General obligation bonds payable (Note 5)		24,006				\$507,767		507,767	378,094		
Revenue bonds payable (Note 5)					570,000			570,000	595,000		
DEQ bonds payable (Note 5)					767,545			767,545	167,565		
Due to State of Louisiana								0	0		
Due to Federal government								0	0		
Accumulated unpaid vacation					19,689			44,608	56,484		
Total liabilities	108,231	199,989	0	112,762	2,265,611	0	532,686	3,219,279	1,980,630		
Fund Equity:											
Contributed capital					4,750,232			4,750,232	4,525,559		
Investments in general fixed assets						1,561,008		1,561,008	1,102,215		
Retained earnings:											
Reserved					1,212,153			1,212,153	1,033,759		
Unreserved (deficit)-(Note 15)					(298,504)			(298,504)	(392,325)		
Fund balances:											
Unreserved:											
Designated for debt service				92,353				92,353	55,358		
Undesignated	484,587	488,997						973,584	925,109		
Total fund equity	484,587	488,997	0	92,353	5,663,881	1,561,008	0	8,290,826	7,249,675		
Total liabilities and fund equity	\$592,818	\$688,986	\$0	\$205,115	\$7,929,492	\$1,561,008	\$532,686	\$11,510,105	\$9,230,305		

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2001

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30.	
					2002	2001
Revenues:						
Taxes	\$248,904	\$1,079,719		\$136,383	\$1,465,006	\$1,429,775
Licenses and permits	221,885	0		0	221,885	211,131
Intergovernmental	437,997	7,000	\$0	0	444,997	506,130
Charges for services	132,254	0		0	132,254	113,081
Fines	49,766	0		0	49,766	32,510
Interest	6,336	9,983		6,820	23,139	19,222
Miscellaneous	41,338	0	0	0	41,338	40,451
Total revenues	1,138,480	1,096,702	0	143,203	2,378,385	2,352,300
Expenditures:						
Current:						
General government	266,769	205,534		0	472,303	416,991
Public safety:						
Police	543,587	0		0	543,587	451,676
Highways and streets	54,684	194,672		0	249,356	324,469
Sanitation	207,336	0		0	207,336	205,872
Hart airport	349,328	0		0	349,328	189,673
Recreation	98,611	0		0	98,611	117,993
Maintenance	363	0		0	363	899
Public relations	52,705	0		0	52,705	56,303
Capital construction	0	0	0	0	0	245,676
Debt service:						
Principal retirement	0	0		95,000	95,000	82,000
Interest and fiscal charges	0	0		11,208	11,208	3,821
Total expenditures	1,573,383	400,206	0	106,208	2,079,797	2,095,373
Excess (deficiency) of revenue over expenditures	(434,903)	696,496	0	36,995	298,588	256,927
Other financing sources (uses):					0	0
Operating transfers in	426,235	426,235		224,673	1,077,143	1,262,330
Operating transfers out	0	(1,065,588)		(224,673)	(1,290,261)	(1,462,889)
Total other financing sources (uses)	426,235	(639,353)	0	0	(213,118)	(200,559)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8,668)	57,143	0	36,995	85,470	56,368
Fund balances, beginning of year	493,255	431,854	0	55,358	980,467	924,099
Fund balances, end of year	\$484,587	\$488,997	\$0	\$92,353	\$1,065,937	\$980,467

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
 YEAR ENDED JUNE 30, 2002

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			DEBT SERVICE FUND TYPES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE)
Revenues:									
Taxes	\$231,100	\$248,904	\$17,804	\$990,083	\$1,079,719	\$89,636	\$139,921	\$136,383	(\$3,538)
Licenses and permits	184,400	221,885	37,485						
Intergovernmental	381,252	437,997	56,745	5,618	7,000	1,382			
Charges for services	133,400	132,254	(1,146)						
Fines	32,000	49,766	17,766						
Interest	5,000	6,336	1,336	4,500	9,983	5,483	5,000	6,820	1,820
Miscellaneous	3,500	41,338	37,838	0	0	0			
Total revenues	970,652	1,138,480	167,828	1,000,201	1,096,702	96,501	144,921	143,203	(1,718)
Expenditures:									
Current:									
General government	187,077	266,769	(79,692)	181,076	205,534	(24,458)			
Public safety:									
Police	553,156	543,587	9,569						
Highways and streets	56,500	54,684	1,816	217,000	194,672	22,328			
Sanitation	219,325	207,336	11,989						
Hart airport	588,438	349,328	239,110						
Recreation	107,876	98,611	9,265						
Maintenance	800	363	437						
Public relations	46,438	52,705	(6,267)						
Airport construction	0	0	0						
Debt service:									
Principal	0	0	0				95,000	95,000	0
Interest	0	0	0				11,000	11,208	(208)
Total expenditures	1,759,610	1,573,383	186,227	398,076	400,206	(2,130)	106,000	106,208	(208)
Excess (deficiency) of revenue over expenditures	(788,958)	(434,903)	354,055	602,125	696,496	94,371	38,921	36,995	(1,926)
Other financing sources (uses):									
Operating transfers in	389,301	426,235	36,934	389,301	426,235	36,934	224,673	224,673	
Operating transfers out				(973,252)	(1,065,588)	(92,336)	(224,673)	(224,673)	
Total other financing sources (uses)	389,301	426,235	36,934	(583,951)	(639,353)	(55,402)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(399,657)	(8,668)	390,989	18,174	57,143	38,969	38,921	36,995	(1,926)
Fund balances, beginning of year	493,255	493,255	0	431,854	431,854	0	55,358	55,358	0
Fund balances, end of year	\$93,598	\$484,587	\$390,989	\$450,028	\$488,997	\$38,969	\$94,279	\$92,353	(\$1,926)

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT
 UTILITY FUND
 PROPRIETARY FUND TYPE
 YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
Operating revenues:		
Water charges	\$631,450	\$712,747
Sewer charges	161,129	162,713
Connection charges	16,958	13,212
Delinquent charges	10,741	8,006
Miscellaneous	19,497	6,897
	<u>839,775</u>	<u>903,575</u>
Total operating revenues		
Operating expenses:		
Salaries	214,346	226,662
Insurance	44,585	50,570
Supplies	41,814	42,923
Contract labor	7,091	1,822
Bad debt expense	3,434	3,226
Legal and accounting	4,507	4,010
Repairs and maintenance	24,608	14,476
Truck expense	9,180	13,487
Telephone	7,224	6,164
Rent	394	2,014
Office supplies and postage	7,583	5,965
Retirement	7,357	7,767
Payroll taxes	15,576	16,997
Utilities	95,301	132,471
Freight	315	300
Miscellaneous	19,484	13,613
Testing fees	6,671	3,164
Water treatment plant supplies	61,728	66,457
Sewer plant supplies	22,250	17,229
Water purchased	34,943	42,006
Depreciation	162,447	158,224
Professional fees	3,970	0
Travel and seminars	2,896	2,284
	<u>797,704</u>	<u>831,831</u>
Total operating expenses		
Operating income (loss)	<u>42,071</u>	<u>71,744</u>
Nonoperating revenues (expenses):		
Interest income	47,276	46,037
Transfer from sales tax fund	213,118	200,559
Interest expense	(30,250)	(31,250)
	<u>230,144</u>	<u>215,346</u>
Total nonoperating revenues (expenses)		
Net income (loss)	272,215	287,090
Retained earnings (deficit), beginning of year	<u>641,434</u>	<u>354,344</u>
Retained earnings (deficit), end of year	<u>\$913,649</u>	<u>\$641,434</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
UTILITY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>YEAR ENDED JUNE 30,</u>	
	2002	2001
Cash flows from operating activities:		
Cash received from customers	\$814,675	\$905,627
Cash paid to suppliers and employees	(436,386)	(707,393)
Customers' deposits received	20,585	20,325
Customers' deposits refunded	<u>(15,120)</u>	<u>(18,855)</u>
Net cash provided by operating activities	<u>383,754</u>	<u>199,704</u>
Cash flows from capital and related financing activities:		
Grants received for acquisition of fixed assets	0	236,882
Proceeds from DEQ loans	946,980	627,659
Sales taxes collected for construction	210,873	200,022
Capital expenditures paid in cash	(1,048,606)	(803,249)
Cash paid on principal amount of bonds payable	(129,000)	(20,000)
Interest on bonds payable paid	<u>(30,943)</u>	<u>(30,390)</u>
Cash flows from capital and related financing activities	<u>(50,696)</u>	<u>210,924</u>
Cash flows from investing activities:		
Interest received	48,118	48,118
Net cash provided (used) by investing activities	<u>48,118</u>	<u>48,118</u>
Net increase (decrease) in cash and cash equivalents	381,176	458,746
Cash and cash equivalents, beginning of year	<u>1,168,046</u>	<u>709,300</u>
Cash and cash equivalents, end of year	<u>\$1,549,222</u>	<u>\$1,168,046</u>
Reconciliation of operating income to net cash provided by operations:		
Operating income (loss)	<u>\$42,071</u>	<u>\$71,744</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	162,447	158,224
(Increase) decrease in prepaid expenses	(813)	(2,065)
(Increase) decrease in accounts receivable	(25,100)	2,052
(Increase) decrease in receivable from other funds	(34,000)	0
(Decrease) increase in payroll and payroll taxes payable	88	2,885
(Decrease) increase in accounts payable	206,286	18,125
(Decrease) increase in customers' deposits	5,465	1,470
(Decrease) increase in payable to other funds	27,891	(57,881)
(Decrease) increase in accumulated unpaid vacation	(810)	4,990
(Decrease) increase in sales taxes payable	<u>229</u>	<u>160</u>
Total adjustments to operating income	<u>341,683</u>	<u>127,960</u>
Net cash provided by operating activities	<u>\$383,754</u>	<u>\$199,704</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

(1) Summary of Significant Accounting Policies -

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

The accounting and reporting policies of the Town of Many conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

Financial reporting entity

In evaluating how to define the Town of Many, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements of the Town of Many consist of only the funds and account groups of the Town since the Town has no oversight responsibility for any other governmental entity.

Fund accounting

The accounts of the Town of Many are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are all allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Governmental Funds -

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The special revenue funds consist of the Sales Tax, Streets and Sidewalks, and Section Eight Existing Housing Voucher Funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the construction of major capital facilities.

Proprietary Fund -

Enterprise Fund

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

Fixed assets and long-term liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets. Approximately 75 percent of fixed assets are valued at historical cost, while the remaining 25 percent of fixed assets are valued at estimated historical cost based on the cost of like items. Detail fixed assets records were completed in 1998 and appropriate adjustments were made to the fixed asset account group financial records.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water system	10-60 years
Sewer system	5-60 years
Fixtures and equipment	5-60 years
Trucks and machinery	3-5 years

All fixed assets are stated at historical cost.

Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting also relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers ad valorem taxes as available if they are collected within 60 days after year end. Ad valorem taxes are recorded as revenue when levied because they are considered to be both measurable and available. Those revenues susceptible to accrual are ad valorem taxes, franchise taxes, sales taxes, interest revenue, licenses, intergovernmental revenues, and charges for services. Fines, permits, penalties and interest, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

TOWN OF MANY, LOUISIANA
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Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for by using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and budgetary accounting

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

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

Cash and cash equivalents

Consistent with GASB Statement 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, the Town of Many defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - 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. Generally, only investments with original maturities of three months or less qualify under this definition.

Investments

Investments are stated at cost. Discounts and premiums on the purchase of investments are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

Bad debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. No ad valorem taxes or customers' utility receivables were considered uncollectible at June 30, 2001.

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items.

Compensated absences

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Accumulated vacation leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Comparative data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Total columns on combined statements - overview

Total columns on the general purpose financial statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and are payable upon receipt of notice. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation - 3 and GASB Codification Section P70 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended June 30, 2002, taxes of 17.28 mills were levied on property with assessed valuations totaling \$13,325,410 and were dedicated as follows:

General corporate purposes	6.78 mills
DEQ General Obligation bonds	10.50 mills

Total taxes levied were \$230,267.

(3) Restricted Assets - Proprietary Fund Type

The resolutions applicable to the 1977 Utility Revenue Bonds and the 2001 DEQ sales tax and revenue bonds require the establishment of various bond principal and interest sinking funds and the establishment of a debt service reserve fund. For financial reporting purposes these funds have been consolidated with the Utility Fund. Net assets of the Utility Fund have been restricted in accordance with the provision of the respective bond indentures in the amount of \$1,554,704 at June 30, 2002, which represents the restricted assets included in the various debt service reserve funds and bond principal and interest sinking funds at that date less current liabilities payable from these restricted assets.

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets for 2002 follows:

	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
Land	\$116,366	\$ 0	0	\$116,366
Buildings and improvements	413,526	333		413,859
Streets and traffic control equip.	5,935	0	0	5,935

TOWN OF MANY, LOUISIANA
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Machinery and equipment	330,340	437,802	0	768,150
Automobiles and trucks	<u>236,040</u>	<u>20,658</u>	<u>0</u>	<u>256,698</u>
Total general fixed assets	\$1,102,215	\$458,793	\$ 0	\$1,561,008
	=====	=====	=====	=====

(5) Long-term Debt

General obligation bonds

The Town of Many issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. Bonds expected to be repaid from proprietary revenues are reported in the proprietary fund. General obligation bonds are direct obligations and pledge the full faith and credit of the Town of Many. In June 2000, the Town authorized the issuance of \$1,100,000 of general obligation bonds. The bonds are issued through a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality (DEQ) for the purpose of primarily replacing the majority of water lines in the Town. During 2002 an additional \$224,673 of bonds were purchased by DEQ, bringing the total purchased to date to \$684,767. General obligation bonds outstanding at June 30, 2002 are as follows:

\$1,100,000 General obligation bonds dated 12/19/00; due in annual installments of \$82,000 - \$132,000 through May 31, 2010; interest at 3.45%, plus .5% administrative fee	<u>\$602,767</u>
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The remainder of the unissued bonds are to be purchased by DEQ over the next two years as the project is completed.

Revenue bonds

The Town of Many also issues bonds where the Town pledges income derived from the acquired or constructed assets to pay the debt service. Revenue bonds outstanding at June 30, 2002 are comprised of the following:

\$903,000 Utility Revenue Bonds dated 12/30/77; due in annual installments of \$20,000 - \$55,000 through December 30, 2018; interest at 5%	<u>\$595,000</u>
\$1,500,000 Utility Revenue Bonds dated 12/19/00; due in annual installments of \$125,000 - \$178,000 through December 30, 2011; interest at 3.45%	<u>\$219,166</u>

In June 2000, the Town authorized the issuance of \$1,500,000 of revenue bonds. The bonds are issued through a Loan and Pledge Agreement with DEQ for the purpose of primarily replacing the majority of water lines in the Town. During 2002 an additional \$162,956 of bonds were purchased by DEQ, bringing the total purchased to date to \$219,166. These bonds were issued in connection with a project to replace the majority of the water lines in the Town of Many, and were purchased by DEQ. Proceeds of these bonds are

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

expected to be drawn on as needed over the next two years as the project is completed.

Sales tax bonds

The Town of Many also issues bonds where the Town pledges income derived from a designated sales tax to pay the debt service. Sales tax bonds outstanding at June 30, 2002, secured by a pledge of a 1/4% sales tax, are comprised of the following:

\$1,000,000 Utility Sales Tax Bonds dated 12/19/00;
 due in annual installments of \$109,000 - \$143,000 through
 December 30, 2008; interest at 3.45% \$786,380

In June 2000, the Town authorized the issuance of \$1,500,000 of sales tax bonds. The bonds are issued through a Loan and Pledge Agreement with DEQ for the purpose of primarily replacing the majority of water lines in the Town. During 2002 an additional \$784,025 of bonds were purchased by DEQ, bringing the total purchased to date to \$895,380. These bonds were issued in connection with a project to replace the majority of the water lines in the Town of Many, and were purchased by DEQ. Proceeds of these bonds are expected to be drawn on as needed over the next two years as the project is completed.

The annual requirements to amortize all debt outstanding as of June 30, 2002 (excluding the DEQ debt in process), including interest payments of \$284,750 are as follows:

<u>YEAR ENDING</u> <u>JUNE 30</u>	<u>REVENUE</u>	<u>TOTAL</u>
2002	\$14,875	\$14,875
2003	54,125	54,125
2004	52,875	52,875
2005	51,625	51,625
2006	55,250	55,250
2007	53,750	53,750
2008	57,125	57,125
2009	55,375	55,375
2010	53,625	53,625
2011	51,875	51,875
2012	55,000	55,000
2013	53,000	53,000
2014	55,875	55,875
2015	53,625	53,625
2016	51,375	51,375
2017	54,000	54,000
2018	56,375	56,375
	<u>\$ 879,750</u>	<u>\$ 879,750</u>
	=====	=====

TOWN OF MANY, LOUISIANA
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Changes in long-term debt

During the year ended June 30, 2002, the following changes occurred in liabilities reported in the general long-term debt account group:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
General obligation debt:				
Public improvement bonds:				
DEQ bonds	\$378,094	\$224,673	\$ (95,000)	\$507,767
Accumulated unpaid vacation	<u>35,985</u>	<u>0</u>	<u>(11,066)</u>	<u>24,919</u>
	\$414,079	\$224,673	\$ (106,066)	\$532,686
	=====	=====	=====	=====

During the year ended June 30, 2002 the following changes occurred in long-term debt reported as liabilities in the proprietary fund:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
Revenue bonds:				
1977 Utility revenue bonds	\$615,000	-	\$ (20,000)	\$595,000
DEQ Utility sales tax bonds	111,355	\$784,024	(109,000)	786,379
DEQ Utility revenue bonds	<u>56,210</u>	<u>162,956</u>	<u>0</u>	<u>219,166</u>
	<u>\$782,565</u>	<u>\$946,980</u>	<u>\$ (129,000)</u>	<u>\$1,600,545</u>

(6) Dedication of proceeds and flow of funds - 1 1/4% sales and use tax

Proceeds of a 1 1/4% sales and use tax levied by the Town of Many are dedicated to the following purposes:

1. 1/2% sales tax is transferred to the streets and sidewalks fund for maintenance and construction of streets and sidewalks.
2. 1/2% sales tax is transferred to the general fund for general operating or any other use as designated by the Board.
3. 1/4% sales tax is transferred to the utility fund to be used for water system improvements. This tax was effective October 1, 1998.

(7) Flow of funds; restrictions on use - utilities revenues

Under the terms of the bond indenture on outstanding Utility Revenue Bonds dated December 30, 1977, all income and revenues of every nature, earned or derived from operations of the utility fund are pledged and dedicated to the retirement of said bonds, and are to be used for the following expressed purposes:

- (a) Payment of all reasonable expenses of administration, operation and maintenance of the system.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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(b) Each month there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. The required balance is the sum of six monthly deposits (\$24,875). The present balance in the account is \$31,882.

(c) There will be set aside monthly into a "Revenue Bond Reserve Fund" a sum equal to at least 5% of the amount required to be deposited into the Revenue Bond and Interest Sinking Fund until the balance reaches \$58,000. These funds are to be used only for payment of principal and interest on bonds that would otherwise be in default. There is presently \$58,000 in this fund.

(d) There will be set aside into a "Depreciation and Contingency Fund" \$520 each month. Expenditures for extensions, additions, improvements and replacements necessary to properly operate the utility may be made from this fund. The required balance at June 30, 2002 is \$146,640. There is presently \$228,502 in this fund.

Under terms of the 1/4% sales tax effective October 1, 1998 and the corresponding rate increase, funds from these revenue sources are restricted to use for payment of construction and financing costs related to a water system improvement project, as further described in Note 15. As of June 30, 2002, related assets of \$1,142,259, comprised of unexpended funds from loan proceeds, related usage fees, reserve and sinking fund accounts, and the 1/4% sales tax are shown as restricted in the financial statements.

(8) Plant and equipment - proprietary fund type

A summary of plant and equipment for the utility fund at June 30, 2002 is as follows:

	STRAIGHT LINE RATE	COST	ACCUMULATED DEPRECIATION	NET	2002 DEPRECIATION
Water system	10-60 yrs.	\$3,497,600	\$1,117,115	\$2,380,485	\$ 84,320
Sewer system	5-60 yrs.	3,096,097	1,318,346	1,777,751	62,649
Fixtures and equipment	5-60 yrs.	75,153	63,131	12,022	4,364
Trucks and machinery	3-5 yrs.	111,377	86,855	24,522	11,114
Construction in progress		1,849,078		1,849,078	
Land	-	38,999	-	38,999	-
		<u>\$8,668,304</u>	<u>\$2,585,447</u>	<u>\$6,082,857</u>	<u>\$162,447</u>
		=====	=====	=====	=====

	COST	ACCUMULATED DEPRECIATION	NET
Changes during the year:			
Balance, beginning of year	\$7,399,419	\$2,429,279	\$4,970,140
Additions:			
Water system	154,504	-	154,504
Sewer system	5,857	-	5,857

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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Construction in progress	1,115,024	-	1,115,024
Deletions:			
Water system	(6,500)	(6,279)	221
Depreciation	-	<u>162,447</u>	<u>(162,447)</u>
Total	<u>\$8,668,304</u>	<u>\$2,585,447</u>	<u>\$6,082,857</u>
	=====	=====	=====

(9) Employee retirement systems

All employees of the Town of Many are protected by the Social Security System. All employees contributed 7.65% of their total salary to the System, while the Town contributed a like amount. For the year ended June 30, 2002 total contributions to the System were \$123,888, of which the Town contributed \$61,944 and employees contributed \$61,944. Total payroll covered by this System for the year ended June 30, 2002 was \$809,731. Any future deficit in this System will be financed by the United States Government. The Town has no further liability to the System for the year ended June 30, 2002.

The police are also members of the Municipal Police Employees' Retirement System of Louisiana. The following is a brief description of this retirement system.

Municipal Police Employees' Retirement System

The Municipal Police Employees' Retirement System provides retirement benefits to employees of any municipality in the state which employs a full-time police officer, empowered to make arrests, or which has an elected Chief of Police whose salary is at least \$100 per month.

Eligible employees include any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month. Elected Councilmen and Mayors are excluded from membership.

Persons who were members on September 7, 1977 must remain members of the System and persons hired on or after that date must become members of the System as a condition of employment if they are under age 50 and are not covered by the Social Security System.

Employees attaining the age of 50 completing 20 or more years of service, or the age of 55 and completing 12 years of service, are entitled to a yearly benefit of 3 1/3% of their average final compensation, as defined in the plan, times years of creditable service. Active employees who become disabled after 1985 due to total and permanent disability, with at least 5 years of creditable service, receive a benefit of 3% of average final compensation multiplied by the years of creditable service, but not less than 40% nor more than 60% of average final compensation. Upon reaching retirement age, disability pensioners receive the greater of disability benefits or accrued benefits earned to the date of disability. Prior to the enactment of Act 81 of 1985, other disability rules may be applicable as described in the plan. The system also provides for death benefits as described in the plan.

Covered employees are required by state statute to contribute 7.5% of their salary to the System. The Town is required to contribute 9% of covered employees' salaries to the

TOWN OF MANY, LOUISIANA
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System. The contribution requirement for the year ended June 30, 2002 was \$30,337 which consisted of \$16,548 from the Town and \$13,789 from covered employees.

The amount of the total pension benefit obligation is based on a standardized measurement established by GASB 5 that, with some exceptions must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS financial statements to (a) assess the PERS funding status on a going concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among other PERS and among other employers.

Total unfunded pension benefit obligation of the Municipal Police Employees' Retirement System as of June 30, 2002 was as follows:

Total pension benefit obligations	\$1,384,605,592
Net assets available for benefits	<u>1,189,425,524</u>
 Unfunded (assets in excess of) pension benefit obligation	 \$ (195,180,068) =====

The measurement of the total pension benefit obligation is based on an actuarial valuation as of June 30, 2002. Net assets available to pay pension benefits were valued as of the same date.

Ten-year historical trend information is presented in the System's June 30, 2002 comprehensive annual financial report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Municipal Employees' Retirement System

Other full time employees participate in the Municipal Employees' Retirement System of Louisiana (the System), a multiple-employer public employee retirement system. Employees who retire at or after age 65 with 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the last three years of credited service. Employees may retire at or after age 60 and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by State statute. Participating employees contribute 5% of their total salary into the System, and the Town contributes an amount equal to 4.5% of the total salaries of participating employees. For the year ended June 30, 2002, the total contributions to this System were \$37,535, of which the Town contributed \$17,780 and the employees contributed \$19,755. Total payroll covered by this System was \$299,105. Total unfunded pension benefit obligation of the Municipal Employees' Retirement System as of June 30, 2000 was as follows:

Total pension benefit obligations	\$103,655,179
Net assets available for benefits	<u>96,602,212</u>

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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Unfunded pension benefit obligation	\$ 7,052,967
	=====

The Town of Many does not guarantee the benefits granted by any of the systems in which it participates.

(10) Amounts due from State of Louisiana and other receivables

Amounts due from State of Louisiana at June 30, 2002 consisted of the following:

Due from State of Louisiana

Mowing	\$ 3,500
Grants	6,709
Beer taxes	<u>10,634</u>
Total due from Louisiana	<u>\$ 20,843</u>

Other receivables at June 30, 2002 are as follows:

Other receivables

Interest	\$ 3,304
Other	1,815
Grants	<u>6,854</u>
	<u>\$11,973</u>

(11) Obligations under leases

The Town was not obligated under any capital lease commitments at June 30, 2002.

(12) Litigation

The Town is a party to legal proceedings involving suits filed against the Town for various reasons, however Town management does not believe the Town is exposed to any material losses in these proceedings. Accordingly, no provision for losses is included in the financial statements.

(13) Cash and Investments

Louisiana revised Statutes authorize the Town to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

As described in Note 1, 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. Generally, only investments which, at the date of purchase, have a maturity date no longer than three months qualify under this definition.

TOWN OF MANY, LOUISIANA
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At June 30, 2002, the Town of Many has cash and investments as follows:

	Unrestricted	Restricted	Total
Cash	\$323,404	\$ 657,917	\$ 981,321
Investments	514,448	872,781	1,387,229
	-----	-----	-----
	\$837,852	\$1,530,698	\$2,368,550
	=====	=====	=====

Investments consist of certificates of deposit.

Of the total of \$2,368,020 deposited in demand and time deposits as of June 30, 2002, \$201,810 was secured through federal depository insurance and \$2,166,211 was secured by the pledge of securities (\$2,983,736 par value) owned by the depository banks. These securities are held in the name of the pledging banks in a custodial bank that is mutually acceptable to both parties. These secured deposits are considered uncollateralized under the provisions of GASB Statement 3; however, Louisiana Revised Statutes require the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Town that the pledging bank has failed to pay deposited funds upon demand. The Town's deposits were fully insured or collateralized at June 30, 2002.

(14) Report classifications

Certain previously reported amounts have been reclassified to conform to 2001 report classifications.

(15) Retained earnings (deficit)

Effective May 15, 1998 the Town increased water rates by approximately 23% to allow the Utility Fund to eliminate the deficit in retained earnings caused by the continuing loss being incurred in operations of water services. The Town also has a project underway to replace the majority of the water lines in the Town, which is to be funded through the issuance of an estimated \$3,600,000 in bonds under the Drinking Water Revolving Loan program. The bonds are to be repaid through a water rate increase of 28% effective October 1, 1998, a 1/4% sales tax effective October 1, 1998, and an estimated ad valorem tax of 11 mills effective in 2000. The first of two phases of this project is presently under construction under a \$1,297,130 construction contract awarded on December 12, 2000.

A portion of retained earnings is reserved to cover certain restricted assets pledged for future debt service on the revenue bonds issued by the Utility Fund, and on funds collected in connection with the above water line improvement project.

(16) Compensation paid to Mayor and Aldermen

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and member of the Town Council for the year ended June 30, 2002:

Mayor Kenneth Freeman	\$18,000
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TOWN OF MANY, LOUISIANA
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Aldermen:

I. D. Bostian	5,391
John Hoagland	5,391
Barbara Peterson	5,391
Janet Spears	5,091
Faye Kennedy	5,391
Jeanette Dean	300

(17) Interfund receivables and payables

A summary of interfund receivables and payables at June 30, 2002 follows:

	<u>Receivable</u>	<u>Payable</u>
General fund - due from utility fund	\$236,186	
- due from sales tax fund	82,997	
- due to street fund		\$ 44,527
- due to debt service fund		906
Special revenue - due from utility fund	52,046	
- due from sales tax fund	84,946	
- due from general fund	44,527	
Special revenue - due to general fund		82,997
- due to street fund		84,946
- due to utility fund		24,006
Debt service fund - due from general fund	906	
- due to utility fund		110,778
Utility fund - due to general fund		236,186
- due from sales tax fund	24,006	
- due from debt service fund	110,778	
- due to street fund	<u> </u>	<u>52,046</u>
	\$636,392	\$636,392
	=====	=====

(18) Garbage and trash contract

In March 1997 the Town entered into a contract with TransAmerican Waste Industries, Inc. to handle all the garbage and trash collection for the Town for the next eight years at a basic rate of \$5.75 per residential collection for the first four years, increasing to \$6.75 for the second four years. Upon execution, the Town received a \$35,000 payment in settlement of disputed hauling costs the Town had incurred in prior years. The \$35,000 was used to reduce billings to citizens for garbage and trash collection.

(19) Contingent liability

The Town is committed to providing matching funds amounting to \$111,781 under various grants for the year ending June 30, 2003.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2002 AND 2001

ASSETS	2002	2001
Cash and cash equivalents	\$94,389	\$68,319
Investments, at cost	114,061	111,502
Receivables:		
Ad valorem taxes	518	679
Franchise taxes	38,438	41,338
Employees	0	139
State of Louisiana	17,343	34,076
Other	8,761	23,721
Due from sales tax fund	82,997	79,506
Due from street fund	0	0
Due from utility fund	236,186	223,295
Utility deposits	125	125
	<u> </u>	<u> </u>
Total assets	<u>\$592,818</u>	<u>\$582,700</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$37,007	\$43,798
Payroll and payroll taxes payable	25,791	24,530
Due to debt service fund	906	412
Due to street and sidewalks fund	44,527	20,705
	<u> </u>	<u> </u>
Total liabilities	108,231	89,445
Fund balance - unreserved	<u>484,587</u>	<u>493,255</u>
Total liabilities and fund balance	<u>\$592,818</u>	<u>\$582,700</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
Revenues:		
Taxes:		
Ad valorem	\$88,601	\$95,739
Franchise	160,303	177,401
Licenses and permits	221,885	211,131
Intergovernmental	437,997	262,248
Charges for services	132,254	113,081
Fines	49,766	32,510
Interest	6,336	5,678
Miscellaneous revenues	<u>41,338</u>	<u>31,657</u>
Total revenues	<u>1,138,480</u>	<u>929,445</u>
Expenditures:		
Current:		
General government	266,769	227,389
Highways and streets	54,684	64,282
Public safety:		
Police	543,587	451,676
Sanitation	207,336	205,872
Hart airport	349,328	189,673
Recreation	98,611	117,993
Maintenance	363	899
Public relations	52,705	56,303
Debt service:		
Principal	0	0
Interest	<u>0</u>	<u>0</u>
Total expenditures	<u>1,573,383</u>	<u>1,314,087</u>
Excess (deficiency) of revenues over expenditures	<u>(434,903)</u>	<u>(384,642)</u>
Other financing sources (uses):		
Operating transfers from (to):		
Debt service fund	0	0
Sales tax fund	<u>426,235</u>	<u>410,118</u>
Total other financing sources (uses)	<u>426,235</u>	<u>410,118</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8,668)	16,476
Fund balance, beginning of year	<u>493,255</u>	<u>476,779</u>
Fund balance, end of year	<u>\$484,587</u>	<u>\$493,255</u>

The accompanying notes are an integral part of these statements

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Revenues:				
Taxes:				
Ad valorem	\$90,000	\$88,601	(\$1,399)	\$95,739
Franchise:				
Cleco	77,000	91,691	14,691	107,034
Atmos Energy	19,000	16,807	(2,193)	28,720
Telephone	28,000	37,913	9,913	31,763
Valley Electric	5,500	5,104	(396)	1,901
Cable TV	11,600	8,788	(2,812)	7,983
Total taxes	<u>231,100</u>	<u>248,904</u>	<u>17,804</u>	<u>273,140</u>
Licenses and permits:				
Occupational licenses	180,000	209,080	29,080	180,360
Electrical, building and other permits	4,100	12,555	8,455	30,250
Zoning compliance fees	300	250	(50)	521
Total licenses and permits	<u>184,400</u>	<u>221,885</u>	<u>37,485</u>	<u>211,131</u>
Intergovernmental:				
Federal grants	111,777	316,970	205,193	88,765
Sabine Parish Housing Authority	8,500	9,633	1,133	8,647
State of Louisiana:				
Other	245,975	95,907	(150,068)	151,156
Video poker tax	0	0	0	0
Tobacco tax	0	0	0	0
Alcoholic beverage tax	15,000	15,487	487	13,680
Total intergovernmental	<u>381,252</u>	<u>437,997</u>	<u>56,745</u>	<u>262,248</u>
Charges for services:				
Grass cutting	1,400	2,133	733	478
Garbage fees	132,000	130,121	(1,879)	112,603
Total charges for services	<u>133,400</u>	<u>132,254</u>	<u>(1,146)</u>	<u>113,081</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Revenues: (continued)				
Fines	\$32,000	\$49,766	\$17,766	\$32,510
Interest	5,000	6,336	1,336	5,678
Miscellaneous revenues:				
Airport revenue	1,000	1,833	833	5,823
Miscellaneous	2,500	38,130	35,630	24,933
Sale of assets	0	1,375	1,375	901
Sale of material	0	0	0	0
Total miscellaneous revenues	3,500	41,338	37,838	31,657
Total revenues	970,652	1,138,480	167,828	929,445
Expenditures:				
Current:				
General government:				
Advertising	2,500	490	2,010	4,140
Audit fee	5,000	0	5,000	5,000
Annexation	1,000	0	1,000	0
City attorney	0	0	0	0
Election expense	1,000	4,014	(3,014)	820
Dues and subscriptions	1,500	3,312	(1,812)	1,883
Insurance	13,700	20,843	(7,143)	18,992
Legal and accounting	5,000	32,355	(27,355)	3,504
Miscellaneous	3,125	1,794	1,331	4,771

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Expenditures: (continued)				
Current:				
General government:				
Office supplies and postage	\$8,000	\$10,379	(\$2,379)	\$10,157
Reapportionment	0	1,001	(1,001)	0
Rent of equipment	2,000	1,557	443	1,747
Repairs and maintenance	2,500	8,134	(5,634)	6,277
Mayor & aldermen's salaries	45,000	44,955	45	33,060
Other salaries	58,227	87,210	(28,983)	90,939
Supplies	3,500	1,203	2,297	1,519
Payroll taxes	7,897	11,229	(3,332)	9,327
Retirement	2,778	9,949	(7,171)	3,283
Tax roll preparation cost	2,200	2,065	135	2,084
Telephone	7,000	5,801	1,199	7,587
Travel and seminars	9,500	15,545	(6,045)	13,542
Utilities	4,000	3,521	479	4,174
Ordinance expenses	650	0	650	0
Workmen's compensation	1,000	334	666	(226)
Capital outlay	0	1,078	(1,078)	4,810
Total general government	<u>187,077</u>	<u>266,769</u>	<u>(79,692)</u>	<u>227,390</u>
Highways and streets:				
Street lights	56,000	54,684	1,316	64,192
Miscellaneous	500	0	500	90
Total highways and streets	<u>56,500</u>	<u>54,684</u>	<u>1,816</u>	<u>64,282</u>
Public safety:				
Police:				
Dues and subscriptions	150	655	(505)	460
Miscellaneous	8,700	18,687	(9,987)	7,317
Office supplies & postage	1,700	4,459	(2,759)	1,483
Equipment costs	0	772	(772)	0
Legal costs	5,000	50	4,950	20
Prisoner expense	1,000	865	135	100

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Expenditures: (continued)				
Current:				
Public safety:				
Police:				
Car expense	\$9,000	\$9,222	(\$222)	\$8,269
Workmen's compensation insurance	11,045	10,914	131	9,286
Repairs & maintenance	5,000	13,128	(8,128)	15,959
Salaries	314,000	303,358	10,642	291,993
Supplies	6,500	5,930	570	1,816
Payroll taxes	24,021	25,412	(1,391)	25,113
Retirement	15,000	16,548	(1,548)	15,712
Informant fees	300	0	300	0
Insurance	31,740	24,869	6,871	26,428
Insurance - medical	29,500	26,919	2,581	31,991
Telephone	2,500	1,941	559	1,509
Travel and training	6,000	4,575	1,425	4,649
Uniforms and laundry	4,000	4,716	(716)	1,840
Utilities	4,000	3,570	430	4,174
Capital outlay	74,000	66,997	7,003	3,557
Total police	<u>553,156</u>	<u>543,587</u>	<u>9,569</u>	<u>451,676</u>
Garbage and trash:				
Miscellaneous	0	0	0	0
Salaries	0	0	0	0
Payroll taxes	0	0	0	0
Retirement	0	0	0	0
Repairs and maintenance	0	0	0	0
Insurance	0	0	0	0
Truck expenses	0	0	0	0
Legal	0	0	0	0
Subcontract	129,600	125,773	3,827	110,088
Supplies	0	0	0	0
Unemployment expense	0	0	0	0
Workmen's compensation insurance	0	0	0	0
Total garbage and trash	<u>129,600</u>	<u>125,773</u>	<u>3,827</u>	<u>110,088</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Expenditures: (continued)				
Current:				
Clean up:				
Chemicals	\$2,500	\$0	\$2,500	\$4,360
Fogging expense	0	6,175	(6,175)	1,553
Miscellaneous	2,150	7,354	(5,204)	8,089
Salaries	50,000	42,811	7,189	49,885
Payroll taxes	3,825	3,251	574	3,788
Retirement	2,250	1,081	1,169	0
Repairs and maintenance	4,000	2,739	1,261	7,279
Insurance	6,250	6,268	(18)	8,061
Truck expenses	3,000	2,243	757	2,476
Supplies	3,000	4,824	(1,824)	5,087
Unemployment expense	250	98	152	81
Workmen's compensation insurance	5,000	291	4,709	5,125
Capital outlay	7,500	4,428	3,072	0
	<u>89,725</u>	<u>81,563</u>	<u>8,162</u>	<u>95,784</u>
Total clean up				
Total sanitation	<u>219,325</u>	<u>207,336</u>	<u>11,989</u>	<u>205,872</u>
Hart airport:				
Insurance	3,500	4,159	(659)	5,263
Salaries	2,000	91	1,909	2,333
Utilities	9,000	5,684	3,316	7,654
Supplies	1,000	4,718	(3,718)	6,337
Miscellaneous	12,200	21,308	(9,108)	20,289
Payroll taxes	153	7	146	177
Repairs and maintenance	2,500	0	2,500	0
Workmen's compensation insurance	85	286	(201)	49
Telephone	2,000	2,150	(150)	2,325
Capital outlay	556,000	310,925	245,075	145,246
	<u>588,438</u>	<u>349,328</u>	<u>239,110</u>	<u>189,673</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Expenditures: (continued)				
Current:				
Recreation and other:				
Insurance	\$1,000	\$564	\$436	\$755
Utilities	7,500	5,184	2,316	6,708
Repairs	5,000	16,294	(11,294)	6,316
Salaries	5,000	4,192	808	3,834
Payroll taxes	383	649	(266)	274
Miscellaneous	12,216	7,655	4,561	9,584
Supplies	1,000	4,019	(3,019)	3,172
Grants	75,777	24,599	51,178	86,750
Capital outlay	0	35,455	(35,455)	600
Total recreation	<u>107,876</u>	<u>98,611</u>	<u>9,265</u>	<u>117,993</u>
Maintenance:				
Miscellaneous	550	100	450	12
Repairs	0	0	0	0
Supplies	100	159	(59)	765
Capital outlay	0	0	0	0
Personnel expense	0	0	0	0
Utilities	150	104	46	122
Total maintenance	<u>800</u>	<u>363</u>	<u>437</u>	<u>899</u>
Public relations:				
Capital outlay	0	910	(910)	17,914
Christmas parade	7,500	7,676	(176)	4,541
Office supplies & postage	1,050	1,347	(297)	1,190
Promotion	10,000	7,667	2,333	5,802
Salaries	15,400	15,107	293	15,044
Payroll taxes	1,178	1,150	28	1,163
Supplies	5,000	9,575	(4,575)	4,296
Retirement	0	0	0	0
Telephone	250	417	(167)	317
Travel & seminars	1,000	2,415	(1,415)	1,336
Miscellaneous	5,060	6,441	(1,381)	4,700
Total public relations	<u>46,438</u>	<u>52,705</u>	<u>(6,267)</u>	<u>56,303</u>
Total current expenditures	<u>1,759,610</u>	<u>1,573,383</u>	<u>186,227</u>	<u>1,314,088</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Airport construction costs:				
Construction costs	\$0	\$0	\$0	\$0
Total airport construction costs	0	0	0	0
Debt service:				
Certificates of indebtedness-				
Principal	0	0	0	0
Interest	0	0	0	0
Total debt service-certificates	0	0	0	0
Theatre debt-				
Principal	0	0	0	0
Interest	0	0	0	0
Total debt service-theatre debt	0	0	0	0
Total debt service	0	0	0	0
Total expenditures	1,759,610	1,573,383	186,227	1,314,088
Excess (deficiency) of revenues over expenditures	(788,958)	(434,903)	354,055	(384,643)
Other financing sources (uses):				
Operating transfers from (to):				
Debt service fund	0	0	0	0
Sales tax fund	389,301	426,235	36,934	401,118
Total other financing sources (uses)	389,301	426,235	36,934	401,118
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(399,657)	(8,668)	390,989	16,476
Fund balance, beginning of year	493,255	493,255	0	476,779
Fund balance, end of year	\$93,598	\$484,587	\$390,989	\$493,255

The accompanying notes are an integral part of these statements.

EXHIBIT G-1

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2002

WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	SALES TAX	STREETS AND SIDEWALKS	TOTALS	
			2002	2001
ASSETS				
Cash and cash equivalents	\$96,331	\$107,577	\$203,908	\$182,234
Investments, at cost		203,608	203,608	200,292
Interest receivable		833	833	363
Due from State of Louisiana		3,500	3,500	3,500
Sales taxes receivable	95,618	0	95,618	96,977
Due from general fund		44,527	44,527	20,705
Due from sales tax fund		84,946	84,946	81,456
Due from utility fund		52,046	52,046	37,046
Total assets	<u>\$191,949</u>	<u>\$497,037</u>	<u>\$688,986</u>	<u>\$622,573</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$0	\$3,660	\$3,660	\$4,826
Payroll and payroll taxes payable		4,380	4,380	3,170
Due to federal government		0	0	0
Due to general fund	82,997	0	82,997	79,506
Due to streets & sidewalks fund	84,946		84,946	81,456
Due to utility fund	24,006		24,006	21,761
Total liabilities	191,949	8,040	199,989	190,719
Fund balances - unreserved	0	488,997	488,997	431,854
Total liabilities and fund balances	<u>\$191,949</u>	<u>\$497,037</u>	<u>\$688,986</u>	<u>\$622,573</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2001

	SALES TAX	STREETS AND SIDEWALKS	TOTALS	
			2002	2001
Revenues:				
Taxes	\$1,079,719		\$1,079,719	\$1,018,265
Intergovernmental		\$7,000	7,000	7,000
Interest	830	9,153	9,983	10,735
Miscellaneous		0	0	0
Total revenues	<u>1,080,549</u>	<u>16,153</u>	<u>1,096,702</u>	<u>1,036,000</u>
Expenditures:				
General government	14,961	190,573	205,534	189,602
Highways and streets		194,672	194,672	260,187
Total expenditures	<u>14,961</u>	<u>385,245</u>	<u>400,206</u>	<u>449,789</u>
Excess (deficiency) of revenues over expenditures	1,065,588	(369,092)	696,496	586,211
Other financing sources (uses):				
Operating transfers in (out)	(1,065,588)	426,235	(639,353)	(601,677)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	57,143	57,143	(15,466)
Fund balances, beginning of year	0	431,854	431,854	447,320
Fund balances, end of year	<u>\$0</u>	<u>\$488,997</u>	<u>\$488,997</u>	<u>\$431,854</u>

The accompanying notes are an integral part of these

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2002 AND 2001

ASSETS	2002	2001
Cash	\$96,331	\$85,746
Sales taxes receivable	<u>95,618</u>	<u>96,977</u>
Total assets	<u>\$191,949</u>	<u>\$182,723</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to general fund	\$82,997	\$79,506
Due to streets and sidewalks fund	84,946	81,456
Due to utility fund	<u>24,006</u>	<u>21,761</u>
Total liabilities	191,949	182,723
Fund balance - unreserved	<u>0</u>	<u>0</u>
Total liabilities and fund balance	<u>\$191,949</u>	<u>\$182,723</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
Revenues:		
Taxes:		
Sales tax	\$1,079,719	\$1,018,265
Interest	<u>830</u>	<u>1,109</u>
Total revenues	<u>1,080,549</u>	<u>1,019,374</u>
Expenditures:		
General government-		
Collection fee	14,961	16,579
Miscellaneous	<u>0</u>	<u>0</u>
Total expenditures	<u>14,961</u>	<u>16,579</u>
Excess of revenues over expenditures	<u>1,065,588</u>	<u>1,002,795</u>
Other financing uses:		
Operating transfers to:		
General fund	(426,235)	(401,118)
Streets and sidewalks fund	(426,235)	(401,118)
Utility fund	<u>(213,118)</u>	<u>(200,559)</u>
Total other financing uses	<u>(1,065,588)</u>	<u>(1,002,795)</u>
Excess of revenues over expenditures and other financing uses	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Revenues:				
Sales tax	\$990,083	\$1,079,719	\$89,636	\$1,018,265
Interest	0	830	830	\$1,109
Total revenues	<u>990,083</u>	<u>1,080,549</u>	<u>90,466</u>	<u>1,019,374</u>
Expenditures:				
General government-				
Collection fee	16,831	14,961	1,870	16,579
Miscellaneous	0	0	0	0
Total expenditures	<u>16,831</u>	<u>14,961</u>	<u>1,870</u>	<u>16,579</u>
Excess of revenues over expenditures	<u>973,252</u>	<u>1,065,588</u>	<u>92,336</u>	<u>1,002,795</u>
Other financing uses:				
Operating transfers to:				
General fund	(389,301)	(426,235)	(36,934)	(401,118)
Streets and sidewalks fund	(389,301)	(426,235)	(36,934)	(401,118)
Utility fund	(194,650)	(213,118)	(18,468)	(200,559)
Total other financing uses	<u>(973,252)</u>	<u>(1,065,588)</u>	<u>(92,336)</u>	<u>(1,002,795)</u>
Excess of revenues over expenditures and other financing uses	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2002 AND 2001

ASSETS	2002	2001
Cash and cash equivalents	\$107,577	\$96,488
Investments, at cost	203,608	200,292
Interest receivable	833	363
Due from State of Louisiana	3,500	3,500
Due from general fund	44,527	20,705
Due from sales tax fund	84,946	81,456
Due from utility fund	52,046	37,046
	<u> </u>	<u> </u>
Total assets	<u>\$497,037</u>	<u>\$439,850</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$3,660	\$4,826
Due to general fund	0	0
Payroll & payroll taxes payable	4,380	3,170
	<u> </u>	<u> </u>
Total liabilities	8,040	7,996
Fund balance - unreserved	<u>488,997</u>	<u>431,854</u>
Total liabilities and fund balance	<u>\$497,037</u>	<u>\$439,850</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
Revenues:		
Intergovernmental revenues:		
Louisiana Department of Transportation and Development	\$7,000	\$7,000
Interest	9,153	9,626
Grants and other miscellaneous revenue	<u>0</u>	<u>0</u>
Total revenues	<u>16,153</u>	<u>16,626</u>
Expenditures:		
General government-		
Accounting	3,000	2,690
Equipment repair & maintenance	5,169	863
Engineering fees	6,572	0
Insurance	26,460	27,400
Miscellaneous	2,772	1,138
Salaries	73,744	62,424
Supplies & materials	37,138	26,347
Payroll taxes	5,732	4,817
Truck expense	9,652	15,475
Retirement	2,650	2,020
Contract labor and hauling	11,388	25,109
Workmen's compensation	6,006	4,705
Legal	26	0
Travel and seminars	<u>264</u>	<u>35</u>
Total general government	<u>190,573</u>	<u>173,023</u>
Highways and streets-		
Street signs	191	0
Equipment	38,999	18,800
Street construction	0	0
Street repair	<u>155,482</u>	<u>241,387</u>
Total highways and streets	<u>194,672</u>	<u>260,187</u>
Total expenditures	<u>385,245</u>	<u>433,210</u>
Excess (deficiency) of revenues over expenditures	<u>(369,092)</u>	<u>(416,584)</u>
Other financing sources:		
Operating transfers from:		
Sales tax fund	<u>426,235</u>	<u>401,118</u>
Total other financing sources	<u>426,235</u>	<u>401,118</u>
Excess (deficiency) of revenues over expenditures and other financing sources	57,143	(15,466)
Fund balance, beginning of year	<u>431,854</u>	<u>447,320</u>
Fund balance, end of year	<u>\$488,997</u>	<u>\$431,854</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		2001	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Intergovernmental revenues:				
Louisiana Department of Transportation and Development	\$5,618	\$7,000	\$1,382	\$7,000
Interest	4,500	9,153	4,653	9,626
Grants and other miscellaneous revenue	0	0	0	0
Total revenues	10,118	16,153	6,035	16,626
Expenditures:				
General government-				
Accounting	3,200	3,000	200	2,690
Equipment repair & maintenance	5,000	5,169	(169)	863
Engineering fees	0	6,572	(6,572)	0
Insurance	29,500	26,460	3,040	27,400
Miscellaneous	3,466	2,772	694	1,138
Salaries	65,777	73,744	(7,967)	62,424
Supplies & materials	26,000	37,138	(11,138)	26,347
Payroll taxes	5,182	5,732	(550)	4,817
Truck expense	12,500	9,652	2,848	15,475
Retirement	1,720	2,650	(930)	2,020
Contract labor and hauling	6,500	11,388	(4,888)	25,109
Workmen's compensation	5,100	6,006	(906)	4,705
Legal	150	26	124	0
Travel and seminars	150	264	(114)	35
Total general government	164,245	190,573	(26,328)	173,023

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2002 AND 2001

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Expenditures: (continued)				
Highways and streets:				
Street signs	\$3,000	\$191	\$2,809	\$0
Equipment	39,000	38,999	1	18,800
Street construction	0	0	0	0
Street repair	<u>175,000</u>	<u>155,482</u>	<u>19,518</u>	<u>241,387</u>
Total highways and streets	<u>217,000</u>	<u>194,672</u>	<u>22,328</u>	<u>260,187</u>
Total expenditures	381,245	385,245	(4,000)	433,210
Excess (deficiency) of revenues over expenditures	<u>(371,127)</u>	<u>(369,092)</u>	<u>2,035</u>	<u>(416,584)</u>
Other financing sources:				
Operating transfers (to) from:				
Sales tax fund	<u>389,301</u>	<u>426,235</u>	<u>36,934</u>	<u>401,118</u>
Total other financing sources	<u>389,301</u>	<u>426,235</u>	<u>36,934</u>	<u>401,118</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	18,174	57,143	38,969	(15,466)
Fund balance, beginning of year	<u>431,854</u>	<u>431,854</u>	<u>0</u>	<u>447,320</u>
Fund balance, end of year	<u>\$450,028</u>	<u>\$488,997</u>	<u>\$38,969</u>	<u>\$431,854</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
DEQ GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	June 30,	
	2002	2001
ASSETS		
Cash	\$11,269	\$0
Investments	192,093	131,657
Interest receivable	45	67
Ad valorem taxes receivable	802	0
Due from general fund	906	412
	<u>\$205,115</u>	<u>\$132,136</u>
LIABILITIES AND FUND BALANCES		
Due to Utility Fund	\$110,778	76,778
Interest payable	1,984	0
Fund balances - designated for debt service	92,353	55,358
	<u>\$205,115</u>	<u>\$55,358</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
DEQ GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	2002	2001
Revenues:		
Taxes - ad valorem	\$136,383	\$138,370
Interest	<u>6,820</u>	<u>2,809</u>
Total revenues	<u>143,203</u>	<u>141,179</u>
Expenditures:		
Principal retirement	95,000	82,000
Interest coupons paid	<u>11,208</u>	<u>3,821</u>
Total expenditures	<u>106,208</u>	<u>85,821</u>
Excess of revenues over expenditures	<u>36,995</u>	<u>55,358</u>
Other financing sources (uses):		
Proceeds from bonds issued	224,673	460,094
Proceeds transferred to Utility Fund	(224,673)	(460,094)
Residual transfer (to) from General Fund	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Excess of revenues over expenditures after transfers	36,995	55,358
Fund balances, beginning of year	<u>55,358</u>	<u>0</u>
Fund balances, end of year	<u>\$92,353</u>	<u>\$55,358</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
DEQ GENERAL OBLIGATION BONDS
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2002

	2002		VARIANCE FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
Revenues:				
Taxes - ad valorem	\$139,921	\$136,383	(\$3,538)	\$138,370
Interest	5,000	6,820	1,820	2,809
Total revenues	<u>144,921</u>	<u>143,203</u>	<u>(1,718)</u>	<u>141,179</u>
Expenditures:				
Principal retirement	95,000	95,000	0	82,000
Interest coupons paid	11,000	11,208	(208)	3,821
Total expenditures	<u>106,000</u>	<u>106,208</u>	<u>(208)</u>	<u>85,821</u>
Excess of revenues over expenditures	<u>38,921</u>	<u>36,995</u>	<u>(1,510)</u>	<u>55,358</u>
Other financing sources (uses):				
Proceeds from bonds issued	224,673	224,673	0	460,094
Proceeds transferred to Utility Fund	(224,673)	(224,673)	0	(460,094)
Residual transfer (to) from General Fund	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures after transfers	<u>38,921</u>	<u>36,995</u>	<u>(1,510)</u>	<u>55,358</u>
Fund balance, beginning of year	<u>55,358</u>	<u>55,358</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$94,279</u>	<u>\$92,353</u>	<u>(\$1,510)</u>	<u>\$55,358</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2002 AND 2001

ASSETS	2002	2001
Current assets:		
Cash and cash equivalents	\$13,838	\$18,103
Investments, at cost	4,686	15,075
Receivables:		
Accrued interest and other	2,334	3,675
Utility bills	148,691	123,591
Due from Debt Service Fund	110,778	76,778
Prepaid expenses	11,604	10,791
	<hr/>	<hr/>
Total current assets	291,931	248,013
Restricted assets:		
Cash and cash equivalents:		
Customers' meter deposits:		
Cash	10,134	7,910
Time certificates of deposit, at cost	83,926	70,960
Construction and DEQ bond restricted funds:		
Cash	615,901	157,256
Time certificates of deposit, at cost	502,352	593,583
Revenue bond & interest sinking fund:		
Money market account	31,882	28,596
Depreciation & contingency fund:		
Time certificate of deposit, at cost	228,503	218,563
Revenue bond reserve fund:		
Time certificate of deposit, at cost	58,000	58,000
Due from sales tax fund	24,006	21,761
	<hr/>	<hr/>
Total restricted assets	1,554,704	1,156,629
Plant and equipment, at cost, net of accumulated depreciation (2002 - \$2,585,447; 2001 - \$2,429,279)	6,082,857	4,970,140
	<hr/>	<hr/>
Total assets	<u>\$7,929,492</u>	<u>\$6,374,782</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2002 AND 2001

LIABILITIES AND FUND EQUITY

	2002	2001
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$25,987	\$21,807
Payroll and payroll taxes payable	11,285	11,197
Sales tax payable	1,501	1,272
Due to general fund	236,186	223,295
Due to street & sidewalks fund	52,046	37,046
	<u>327,005</u>	<u>294,617</u>
Current liabilities (payable from restricted assets):		
Revenue bonds payable	25,000	20,000
DEQ bonds payable	238,000	0
Accounts payable-construction	216,609	14,503
Interest coupons payable	17,428	16,735
Customers' meter deposits	84,335	78,870
	<u>581,372</u>	<u>130,108</u>
Long-term liabilities:		
1977 Revenue bonds payable	570,000	595,000
DEQ Bonds payable	767,545	167,565
Accumulated unpaid vacation	19,689	20,499
	<u>1,357,234</u>	<u>783,064</u>
	<u>2,265,611</u>	<u>1,207,789</u>
Fund equity:		
Contributed capital-		
FHA grants	467,000	467,000
Municipality	1,224,767	1,000,094
HUD grants	100,000	100,000
EPA grants	1,037,682	1,037,682
LDUCA - CDB grant	1,901,709	1,901,709
State of Louisiana	11,053	11,053
Sabine Parish Police Jury	8,021	8,021
	<u>4,750,232</u>	<u>4,525,559</u>
Retained earnings:		
Reserved-		
Reserved for revenue bond reserve fund	58,000	58,000
Reserved for depreciation & contingency fund	228,503	217,663
Reserved for construction	925,650	758,096
Unreserved (deficit)	(298,504)	392,325
	<u>913,649</u>	<u>641,434</u>
	<u>5,663,881</u>	<u>5,166,993</u>
	<u>\$7,929,492</u>	<u>\$6,374,782</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)-
 UTILITY FUND
 BUDGET (GAAP BASIS) AND ACTUAL
 YEARS ENDED JUNE 30, 2002 AND 2001

	2002		2001	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Operating revenues:				
Charges for services:				
Water charges	\$650,000	\$631,450	(\$18,550)	\$712,747
Sewer charges	163,000	161,129	(1,871)	162,713
Water connection charges	14,000	16,958	2,958	13,212
Delinquent charges	8,000	10,741	2,741	8,006
Miscellaneous	6,000	19,497	13,497	6,897
Total operating revenues	<u>841,000</u>	<u>839,775</u>	<u>(1,225)</u>	<u>903,575</u>
Operating expenses:				
Salaries	242,122	214,346	27,776	226,662
Insurance	52,300	44,585	7,715	50,570
Supplies	29,100	41,814	(12,714)	42,923
Contract labor	0	7,091	(7,091)	1,822
Bad debt expense	1,500	3,434	(1,934)	3,226
Legal and accounting	6,950	4,507	2,443	4,010
Repairs and maintenance	31,500	24,608	6,892	14,476
Truck expense	16,000	9,180	6,820	13,487
Telephone	6,800	7,224	(424)	6,164
Rent	200	394	(194)	2,014
Office supplies and postage	6,600	7,583	(983)	5,965
Retirement	6,100	7,357	(1,257)	7,767
Payroll taxes	18,523	15,576	2,947	16,997
Utilities	122,000	95,301	26,699	132,471
Freight	1,200	315	885	300
Miscellaneous	11,315	19,484	(8,169)	13,613
Testing fees	3,600	6,671	(3,071)	3,164
Water treatment plant supplies	50,000	61,728	(11,728)	66,457
Sewer plant supplies	15,000	22,250	(7,250)	17,229
Water purchased	35,000	34,943	57	42,006
Depreciation	157,000	162,447	(5,447)	158,224
Professional fees	0	3,970	(3,970)	0
Travel and seminars	3,400	2,896	504	2,284
Total operating expenses	<u>816,210</u>	<u>797,704</u>	<u>18,506</u>	<u>831,831</u>
Operating income (loss)	<u>24,790</u>	<u>42,071</u>	<u>17,281</u>	<u>71,744</u>
Nonoperating revenues (expenses):				
Interest income	25,000	47,276	22,276	46,037
Transfer from sales tax fund	194,650	213,118	18,468	200,559
Interest expense	(30,250)	(30,250)	0	(31,250)
Total nonoperating revenues (expenses)	<u>189,400</u>	<u>230,144</u>	<u>40,744</u>	<u>215,346</u>
Net income (loss)	214,190	272,215	58,025	287,090
Retained earnings, beginning of year	<u>641,434</u>	<u>641,434</u>	<u>0</u>	<u>354,344</u>
Retained earnings (deficit), end of year	<u>\$855,624</u>	<u>\$913,649</u>	<u>\$58,025</u>	<u>\$641,434</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 2002 AND 2001

	2002	2001
General fixed assets, at cost		
Land	\$116,366	\$116,366
Buildings and improvements	413,859	413,526
Streets and traffic equipment	5,935	5,935
Equipment	768,150	330,348
Automobiles and trucks	<u>256,698</u>	<u>236,040</u>
Total general fixed assets	<u>\$1,561,008</u>	<u>\$1,102,215</u>
Total investment in general fixed assets	<u>\$1,561,008</u>	<u>\$1,102,215</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 YEAR ENDED JUNE 30, 2002

	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
Land	\$116,366	\$0	\$0	\$116,366
Buildings and improvements	413,526	333	0	413,859
Streets and traffic control equip.	5,935	0	0	5,935
Machinery and equipment	330,348	437,802	0	768,150
Automobiles and trucks	<u>236,040</u>	<u>20,658</u>	<u>0</u>	<u>256,698</u>
Total general fixed assets	<u>\$1,102,215</u>	<u>\$458,793</u>	<u>\$0</u>	<u>\$1,561,008</u>

The accompanying notes are an integral part of these statements.

EXHIBIT K

TOWN OF MANY, LOUISIANA
 STATEMENT OF GENERAL LONG-TERM DEBT
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	DEQ GENERAL OBLIGATION BONDS	ACCUMULATED UNPAID VACATION	TOTALS
		2002	2001
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT			
Amount available in Debt Service Fund for debt retirement	\$205,115	\$205,115	\$132,136
Amount to be provided from ad valorem taxes	302,652	302,652	245,958
Amount to be provided from general revenues	0	0	0
AMOUNT TO BE PROVIDED FOR ACCUMULATED UNPAID VACATION			
Amount to be provided from general revenues		23,864	33,147
Amount to be provided from sales tax revenues for Street Fund		1,055	2,838
Total available and to be provided	<u>\$507,767</u>	<u>\$532,686</u>	<u>\$23,536</u>
GENERAL LONG-TERM DEBT PAYABLE			
Bonds payable	\$507,767	\$507,767	\$378,094
Accumulated unpaid vacation		24,919	35,985
Total general long-term debt payable	<u>\$507,767</u>	<u>\$532,686</u>	<u>\$414,079</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
CAPITAL PROJECTS FUNDS
LCDBG FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2002 AND 2001

ASSETS	2002	2001 Contract 107-000497
Cash	\$0	\$371
LCDBG grant revenue receivable	<u>0</u>	<u>1,449</u>
Total assets	<u>\$0</u>	<u>\$1,820</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
LCDBG grant contracts payable	\$0	\$1,820
Total liabilities	<u>0</u>	<u>1,820</u>
Fund balance - unreserved	<u>0</u>	<u>0</u>
Total liabilities and fund balance	<u>\$0</u>	<u>\$1,820</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
 CAPITAL PROJECTS FUNDS
 LCDBG FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001 (Contract 107-000497)
Revenues:		
LCDBG grant	\$0	\$236,882
Local contributions	<u>0</u>	<u>8,794</u>
Total revenues	<u>0</u>	<u>245,676</u>
Expenditures:		
Administration	0	16,236
Acquisition	0	0
Engineering	0	0
Construction	<u>0</u>	<u>229,440</u>
Total expenditures	<u>0</u>	<u>245,676</u>
Excess of revenues over expenditures	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>
Fund balance, end of year	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
BOND MATURITY SCHEDULE - UTILITY FUND
JUNE 30, 2002

UTILITY REVENUE BONDS - DECEMBER 30, 1977

FISCAL YEAR ENDING JUNE 30,	BOND NUMBERS	INTEREST PAYMENTS		TOTAL INTEREST	PRINCIPAL DUE DECEMBER 30	TOTAL PAYMENTS
		DECEMBER 30	JUNE 30			
2002	289-308		\$14,875	\$14,875		\$14,875
2003	309-333	\$14,875	14,250	29,125	\$25,000	54,125
2004	334-358	14,250	13,625	27,875	25,000	52,875
2005	359-383	13,625	13,000	26,625	25,000	51,625
2006	384-413	13,000	12,250	25,250	30,000	55,250
2007	414-443	12,250	11,500	23,750	30,000	53,750
2008	444-478	11,500	10,625	22,125	35,000	57,125
2009	479-513	10,625	9,750	20,375	35,000	55,375
2010	514-548	9,750	8,875	18,625	35,000	53,625
2011	549-583	8,875	8,000	16,875	35,000	51,875
2012	584-623	8,000	7,000	15,000	40,000	55,000
2013	624-663	7,000	6,000	13,000	40,000	53,000
2014	664-708	6,000	4,875	10,875	45,000	55,875
2015	709-753	4,875	3,750	8,625	45,000	53,625
2016	754-798	3,750	2,625	6,375	45,000	51,375
2017	799-848	2,625	1,375	4,000	50,000	54,000
2018	849-903	1,375		1,375	55,000	56,375
Totals		<u>\$142,375</u>	<u>\$142,375</u>	<u>\$284,750</u>	<u>\$595,000</u>	<u>\$879,750</u>

Supplementary schedule. Presented as additional analytical data.

TOWN OF MANY, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Louisiana Office of Community Services			
Emergency Shelter Grants Program	14.231	559291	3,929
Emergency Shelter Grants Program (note-these grants passed through to Project Celebration, Inc.)	14.231	570992	11,703
U. S. DEPARTMENT OF JUSTICE			
COPS in Schools	16.710	2001SHWX0431	10,078
COPS More01 Award	16.710	2001CMWX0190	29,686
Equipment grant	16.592	Z00-1-018	4,311
Passed through Louisiana Law Enforcement Agency			
Safe and Sober Campaign	16.710	J7 02-03-18/157 02-02-18	1,500
U. S. ENVIROMENTAL PROTECTIN AGENCY			
Passed through Louisiana Department of Enviromental Quality			
Water quality revolving loan program	66.468		1,171,654
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-22-0030-03	248,908
			<u>\$1,481,769</u>

NOTE - The above schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Supplementary schedule. Presented as additional analytical data.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

I have audited the general purpose financial statements of the Town of Many, Louisiana, and the combining, individual fund, and account group financial statements of the Town of Many, Louisiana, for the year ended June 30, 2002, and have issued my report thereon dated June 20, 2003. 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 United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Many, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provision was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*:

1. **Existing condition**

The audit of the Town's financial statements was not completed within the required six months as required by Louisiana law, due to an unexpected serious medical problem encountered by the auditor during December 2002. The auditor is a sole practitioner, therefore he had to recover from his illness before the audit could be completed.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Many, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over

financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Mayor, Board of Aldermen, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



EUGENE W. FREMAUX II, CPA
June 20, 2003

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

Compliance

I have audited the compliance of the Town of Many, Louisiana, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The Town of Many, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Many, Louisiana's management. My responsibility is to express an opinion on the Town of Many, Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Many, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Town of Many, Louisiana's compliance with those requirements.

In my opinion, the Town of Many, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the Town of Many, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Town of Many, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing

procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the Mayor, Board of Aldermen, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



EUGENE W. FREMAUX II, CPA

June 20, 2003

Town of Many, Louisiana
**Schedule of Findings and Questioned Costs
and
Summary Schedule of Prior Audit Findings**
June 30, 2002

SCHEDULE OF FINDINGS AND QUESTIONED COSTS:

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Many, Louisiana.
2. One reportable conditions relating to the audit of the general purpose financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the general purpose financial statements of the Town of Many, Louisiana were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program is reported in the report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the Town of Many, Louisiana expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program for the Town of Many, Louisiana.
7. The program tested as a major program was a Drinking Water Revolving Loan Fund Program from the U.S. Environmental Protection Agency, passed through the State of Louisiana.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Town of Many, Louisiana was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

The audit of the Town's financial statements was not completed within the required six months as required by Louisiana law, due to an unexpected serious medical problem encountered by the auditor during December 2002. The auditor is a sole practitioner, therefore he had to recover from his illness before the audit could be completed.

C. Findings and Questioned Costs - Major Federal Award Program Audit

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:

There were no findings or questioned costs for the year ended June 30, 2001.